

# **NORTH YORKSHIRE COUNTY COUNCIL**

## **CYPS EXECUTIVE MEMBERS**

**23<sup>RD</sup> FEBRUARY 2021**

### **2021/2022 EARLY YEARS FUNDING FORMULA**

#### **1.0 PURPOSE OF THE REPORT**

- 1.1 To agree recommendations to change the funding rates paid to early years' providers for the funded entitlement for 3 & 4 year olds and disadvantaged 2 year olds for the 2021/22 financial year.
- 1.2 The recommendations have been endorsed 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 2021/22.

#### **2.0 BACKGROUND**

- 2.1 The Early Years National Funding Formula provides a local authority funding rate for three and four olds in North Yorkshire at the funding floor level of £4.38 per hour. This funding rate provides the calculation basis for the 2020/21 three and four year old Early Years DSG allocation. The local authority hourly funding rate covers both the costs of provider funding and any central services related to early years provision that are provided free at the point of delivery.
- 2.2 On the 17<sup>th</sup> December 2020, the DfE announced an increase in the early years' local authority funding rate for the 2021/22 financial year. The funding rate for three and four year olds in North Yorkshire will increase by 6p per hour from £4.38 per hour to £4.44 per hour. The level of funding for disadvantaged two year olds will also increase by 8p per hour from £5.28 per hour to £5.36 per hour. There is no increase in the level of the early years' pupil premium and the disability access funding.
- 2.3 The regulations accompanying the Early Years National Funding Formula restrict the level of three and four year old funding which can be retained for the delivery of centrally managed services associated with early years' provision. The level of funding allowed to be retained is 5%.
- 2.4 In addition to the three and four year old funding, the Early Years DSG allocation also includes funding for disadvantaged two year olds, early years pupil premium, disability access funding and maintained nursery school supplementary funding.
- 2.5 The three and four year old funding rate paid to early years providers consists of a base funding rate and funding supplements. The provider base funding rate for 2020/21 is £4.09 per hour. Within North Yorkshire funding supplements are paid for deprivation, which is a mandatory funding supplement, and sparsity.

### 3.0 CONSULTATION ON THE PROVIDER BASE FUNDING RATE FOR DISADVANTAGED TWO YEAR OLDS AND THREE & FOUR YEAR OLDS FOR THE 2021/22 FINANCIAL YEAR

3.1 A funding consultation has been held with Early Years providers in order to gain views on the proposal to increase the 2021/22 base provider funding rates by the level of increase received in the Local Authority early years DSG funding rate. The consultation was undertaken between 13th December 2021 and 10<sup>th</sup> February 2021. A copy of the consultation document can be found at Appendix 1 to this report.

3.2 The proposed funding rates consulted on were:

	<b>Proposed 2021/22 hourly base funding rate</b>	<i>2021/22 proposed increase in hourly base funding rate</i>	<i>2020/21 hourly base funding rate</i>
Disadvantaged 2 Year Olds	<b>£5.36</b>	£0.08	£5.28
3 & 4 Year Olds Universal & Extended Entitlement	<b>£4.15</b>	£0.06	£4.09

3.3 167 responses were received to the consultation, as shown below.

LA Maintained Nursery School	1
LA Maintained Schools and Academies	29
Independent Schools	2
Full Day Care	42
Sessional Care	26
Child Minder	66
Primary School not currently offering early years' provision	1

**Total 167**

(Response rate: 36% of funded early years providers)

3.4 Providers were asked to indicate their agreement to the proposed funding rate increases. The consultation results are detailed in the table below:

<b>In Agreement With Proposed Funding Rate Increase</b>	<b>2021/22 Disadvantaged 2 Year Old Provider Base Funding Rate: £5.36 Per Hour</b>	<b>2021/22 3 &amp; 4 Year Old Provider Base Funding Rate: £4.15 Per Hour</b>
<b>Yes</b>	<b>156</b>	<b>128</b>
<b>No</b>	<b>11</b>	<b>37</b>
<b>No Response Provided</b>	<b>0</b>	<b>2</b>
<b>Total</b>	<b>167</b>	<b>167</b>

Appendix 2 to this report provides details of the comments received from early years' providers to the consultation questions

- 3.5 Based on the consultation responses received from early years' providers, it is recommended that the provider base funding rates for the 2021/22 financial year are increased from £5.28 to £5.36 per hour for the funded entitlement for disadvantaged 2 year olds and from £4.09 per hour to £4.15 per hour for the funded entitlement for 3 & 4 year olds.

