

## North Yorkshire Council

### 2025/26 Early Years Funding Consultation – Provider Comments

#### Question 1

#### 2025/26 Early Years Provider Base Funding Rates

- a. Do you agree with the principle-based proposal for the provider base rate funding for eligible 3 & 4-year olds' universal and working parent entitlement for the 2025/26 financial year

Provider Type	Comment
Childminder	The funding rate for 3-4 year olds is far too low.
Sessional Care	Banding using the postcode of the child attending is not a fair system - just a postcode lottery
Childminder	I personally think that there should be a separate budget for SEND and also the criteria for the deprivation supplement should not be a postcode lottery.
Full Day Care	I agree with the first 2 points, however, with regards to the 3rd point - the deprivation supplement doesn't really suit a purpose for us as a setting. I have some children with a particular postcode getting pennies more per hour, this has little impact and isn't targeted in delivery. I feel that this money could be grouped together and settings could apply for a deprivation grant based on need. There will be some settings who find delivery of funding more of a challenge. This could be because of few children paying private fees which supplement the shortfall in funding, or because of a setting being in a deprived area and who may struggle to provide additional services for children and families who are struggling. This is not across the board and not necessarily post code specific. Some of our most deprived children aren't living in a post code which gets deprivation supplement. Settings incur additional costs to attend TAF meetings, safeguarding meetings etc - these costs are difficult to cover, especially if a child is only attending for 15 funded hours. This represents a huge amount of time with no income coming in to cover admin tasks and meeting attendance. This money could be better allocated supporting settings in these situations. In terms of point 1 & 2 - I would be interested to know exactly what these central services are, as other than the Early Years Funding Team we get very little support in any other area of setting development, sufficiency, disadvantaged children care and SEN care. If a setting has low level need - ie, not a child who receives DAF or who has an EHCP, i currently dont know what help is available to support interventions, 1:1 care for short term medical problems other things involving a higher staff:child ratios. I understand support available through Early Help and through SENDIASS for example, but we do have a feeling that we are swimming a bit solo at the moment. In addition, the rate of funding paid for 3 & 4 year olds is too low and does not reflect the cost of delivering the childcare.

Childminder	I feel that the funding difference between the 3-4 years old and the categories is too vast! I think they should either all be paid the same at an amount of £7.50- £8.00 or you up the 3-4 year olds. Providers aren't going to want to facilitate places for 3-4year olds because of the low funding! We would charge a non funded child £6.50 an hour so you are still quite far under our original charge bracket. This issue needs to be considered greatly as 3-4 year olds are going to be hot potato's that nobody wants do to low funding.
Childminder	As long as the amount providers receive does not decrease. It is very hard to comment without actually knowing the figures!
Full Day Care	Element 2 funding needs to rise with the increased staffing costs to get the full benefit
Childminder	I feel 3% is very reasonable. Thank you
Full Day Care	We are already underfunded, so I don't believe any additional funds should be withheld. We also do not receive central services related to early years. Additionally, our SENIF funding is insufficient to support children who require one-to-one assistance, and it doesn't cover the full hours they attend. Early years settings are struggling with the funding especially on the hourly rate for 3 and 4 years children as it is and settings need every penny. it costs us the same to look after any child therefore the deprivation funding should be shared across all children which could potentially give us a higher hourly rate for all children, not just those in deprived areas.
Full Day Care	Anything to support more funding in SEND - especially the lower level children. Think the rate could be slightly more for this age band
Full Day Care	The services the local authority are a priority, especially if it does not happen yearly.
Childminder	North Yorkshire has one of the lowest funding rates
Sessional Care	The rate of funding does not cover costs and outting settings in financial difficulties and restrictions on consumables charges also hinder buinessess especailly when the setting is solely funded and the funding rate is dictated to us and is very very low
Full Day Care	For the area in which we live in, the funding rate for 3 and 4 year olds is too low.
Full Day Care	I agree with how you are managing the rates with what you have, but the rates are historically low and are only going to fall further and further behind what it costs us to provide this service, especially with the proposed increase in min wage and the government announcing they are going to be "cracking down" on providers charging additional fees for food etc. It is a very scary time for us as providers and it feels like everything is against us.
Childminder	This needs to increase otherwise childminders will not be able to continue caring for 3& 4 year olds at this price and still be able to afford costs/ outgoings etc which will mean they will stop offering the places for that age group due to the number of children to ratios they are allocated by ofsted they will not be able to manage costs.
Full Day Care	Without knowing the proposed rates, new NI rates and new Min wage it is impossible to agree that any proposal will ensure our viability. In addition we cannot receive support for children with very high SEN needs in a timely manner. Given the dearth of available funding it would make more sense to concentrate funding on children with high needs identified by health.
Childminder	The 3 and 4 year olds are underfunded