#### 4.0 2021/22 OTHER EARLY YEARS FUNDING ELEMENTS

- 4.1 The funding levels received from the DfE for the other early years funding rates remain unchanged for 2021/22. In this respect, the 2021/22 rates for the other funding elements are as follows:

<b>Funding Element</b>	<b>Funding Level Received by LA &amp; Paid To Providers</b>
Early Years Pupil Premium	£0.53 / Per Hour (Universal Hours)
Disability Access Funding	£615 per annum per eligible child

- 4.2 The funding supplements are paid to early years providers in addition to the 3 & 4 year old provider base rate fund. These supplements will remain unchanged for the 2021/22 financial year and are as follows:

- i. Deprivation funding supplement (mandatory)

<b>Band</b>	<b>2021/22 Deprivation Hourly Funding Rate</b>	<b>IMD Score</b>
Band A	54p	>34.17
Band B	7p	>20 <34.17
Band C	4p	>10 <20

- ii. Sparsity funding supplement

An overall allocation of £50,000 will be available in the 2021/22 financial year to provide sparsity funding support.

- 4.2 The DfE have provided specific supplementary funding for maintained nursery schools to enable their 2016/17 funding levels related to the delivery of universal provision to continue to be maintained. This enables a higher level of funding to continue to be paid to maintained nursery schools during the period which the supplement funding is in place. For the 2021/22 financial year, the DfE have stated that part of the supplementary funding allocations are published as indicative, and part as conditional. The allocations for April 2021 to August 2021 are indicative and will be updated on the same basis as the universal entitlements. However, the MNS supplementary funding allocations for September 2021 to March 2022 are conditional and may be subject to change. The DfE has advised that local authorities should treat the MNS

supplementary funding allocation for this period as unconfirmed. The DfE have indicated that more information on funding arrangements in this period will follow.

## 5.0 RECOMMENDATIONS

### 5.1 To:

- i. Agree the recommendation to increase the provider base funded rate for the universal and extended funded entitlement for 3 & 4 year olds from £4.09 per hour to £4.15 per hour for the 2021/22 financial year.
- ii. Agree the recommendation to increase the provider funding rate for disadvantaged 2 year olds from £5.28 to £5.36 for the 2021/22 financial year
- ii. Note the 2021/22 funding rates for the other early years funding elements

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# **NORTH YORKSHIRE COUNTY COUNCIL**

## **EARLY YEARS FUNDING RATES**

**(Disadvantaged 2 year olds and 3 & 4 year olds)**

## **A CONSULTATION PAPER**

**13 January 2021**

Deadline for responses: 5pm

10<sup>th</sup> February 2021

- 1.0 Background and introduction**
- 2.0 Disadvantaged two year old proposed 2021/22 provider funding rate**
- 3.0 Three and four year old proposed 2021/22 provider funding rate**
- 4.0 Three and four year old funding supplements**
- 5.0 Consultation process**

## **1.0 Background and Introduction**

- 1.1 On 17th December 2020 the Department for Education (DfE) confirmed that the early years funding rates used to distribute funding to local authorities will increase in North Yorkshire by 8p per hour for disadvantaged two year olds and by 6p per hour for three and four year olds.
- 1.2 The DfE have also confirmed that the national funding rate for the early years' pupil premium is 53p per eligible child per hour, and the Disability Access Fund is £615 per eligible child per year. Both of these rates are unchanged from 2020-21. Indicative funding allocations have been received for the Maintained Nursery Schools Supplementary Funding Grant for the period April to August 2021 and conditional allocations, which may be subject to change, have been received for the period September 2021 to March 2022.

## **2.0 Disadvantaged Two Year Old Proposed 2021/22 Provider Funding Rate**

- 2.1 It is proposed to increase the disadvantaged two year old hourly funding rate paid to providers by 8p per hour from £5.28 to £5.36 for the 2021/22 financial year.