Sessional Care	I feel the rate for 3 and four year old children should be higher than what is due to the quality of teaching that is needed to prepare these children for school.
Childminder	The 3/4 year old funding is so low its not possible as childminders to be able to provide good quality care for only a ratio of 3 children.
Full Day Care	The need for SEN support is more than ever and needs to be accounted for. And we require the on-going support of the central services.
Full Day Care	We are already underfunded so it's not fair this retention is kept from provider and North Yorkshire is on of the lowest paid in the country

- b. Do you agree with the principle-based proposal for the provider base rate funding for all eligible 2-year olds' (disadvantaged two-year-old entitlement and two-year-old children of working parents' entitlement) for the 2025/26 financial year

Provider Type	Comment
Sessional Care	Banding using the postcode of the child attending - postcode lottery
School	However, if you are holding money back to support with SENIF, then SENIF needs to be more available and quicker. It is very difficult to get any additional funding for SEND in early years
Childminder	Sane as my answer before. Seperate fund for SEND support and deprivation not based on postcode lottery
Full Day Care	I agree with the first 2 points, however, with regards to the 3rd point - the deprivation supplement doesn't really suit a purpose for us as a setting. I have some children with a particular postcode getting pennies more per hour, this has little impact and isn't targeted in delivery. I feel that this money could be grouped together and settings could apply for a deprivation grant based on need. There will be some settings who find delivery of funding more of a challenge. This could be because of few children paying private fees which supplement the shortfall in funding, or because of a setting being in a deprived area and who may struggle to provide additional services for children and families who are struggling. This is not across the board and not necessarily post code specific. Some of our most deprived children aren't living in a post code which gets deprivation supplement. Settings incur additional costs to attend TAF meetings, safeguarding meetings etc - these costs are difficult to cover , especially if a child is only attending for 15 funded hours. This represents a huge amount of time with no income coming in to cover admin tasks and meeting attendance. This money could be better allocated supporting settings in these situations. In terms of point 1 & 2 - I would be interested to know exactly what these central services are, as other than the Early Years Funding Team we get very little support in any other area of setting development, sufficiency, disadvantaged children care and SEN care. If a setting has low level need - ie, not a child who receives DAF or who has an EHCP, i currently dont know what help is available to support interventions, 1:1 care for short term medical problems other things involving a higher staff:child ratios. I understand support available through Early Help and through SENDIASS for example, but we do have a feeling that we are swimming a bit solo at the moment.