## **3.0 Three and Four Year Old Proposed 2021/22 Provider Funding Rate**

- 3.1 In respect of the three and four year old funding rates, North Yorkshire will receive an increase in the local authority rate from £4.38 per hour to £4.44 from 1<sup>st</sup> April 2020. The local authority hourly funding rate covers both the costs of provider funding and any central services related to early years' provision that are provided by the Local Authority free at the point of delivery.
- 3.2 The regulations accompanying the Early Years National Funding Formula (EYNFF) restrict the level of the three and four year old funding rate which can be retained by the local authority for the delivery of centrally managed services associated with early years' provision. The level of funding allowed to be retained is a maximum of 5%.
- 3.3 It is proposed to increase three and four year old universal and extended entitlement hourly funding rate paid to providers by 6p per hour from £4.09 to £4.15 for the 2021/22 financial year.

## **4.0 Three and Four Year Old Funding Supplements**

- 4.1 The three and four year old funding rate paid to early years providers consists of a base funding rate hour and funding supplements. Within North Yorkshire the funding supplements are:
  - deprivation (mandatory funding supplement), and
  - sparsity (optional supplement)

- 4.2 Deprivation funding is paid at the end of each term, and is 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.

The deprivation funding rates for the 2021/22 financial year will be unchanged as follows:

<b>Band</b>	<b>2021/22 Deprivation Hourly Funding Rate</b>	<b>IMD Score</b>
Band A	54p	>34.17
Band B	7p	>20 <34.17
Band C	4p	>10 <20

- 4.3 Sparsity funding within North Yorkshire is used to support providers in areas where there is limited choice of early years provision, and for whom without sparsity funding they would struggle to remain viable. Providers must apply for the funding and meet the following criteria:-

- There is not a similar provider within 3 miles, and where for at least 50% of children attending the setting it is their nearest similar provider within 3 miles
- Provider is projecting that they will be operating at a loss in the next 12 months
- Provider has less than 3 months operating costs within their reserves
- Funding is based on a financial assessment carried out by NYCC
- Maximum award £16k

An overall allocation of £50,000 will be available in the 2021/22 financial year to provide sparsity funding support.

## 5.0 Consultation Process

Providers are asked to complete the online survey at <https://consult.northyorks.gov.uk/snapwebhost/s.asp?k=161001788057> to tell us your views on the proposals for early years funding rates for the 2021/22 financial year detailed in sections 2 and 3 above. The survey will be open until 5.00pm on Wednesday, 10<sup>th</sup> February 2021.

The responses received to this consultation will be considered by the NYCC Executive Members for the Children & Young People's Service in their decision making process in relation to early years' funding rates for the 2021/22 financial year.

Provider comments received on the proposed increase in the provider base funding rate for disadvantaged 2 years	
Provider Type	Comment
Childminder	I don't the funding warrants the work we do.
Full Day Care (open at least 45 weeks per annum)	I believe that this is the best increase that can be achieved with the totally insulting increase from central government. At a time when the country is in the grip of this pandemic and Early Years is playing a pivotal role by staying open, it is derisory to allocate just £44m nationally.
Full Day Care (open at least 45 weeks per annum)	None
Childminder	No
Sessional Care	This increase is not enough to make an impact on our increased costs and provision of care for 2 year olds. Many of our qualified staff are currently on the National Living Wage as we cannot afford to pay them more and we feel this pay does not reflect the work they do. Early Years is classed as essential in the current Covid pandemic as we have to remain open, yet the rates we are paid from our local authority make it increasingly difficult for us to continue as a non-profit making charity business and to provide childcare for our local community. All of our costs have increased over the past year and the proposed increase is simply not adequate to ensure we can continue to provide provision.
Sessional Care	Still feel that we are underfunded especially as many funded 2 year olds come with additional needs as well as requiring a higher staff ratio
Full Day Care (open at least 45 weeks per annum)	With the support the Early Years gives we know you need to keep a % so that you can facilitate things you do for us now. We have only one two year funded place so it doesn't have a huge impact on us, plus the parent pays for extra sessions.
Childminder	No

Full Day Care (open at least 45 weeks per annum)	I do agree to an increase in funding however the funding is not enough and we have to rely on non funded children income to support the nursery.
Full Day Care (open at least 45 weeks per annum)	the base rate does not cover our hourly rate based on a half day session we still have a shortfall of 24 pence an hour. however if a child takes a full day session we are £1.06 pence up on our hourly rate . But we don't get many families that choose the full day session at this age. so overall this still does not meet our hourly rates.
Academy	None
Governor run Pre-School	Given the extra staff required to care for this age group, no it's not adequate enough.
Childminder	This should be the minimum paid for all children!
Full Day Care (open at least 45 weeks per annum)	This is not quite sufficient to cover costs, although has little effect on our income, as our numbers of funded two year olds are low and usually range from 0 to 4% of the total number of preschool children who attend the Centre on a weekly basis (0-3 children).
Childminder	Yes as this is in line with current hourly rates for our area.
Maintained Nursery Class	No
Sessional Care	This still does not cover our costs but the increase is appreciated
Maintained Nursery class	No
Childminder	No
Full Day Care (open at least 45 weeks per annum)	Would like it to be more

Full Day Care (open at least 45 weeks per annum)	This is an insult to our profession. The funding is not based on realistic figures. It does not take into consideration the pension contributions the continuous increase in the Living Wage the proposed increase in Tax contribution the general cost of living. We have not been able to give our qualified staff a pay increase because we have to pay the increase living wage which means soon my qualified staff will receive the same pay as unqualified staff. The additional cost we have incurred do to Corvid with extra cleaning material PPR , having to pay wages in advance when you furlough staff and being unable to claim it back for several weeks puts financial stress on the setting. We are forced into making the provision for our children without getting realistic funding to cover our overheads. So many groups have closed down permanently as they have been struggling through lack of appropriate funding to survive. Schools have been allocated extra funding to deal with the additional costing why is this not happening in the early year sector? We have stayed open throughout the pandemic without any acknowledgement or financial support.I have worked in child care over 30 years when will this penny pinching change and our sector given appropriate funding?
Full Day Care (open at least 45 weeks per annum)	NYCC have been extremely supportive during this horrid time and I am sure that again they are working to give us the best rate possible. It is however still below our hourly rates and our increasing costs for staff wages and PPE will again not be covered.
Full Day Care (open at least 45 weeks per annum)	I have stated that I agree, but would like to make the comment that hourly funding rate does not cover our costs
Sessional Care	It is a small percentage increase
Sessional Care	I would rather have the £0.08 increase added to the the base rate for 3 & 4 year olds and 2 year old base rate remain at £5.28.
Sessional Care	Any help to increase provision for these children is appreciated.
Full Day Care (open at least 45 weeks per annum)	No
Sessional Care	We are grateful for the increase as it does help towards the running cost of the setting and helping to provide a safe and happy environment for our children and staff.

Appendix 2 - 2021/22 Early Years Funding – Provider Comments

Full Day Care (open at least 45 weeks per annum)	Needs to be higher to support nurseries who are paying higher increases on NMW and maintaining bubbles (meaning extra staff) as well.
Full Day Care (open at least 45 weeks per annum)	This increase still does not cover the national minimum wage which increases in April, the amount of resources that are needed, training for staff, snacks to be provided twice daily, outgoing bills i.e. council tax, rubbish collection, water, gas, electric etc.
Academy	not applicable to our setting