Childminder	As long as the amount providers receive does not decrease. It is very hard to comment without actually knowing the figures!
Full Day Care	We are already underfunded, so I don't believe any additional funds should be withheld. We also do not receive central services related to early years. Additionally, our SENIF funding is insufficient to support children who require one-to-one assistance, and it doesn't cover the full hours they attend. Early years settings are struggling with the funding especially on the hourly rate for 3 and 4 years children as it is and settings need every penny. It costs us the same to look after any child therefore the deprivation funding should be shared across all children which could potentially give us a higher hourly rate for all children, not just those in deprived areas.
Childminder	North Yorkshire has one of the lowest funding rates
Sessional Care	same as with the 3 and 4 year old rate it does not cover costs and as a fully funded setting we have no other source of income and are a charity setting
Full Day Care	I agree with the rate at present and how you are allocating what you have, but as per the previous question - the rate will not be sustainable for much longer once minimum wage rises and our costs continue to soar.
Sessional Care	We desperately need SEN support for more children each year so it is important money is allocated to ensure the resources are available.
Full Day Care	Without knowing the proposed rates, new NI rates and new Min wage it is impossible to agree that any proposal will ensure our viability. In addition we cannot receive support for children with very high SEN needs in a timely manner. Given the dearth of available funding it would make more sense to concentrate funding on children with high needs identified by health.

- c. Do you agree with the principle-based proposal for the provider base rate funding for eligible children aged 9 months to 2-year-olds for the 2025/26 financial year

Provider Type	Comment
Sessional Care	Banding using the postcode of the child attending - postcode lottery
Childminder	Same answer as before. Separate SEND pot and no postcode lottery for deprivation

Full Day Care	<p>I agree with the first 2 points, however, with regards to the 3rd point - the deprivation supplement doesn't really suit a purpose for us as a setting. I have some children with a particular postcode getting pennies more per hour, this has little impact and isn't targeted in delivery. I feel that this money could be grouped together and settings could apply for a deprivation grant based on need. There will be some settings who find delivery of funding more of a challenge. This could be because of few children paying private fees which supplement the shortfall in funding, or because of a setting being in a deprived area and who may struggle to provide additional services for children and families who are struggling. This is not across the board and not necessarily post code specific. Some of our most deprived children aren't living in a post code which gets deprivation supplement. Settings incur additional costs to attend TAF meetings, safeguarding meetings etc - these costs are difficult to cover, especially if a child is only attending for 15 funded hours. This represents a huge amount of time with no income coming in to cover admin tasks and meeting attendance. This money could be better allocated supporting settings in these situations. In terms of point 1 &amp; 2 - I would be interested to know exactly what these central services are, as other than the Early Years Funding Team we get very little support in any other area of setting development, sufficiency, disadvantaged children care and SEN care. If a setting has low level need - ie, not a child who receives DAF or who has an EHCP, I currently don't know what help is available to support interventions, 1:1 care for short term medical problems other things involving a higher staff:child ratios. I understand support available through Early Help and through SENDIASS for example, but we do have a feeling that we are swimming a bit solo at the moment. In addition, the rate paid for Under 2s funded care is too high and does not reflect the actual cost of providing the space and is not good use of tax payers money. I think further scrutiny of how this is used/applied in some settings is required.</p>
Childminder	As long as the amount providers receive does not decrease. It is very hard to comment without actually knowing the figures!
Full Day Care	<p>We are already underfunded, so I don't believe any additional funds should be withheld. We also do not receive central services related to early years. Additionally, our SENIF funding is insufficient to support children who require one-to-one assistance, and it doesn't cover the full hours they attend. Early years settings are struggling with the funding especially on the hourly rate for 3 and 4 years children as it is and settings need every penny. It costs us the same to look after any child therefore the deprivation funding should be shared across all children which could potentially give us a higher hourly rate for all children, not just those in deprived areas.</p>
School	This doesn't actually affect our setting so neither agree nor disagree really but had to choose an option.
Childminder	North Yorkshire has one of the lowest funding rates
Sessional Care	n/a for our setting
Full Day Care	Providers are unable to obtain E2 or E3 funding for children under the age of two, furthermore, the need for SEND services typically starts further up the setting. I would expect the percentage to be lower for this age group.
Full Day Care	As per previous comments

Full Day Care	Without knowing the proposed rates, new NI rates and new Min wage it is impossible to agree that any proposal will ensure our viability. In addition we cannot receive support for children with very high SEN needs in a timely manner. Given the dearth of available funding it would make more sense to concentrate funding on children with high needs identified by health.
Sessional Care	We currently do not offer places to 9 months to years however I do believe that this rate should be lower and and increase on 3 and 4 years old funding should be higher.