Provider comments received on the proposed increase in the provider base funding rate for 3 & 4 year olds	
Provider Type	Comment
Childminder	Although the rate is still less than my hourly rate !
Childminder	Still not enough!
Childminder	No
Full Day Care (open at least 45 weeks per annum)	I still think this could be more effective in settings with better quality staff and level for all children if the rate was higher . Most settings hourly rate is £6+ . This only covers 2/3 of an hours rate per child- making a huge loss over the month/term Approx £27.75 per child each week x 10 funding children =£277.50 per week x 4 =£1110 per month loss !!!! On Average. .
Childminder	As above, I don't think the funding warrants what we do.
Childminder	It is a ridiculously low increase. It is hugely below my hourly rate.
Childminder	The gap between the funding rate and my settings hourly fees is widening. As a childminder employing assistants on a ratio of 1 staff:3 children the funded hourly rate does not cover my staff costs. I will have to seriously think about if I can continue to accept funded children.
Full Day Care (open at least 45 weeks per annum)	Thank you for the increase.
Full Day Care (open at least 45 weeks per annum)	I believe that this is the best increase that can be achieved with the totally insulting increase from central government. At a time when the country is in the grip of this pandemic and Early Years is playing a pivotal role by staying open, it is derisory to allocate just £44m nationally.
Full Day Care (open at least 45 weeks per annum)	None
Childminder	No
Sessional Care	Comments as above for funded 2 year olds. Also, with the 3&4 year olds we have had to factor in the increasing number of children funded for 30 hours per week which has also had a negative affect on our finances. The rates of pay do not cover our costs of running, overheads and staffing our pre-school. For what are classed as essential workers in the current pandemic, our staff are undervalued and underpaid.

Appendix 2 - 2021/22 Early Years Funding – Provider Comments

Sessional Care	I am being realistic in agreeing to this rate of funding but it barely covers our costs
Full Day Care (open at least 45 weeks per annum)	Our wage bill is going to increase more now as the staff who are 21-23 years will be eligible for national living wage.
Full Day Care (open at least 45 weeks per annum)	The hourly rate for 3 / 4 year funded children has historically always been poor and realistically does not cover the actual costs. Hence the additional charges of meals is applied to try and recuperate some of the costs.
Academy	This should be increased further, as NYCC are clearly retaining more than 5% of the £4.44 = 22p. We should be receiving at least £4.22 for our 3 & 4 Year Olds.
Governor run Pre-School	This should be increased further, as NYCC are clearly retaining more than 5% of the £4.44 = 22p. We should be receiving at least £4.22 for our 3 & 4 Year Olds.
Childminder	No
Governor run Pre-School	The annual increase in the minimum wage means that you either have to pay above the minimum wage to entice staff or keep staff so that they can afford to survive as the cost of living goes up and up every year. if you are depending solely on the fees that come into the setting to be able to afford to keep running and support your staff then the funding that we get from the government nowhere covers the cost of providing resources for the children, rents, utilities, and staffing.
Full Day Care (open at least 45 weeks per annum)	No this is not enough to keep a nursery open. We rely on additional hours paid by parents to keep the nursery viable. As funding is so low our hourly rate for non funded children has to rise further so parents have to pay more for breakfast and extra hours.
Full Day Care (open at least 45 weeks per annum)	The gap seems to get larger an increase 6p an hour does not come near to covering our hourly rate. Our hourly rate based on a 5hr session is £5.60 so we have a shortfall of 1.45 pence an hour although our daily rate is cheaper and the hourly rate works out at £4.30 we still have a shortfall 15 pence an hour so overall we lose out a lot based on these rates . our hourly rate is calculated excluding any meals . in my opinion it would be best if we were paid the £4.44 you receive and passed that onto to us for all children. I don't think the deprivation funding we receive should be worked out via postcode as it still costs us the same to provide care for all children regardless of whether they live in a deprived area or not .Some settings will benefit more than others with the deprivation rate which I feel is unfair. the base rate we are offered for this age range is shocking, something really needs to change in regards to this to protect businesses .
Academy	None

Appendix 2 - 2021/22 Early Years Funding – Provider Comments

Maintained Nursery class	We have lost funding due to children changing provider during the pandemic as they want more hours than we offer and they don't want children mixing bubbles between two providers. The increase is good but with inflation and staff costs it would have been nice to receive more.
Childminder	Although increase is in the right direction it still doesn't cover my hourly rate therefore to offer this I take a loss in earnings
Governor run Pre-School	6p an hour extra is insulting. And with the rising costs of everything else it doesn't cover anything.
Childminder	It is not even close to my own hourly rate of £5.50 - i am losing a lot of money each hour, day, week, year!!
Childminder	I agree there should be an increase but the amount proposed is still way off most childminder rates in the area. By accepting 3&4yr old finding I will be taking a pay cut from £4.50 per hour.
Full Day Care (open at least 45 weeks per annum)	This is insufficient to cover costs, and is only around 60-70% of what we would receive per hour from parents (fees for 10.5 hour day: £56.65 and 5 or 6 hour day: £36.56). However, I am well aware that for historic reasons the central government funding formula provides NYCC with the lowest rate for funding in the country and is therefore the situation cannot be resolved by NYCC without a change in central government policy
Childminder	No as the current rate I charge is £4.75 with a view to increase this later in the year. The funded hourly rate does not cover this so if I have funded children I am left with a shortfall or have to charge parents for food and consumables which some may not be happy with.
Maintained Nursery Class	No
Sessional Care	As above. It is way below what we need to make our business viable, especially taking into account its the same for extended entitlement. We "lose" over £20/week/ child at this new rate
Maintained Nursery class	No
Childminder	The funding rate is low compared to standard hourly rates, and due to the rates been low it means no extra spaces can be provided by having an assistant due to the national minimum wage vs funding rates. £8.72 for an assistant per hour vs £12.45 would leave providers £3.73 just £1 per hour towards a child's costs, training, crafts, activities. It's just not sustainable
Sessional Care	This hourly rate for funding is less than the hourly rate we currently charge parents.
Childminder	No

Appendix 2 - 2021/22 Early Years Funding – Provider Comments

Sessional Care	Given the increase in minimum living wage this seems a little low for an increase
Childminder	Funding is so low as it is and i think its wrong especially as a childminder my ratio numbers is very low, so its not really affordable to do funding. This is why parents have to voluntary contribute to cost, But in this hard times its very difficult to get parents to contribute. 3/4 years funding should be the same rate as 2 years funding.
Childminder	Still doesn't cover the real costs involved.
Childminder	This still does not cover the rate I usually charge, and by accepting a funded child rather than a private paying family I will be working at a loss.
Sessional Care	This increase does not cover the increase in the yearly minimum wage increase which has averaged at 0.50pence per hour. The funding increase should be in line with minimum wage
Childminder	The rate should be higher, most people i know charge at least 4.50 -£5 per hour.
Childminder	My fee is £5.50 an hour so this is still a huge loss to make. I am an outstanding provider but it makes little sense to me to give a place to a funded child when the demand is high for younger children whose parents are willing to pay the correct and fair rate that I charge. Parents should all have the choice of the best quality childcare and early years education so the funding should be reflective of that actual charge so that providers are not faced with a substantial income drop if they take funded children.
Childminder	When you have mainly funded children in you aren't earning as much as you could with younger children
Full Day Care (open at least 45 weeks per annum)	I feel this is not a true reflection on the increase in minimum wage and living costs across the country. The funding has increased by 1.46% which is around 1% lower than the national increase. This has an impact on the industry financially and the gap from what we charge to paying parents and the funding amount is becoming greater each year.
Full Day Care (open at least 45 weeks per annum)	Would like it to be more
Full Day Care (open at least 45 weeks per annum)	Same as above
Childminder	In the statement it says that the local authority funding rate is increasing from 4.38 to 4.44 per hour. Please can you state why this had not been passed directly on to the provider. Also my hourly rate to all non funded children is £5. Please can you explain why you will not match this hourly rate.

Appendix 2 - 2021/22 Early Years Funding – Provider Comments

Full Day Care (open at least 45 weeks per annum)	This still does not represent the true costs, our costs is £5.65 ph
Full Day Care (open at least 45 weeks per annum)	NYCC have been extremely supportive during this horrid time and I am sure that again they are working to give us the best rate possible. It is however way below our hourly rates for this age group and our increasing costs for staff wages and PPE will again not be covered. Any increase is better than none but it is a shame this is how we have to console ourselves.
Full Day Care (open at least 45 weeks per annum)	This is still underfunded for us. As parents are working from home due to covid, we are losing a lot of income as extra sessions are not needed. 2021 will remain a financial struggle for our setting.
Full Day Care (open at least 45 weeks per annum)	Please see my comment above
Childminder	I think the funding rates for 3/4 year old should be higher for childminders, our ratios don't change so by reducing the rate so much when a child turns 3 it makes keeping these children unsustainable for our business
Sessional Care	Again it is an extremely small percentage increase.
Sessional Care	See above. We need as big an increase to the base rate for 3 & 4 year olds as possible, to help offset the losses currently incurred by settings offering funded places. With other mandatory costs such as NMW/NLW increasing, plus reduced occupancy / higher consumable costs due to Coronavirus, a 1.5% funding increase is not enough to ensure sustainability.
Primary School not currently offering early years provision	I think these increases are very much, and I appreciate you passing on this funding to us.
Sessional Care	It will help to bridge the gap between our hourly rate and the funded hours.
Full Day Care (open at least 45 weeks per annum)	its just not in line with current fees it need to be increased to at least £4.95 which is still very low, how are we expected to pay minimum wage on this amount?
Full Day Care (open at least 45 weeks per annum)	No
Academy	Whilst it's good that you are passing on the £0.06 you seem to be retaining around 6% on the government rate of £4.44.