## Question 2

### 2024/25 Early Years Budget Grant (September 2024 – March 2025)

Do you agree for the DfE Early Years Budget Grant for the period September 2024 to March 2025 to be passed on to providers based on the same funding rate as the DfE has used to distribute the Grant through the payment of an additional 7p per hour based on the on the universal and extended hours for three and four- year-olds claimed for the Autumn 2024 and Spring 2025 terms for all providers.

Provider Type	Comment
Childminder	7p an hour doesn't cover anything! The cost of food has rocketed up.
Full Day Care	We need every penny we can get to cover the running costs to deliver this service as utility and wages continue to rise and we struggle to find staff due to the poor wage we can offer through our budget. School staff are paid much better and do the same job.
Full Day Care	yes, but i would like more information about this.
Childminder	As a childminder in a rural setting/area this is almost impossible to do
Sessional Care	as stated previously it does not cover costs and the funding rate is extremely low and settings cannot survive on this and especially when all children will be funded there is no option for a top up fee or restricted on consumables
Full Day Care	An increase of 7p per hour does not support the costs that we are incurring
Full Day Care	Without knowing the proposed rates, new NI rates and new Min wage it is impossible to agree that any proposal will ensure our viability. In addition we cannot receive support for children with very high SEN needs in a timely manner. Given the dearth of available funding it would make more sense to concentrate funding on children with high needs identified by health.
Full Day Care	The funding is not enough
Sessional Care	It will not cover costs

## Question 3

Do you have any further comments relating to the local authority proposals for early years funding for 2025/26?

Provider Type	Comment
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Full Day Care	I think the local authority needs to proceed very carefully if the commitment to provide 30 funded hours for under 3s goes forward. I think there is a lot of room for error and potential profiteering at the moment in some settings and after years of drastic underfunding for 3 & 4 year olds, settings are using the same systems developed to deal with this for under 2s funded spaces - which are by no means underfunded. As a setting manager I need more support, this is in terms of having LA team to help in ensuring that provision continues to be a high quality and we are challenged at a local level to deliver good childcare and we have advisors to turn to for questions. At the moment I feel that North Yorkshire has forgotten about early years a bit - not in terms of funding it - more in terms of the quality and consistency of what is being offered across the sector. When staff join us from other settings, the stories I hear about understaffing and lack of respect for the staff and the profession makes me sad and makes me worry about the future for the sector. This is something which clearly needs addressing and I'm assuming that part of that is that it needs budgeting for through the early years funding team. So, in terms of answering the question above - the comment I'm making is that we need to make sure that the quality element of the funding is present, to enable settings to have accountability for what they are doing with tax payers money and the quality of the service it is paying for. In addition, now that over 60% of our provision is Government funded - I really think this provides the opportunity to look at a reduction in business rates and to re look at the fact that we pay VAT on everything we buy/use - be it for a privately paid for space or a government funded space. I know that this isn't the job or under the remit of the funding team, or part of the LA proposal, however, it is really important to small businesses. (maybe not big chains who manager to find ways of mitigating against the VAT on purchases). We need help. - not necessarily only financial help, but the sector needs quality and accountability back.
Childminder	I feel the funding rates should be the same for every child 9 months to 4 years, rather than the huge difference in rates. Also, given the local authority retain 3% of the funding, some free training should be provided. For example, the Early Years Leadership Forum, the cost has gone from £35 in March this year to £65 this term. The updates are helpful but should be provided free of charge.
Full Day Care	no
Full Day Care	Hourly rates should be increased, as North Yorkshire currently has some of the lowest rates in the country, which is unfair. Rates should be standardized across the country, with the exception of London.
Childminder	North Yorkshire has one of the lowest funding rates
Sessional Care	As a setting we would like clearer guidance as to what we can charge for regarding the consumables - As a predominantly funded setting we have little left over for extra curricula activities such as outside activities coming into setting to broaden the children's cultural capital. With the funding being not even a staff's wage a top fee would be good to consider as we have some children who access funding 30 hours free but do not contribute to the voluntary consumables fee - it works out at 17p per day. the funding is good in that it has encouraged families to join our setting we have a 2 year waiting list. But as a charity run setting we do have our limitations which is not helped by the funding restrictions.