Appendix 2 - 2021/22 Early Years Funding – Provider Comments

Sessional Care	We are grateful for the increase as it does help towards the running cost of the setting and helping to provide a safe and happy environment for our children and staff.
Full Day Care (open at least 45 weeks per annum)	Needs to be higher to support nurseries who are paying higher increases on NMW and maintaining bubbles (meaning extra staff) as well.
Full Day Care (open at least 45 weeks per annum)	This increase still does not cover the national minimum wage which increases in April, the amount of resources that are needed, training for staff, snacks to be provided twice daily, outgoing bills i.e. council tax, rubbish collection, water, gas, electric etc.
Full Day Care (open at least 45 weeks per annum)	We welcome the increase in the hourly rate, however the way that we can charge parents on a voluntary only basis is difficult and not helpful in keeping early years setting sustainable. Although we do recognise this needs to change within central government/DofE but I am hopeful that councils such as yourselves are feeding back the difficulties of delivering funding in this way.

Providers were invited to provider comments about the consultation overall	
Provider Type	Comment
Childminder	No
Full Day Care (open at least 45 weeks per annum)	The expectations settings have to achieve with minimal payment rate form the Government is unrealistic .
Childminder	An increase is a bonus!
Sessional Care	I would like to see DAF available to 2yr olds along with early years pupil premium. School receive pupil premium for all military children and it would be have a huge impact if early years settings qualified for the same level of support especially within the garrison community where the majority of our customers come from.
Full Day Care (open at least 45 weeks per annum)	Yes, I appreciate any increase but I wouldn't consult about it- you'll only get lots of moaning nursery owners complaining that it's not enough- if they don't like it they shouldn't offer funded places!
Full Day Care (open at least 45 weeks per annum)	As a provider with some insight into what goes on in other Local Authorities, I would like to thank North Yorkshire for their pragmatic and supportive approach to working with the PVI sector. I think we are very fortunate that we have a local authority that sees working with us as a co-operative process. Notwithstanding this I would really like N Yorks to continue to push as hard as it can for proper recognition & adequate funding of early years at a National level and would be willing to help in any strategy that would further this. As you know, our level of funding over the last 10/11 years has dropped drastically in real terms and I really do worry that this is becoming less and less sustainable. I think the greatest illustration of this is in the disparity between the 3/4 YO Funding rate and the National / Minimum wage. Since 2010 our funding rate has risen by just 14.33% when wage inflation, driven my NMW/NLW has increased by 50.25%. The reality is that this underfunding is not sustainable in the long term and is a large part of the reason that many providers were already financially challenged even before the Coronavirus Pandemic.
Full Day Care (open at least 45 weeks per annum)	None
Childminder	No
Sessional Care	A full review of early years funding is essential if the government expect this sector to remain available for families to access childcare as it is currently underfunded. Providers will not be able to maintain this level of funding payments (proposed levels included) if they are to remain open in the future.

Appendix 2 - 2021/22 Early Years Funding – Provider Comments

Sessional Care	No
Full Day Care (open at least 45 weeks per annum)	We would not like to lose elements we get now from the local authority as these support mechanisms are useful.
Academy	Please provide a clear breakdown of the central services that the 5% funds as "provided by the Local Authority free at the point of delivery".
Governor run Pre-School	Please provide a clear breakdown of the central services that the 5% funds as "provided by the Local Authority free at the point of delivery".
Childminder	No
Sessional Care	Early years do not have the recognition or funding that primary schools have.
Full Day Care (open at least 45 weeks per annum)	taking the funding rates into account and the amount that wages need to go up to each year i think that we are undervalued in our profession, its hard to pay our staff more than the national living wage while funding rates are so low, recruitment is also a challenge because of the rate of pay but while funding rates are so low i can't see this changing in the future . Our staff do deserve recognition for what they do .
Academy	N/A
Childminder	The council should be using the money they have retained for the early years sector to pay us a fair hourly fee, I know many in our sector who have had to close, or who are close to closing, because we are not fairly paid!!
Maintained Nursery Class	No thank you
Maintained Nursery class	No
Sessional Care	With minimum wage increases and increased running costs, And especially this year with all the increased costs around Covid (Ppe, additional staffing to cover cleaning, closures etc) all funding increases are always helpful. The funding rates overall are sadly still below where they need to be in my opinion, but I know this a national government issue to address.
Childminder	No
Childminder	Any increase is a bonus.
Sessional Care	The funding does not cover our hourly rate; funding should be subsidised not free.

Appendix 2 - 2021/22 Early Years Funding – Provider Comments

Childminder	There should be a flat rate for all funded care, there is nothing more I provide for disadvantaged two year old to the 3/4 year olds in my care. The 3/4 year olds cost more to look after than the 2 year olds do.
Sessional Care	The raise in funding is well overdue but at last it has happened. Thank you
Childminder	Obviously it is preferable that the rate increases rather than depreciates but it is nowhere near enough to reflect the quality of care, commitment of providers and is in fact, insulting when we have had to put ourselves and families at risk, remaining open and on the front line without PPE when other sectors remain closed through the pandemic.
Childminder	I would take on a younger child over a 3, 4 funded child
Full Day Care (open at least 45 weeks per annum)	Interest rates are set to rise, along with wages so we feel this increase is necessary.
Full Day Care (open at least 45 weeks per annum)	Unfortunately I do not believe that any of our concerns will be taken into consideration for you to make appropriate changes that are needed to keep the our sector going. I believe this is only a paper exercise to tick a box. I am very disappointing dishearten and demoralised and I am sure the majority of early years providers would be in agreement with me.
Full Day Care (open at least 45 weeks per annum)	The word 'consultation' has to be in the loosest sense of the word, it implies that we have some control, this is not correct, what is being offered is a preset choice of meagre funds that does not in any way represent what we offer. Funding should only be given to families that have financial or child specific need. It is simply immoral to give funding to families that can easily fund themselves. By abandoning the term 'free' and reducing the net to specific(means and needs tested) funded families, nurseries can charge those who can afford more the true cost and thus avoid more stringent reductions in the quality of their offering and in so doing drive up standards.
Sessional Care	I feel perhaps a larger increase could make a better impact on funding.
Sessional Care	Does NYCC intend to be transparent about any funding underspend, and will these funds be distributed to early years providers as it was intended, either through increasing the base rate or as a one-off payment?
Sessional Care	No, but I wish to thank you for your help during the difficult times we have faced during lockdowns.

Appendix 2 - 2021/22 Early Years Funding – Provider Comments

Maintained Nursery School	My only concern would be that with a maximum pass through of funding - Early Years support from the CC could be impacted. Having said this, however, any rise (no matter how small) is beneficial.
Full Day Care (open at least 45 weeks per annum)	no
Full Day Care (open at least 45 weeks per annum)	No
Sessional Care	No further comments. But would like to say thank you to our finance team who are always there to help in any way they can, very grateful for all their support. thank you.
Full Day Care (open at least 45 weeks per annum)	We are so disappointed with the serious under-funding in early years. We want to employ qualified experienced staff, and staff who are keen to undertake training, but we are unable to pay them the wage that they deserve. If staff are not happy with their rate of pay, they may look for other jobs. The cost of running a nursery, together with a serious decrease in numbers of children attending is a massive worry. Add to this the current covid-19 pandemic, which has led to less children attending and the added costs of providing staff ppe and extra cleaning/fogging the nursery. We are proud of our nursery and the care we provide to all the children; we feel that our service is totally under-funded.