Full Day Care	I feel that the local authority are extremely supportive and use the monies from the funding in a great way. We just need to see an improvement in the funding rate for 3&4 year olds. It is great for the government to increase the number of children from aged 9 months but then the funding rate drops off a cliff once they reach 3&4 and it is hard to see this as sustainable.
Full Day Care	We have concerns that the hourly funding rates are not increasing in line with minimum wage increases, causing difficulty in finding and hiring staff and may become a serious concern down the line. We are also finding that as it becomes harder to increase wages to be satisfactorily above NMW, less and less people seem to be interested in joining the sector/more qualified staff are leaving the sector making it difficult to find qualified staff.
Full Day Care	This is a very scary time for providers. The majority of our private business has been taken from us and is now monopolised by the government, who can dictate what we charge. Each provider has different costs, e.g I employ qualified teachers, have an extensive barn conversion building with lots outdoor space, we have lots of additional costs which add quality to what we provide which is how I want to run my business and why I set it up. Previous to so much funding I could charge what I needed to so that my costs were covered and I could provide an amazing space for children to thrive. I have different costs to say a pre-school in a village hall paying minimal rent, no business rates etc, yet we are all funded the same. Now I worry that the government will chronically underfund us once wages increase so significantly and will restrict further what we are allowed to charge for to ensure our business are sustainable. I worry they don't grasp that we are the ones who risk it all to do what we do, and have spent our money to build our businesses. They are also now putting more nurseries in schools which could impact us due to our sector already having a staffing crisis - they will leave for higher wages (which we can't afford due to underfunding), better pensions and term time only school hours. I feel like our sector is so under appreciated and it is a really worrying time to be a provided. We are lucky that north yorkshire are very supportive as an LA (there are lots of horror stories from other areas of the country) but ultimately, Government policy will impact our setting and our livelihoods. We are not out to make millions, we are out to provide wonderful childhoods for our children and to support families, but we also have to run as businesses and be profitable - we cannot simply do it for nothing. I feel that this would never happen in any other sector where the government would have monopoly over an entire sector and dictate what a private sector can charge.
Full Day Care	Without knowing the funding, NI changes and min wage it is impossible to agree if proposals will ensure our viability. Support for children with high SEN needs is far too slow. Given the dearth of available funding it would make more sense to concentrate funding on children with high needs identified by health. We receive much lower rate for 2-yr-olds than we charge parents (we receive 18% less; 40% less for 3&4 yr olds), and we don't know how parents of younger children will react to 30 hours per week funding, but is almost certain that going forward we will be funded almost entirely by LA, Our funding-rate is sig. lower than most other LAs despite same staffing costs, making our business highly vulnerable, highly dependent on



	exact rates of funding and indeed the exact birth dates of children attending the Centre at any one time.
Sessional Care	The national living wage is due to increase in April 2025 and I feel that the funding rates need to reflect this more so that settings do not have to close.
Childminder	I just wish we could accept the funding for established family members. The upset it causes when they have to leave our care isn't fair on them
Childminder	No
Full Day Care	The funding needs to be increased significantly . We have childcare spaces but we can't get the staff. If we have 4 babies we have 2 staff to pay for, it isn't workable. We are limited as to what we can charge over and above the funding due to the restrictions placed on us.