

Date of meeting:	Thursday 16 th March 2023
Title of report:	2023/24 Early Years Funding Update
Type of report: Delete as required	For information
Executive summary: Including reason for submission	This report provides an update on the results and feedback received from the recent consultation on the funding rates paid to early years' providers for the funded early education entitlement for 3 & 4 year olds and disadvantaged 2 year olds for the 2023/24 financial year.
Budget / Risk implications:	The levels of funding delivered by the Early Years National Funding Formula via the Early Years DSG impact on the sustainability of providers of early education and childcare and on the Council's ability to ensure sufficient places are available for families in line with statutory duties. The funding 'pass through' requirements impact on the services provided by the council.
Recommendations:	<p>The North Yorkshire Schools Forum is asked:</p> <ul style="list-style-type: none"> • To note the outcome of the funding consultation undertaken with early years' providers within North Yorkshire on the level of the provider base funding rates for the 2023/24 financial year for 3.& 4 year olds and disadvantaged 2 year olds. • To note the recommendation to CYPs Executive Members and the Corporate Director – Children & Young People's Service to approve: <ul style="list-style-type: none"> - An increase in the provider base funding rate for the universal and extended funded entitlement for 3 & 4 year olds from £4.31 per hour to £4.57 per hour for the 2023/24 financial year. - An increase in the provider funding rate for disadvantaged 2 year olds from £5.51 to £5.64 for the 2023/24 financial year.
Voting Requirements	N/A
Appendices:	<p>Appendix 1 – Consultation Document on the provider funding base rate for 3 & 4 year olds and disadvantaged 2 year olds for the 2022/23 financial year.</p> <p>Appendix 2 – Comments from providers on the consultation</p>

Report originator and contact details:	Sally Dunn, Head of Finance – Schools & Early Years sally.dunn@northyorks.gov.uk
Presenting officer:	Howard Emmett: Assistant Director, Strategic Resources Howard.Emmett@northyorks.gov.uk

2023-24 Early Years Funding Update

1.0 PURPOSE OF THE REPORT

- 1.1. This report considers the results and feedback received from the recent consultation on the funding rates paid to early years' providers for the funded early education entitlement for 3 & 4 year olds and disadvantaged 2 year olds for the 2023/24 financial year.

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 £4.61 per hour. This funding rate provided the calculation basis for the 2022/23 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 In addition to the early years funding increases announced in the Autumn 2021 Spending Review for the 2023/24 financial year, the DfE have announced that, nationally, additional funding of £20m will be provided in 2023/24 to support the early years sector with the costs associated with the increase in the National Living Wage from April 2023¹. The DfE have also provided a response to their Early Years National Funding Formula (EYNFF) consultation undertaken in Summer 2022. The response confirmed the implementation of the following changes for the 2023/24 financial year:
- The underlying datasets driving the early years' funding formulae will be updated to the most recently available data.
 - Teachers pay and pension grants will be mainstreamed in both the EYNFF and MNS supplementary funding. In addition, the cap on funding supplements will be increased from 10% to 12% of the total value of the planned formula funding to providers to allow, if required, additional supplement provision to be added to a local funding formula for the allocation of this funding.
 - The application of year-to-year protections of +1% and a gains cap of 4.9% and 10.0% for the EYNFF and 2-year-old formula respectively. The minimum funding floor for the EYNFF has increased to £4.87.
 - A minimum funding floor for the MNS supplementary funding hourly rate of £3.80 and a cap on the MNS supplementary funding hourly rate of £10
- 2.3 On the 16th December 2022, the DfE announced an increase in the early years' local authority funding rate for the 2023/24 financial year. The funding rate for three- and four-year olds in North Yorkshire (i.e. the amount received by the local authority) will increase by 26p per hour from £4.61 per hour to £4.87 per hour (the minimum funding floor). The increase in funding for three- and four-year olds reflects the mainstreaming of the teachers' pay and pension grant equating to 5p per hour and 21p related to the funding increase outlined in the Spending Review announcements and the updating of the underlying data to the latest available datasets. The level of funding for disadvantaged two-year olds will also increase by 13p per hour from £5.57 per hour to £5.70 per hour (representing a 2.3% increase). Early years' pupil premium will increase by 2p per hour (3 & 4 year universal entitlement hours only) from 60p per hour to 62p per hour (representing a 3.3% increase) and disability access funding will increase by

¹ The National Living Wage (NLW) will rise to £10.42 from 1 April 2023, an increase of 92 pence or 9.7%.

2023-24 Early Years Funding Update

£28 per annum from £800 per annum to £828 per annum (representing a 3.5% increase).

- 2.4 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%. There are no regulations restricting the level of two-year old funding which can be retained by the local authority.
- 2.5 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.
- 2.6 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 2022/23 is £4.31 per hour. Within North Yorkshire, funding supplements are currently 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 2023/24 FINANCIAL YEAR
- 3.1 A funding consultation has been held with early years' providers in order to gain views on the following proposals and options with regard to the early years provider funding rates for the 2023/24 financial year:
- a. A proposed increase in the provider base hourly funding rate for disadvantaged two-year olds by 13p; this equates to the 13p increase received in the 2023/24 local authority funding rate for North Yorkshire. The proposal would increase the disadvantaged two year old provider base rate funding from £5.51 to £5.64 per hour.
 - b. A proposed increase in the three- and four-year old provider base funding rate of 20p per hour to increase the base hourly funding rate from £4.31 to £4.51 per hour.
 - c. The discontinuation of the Sparsity funding supplement for the 2023/24 financial year, with the use of the Early Years reserve to provide any short term exceptional financial support to a provider required to secure sufficiency of early years provision within a geographical area until the availability of provision can be stabilised. The discontinuation of the Sparsity funding supplement would allow for the provider base rate funding to be increased by a further 1p per hour in addition to the 20p detailed in (a) above.
 - d. The options for the distribution of the funding previously allocated to schools and academies via the teachers' pay and pensions grant:
 - Option 1: Increase the three- and four-year old provider base funding rate by an additional 5p per hour (in addition to the 20p detailed in (a) above)
 - Option 2: Introduce a Quality Supplement which would be paid to those providers that employ a qualified teacher to deliver the early years

2023-24 Early Years Funding Update

provision, where the qualified teacher is employed on teachers' pay and conditions and where the employer pays into the teachers' pension scheme for the teacher delivering the early years' provision. The Quality Supplement rate would be 22p per hour for three and four year old universal and extended hours. The funding supplement would only be payable to those providers meeting the eligibility criteria.

3.2 The NYCC consultation was undertaken with early years' providers between 25th January 2023 and 22nd February 2023. A copy of the consultation document can be found at Appendix 1 to this report.

3.3 187 responses were received to the consultation, as shown below.

LA Maintained Nursery School	1
LA Maintained Schools and Academies*	38
Independent Schools	0
Full Day Care	48
Sessional Care	36
Childminders	65
Total	188

*Includes 1 response from an academy trust representing 6 academies (recorded as 6 responses in the analysis)

(1 response did not state a provider name and 3 duplicate responses have been received; these responses have been excluded from the results analysis)

(Response rate: 31% 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:

Proposal	In Agreement With Proposed Funding Rate Increase (No. Responses)			Total Responses
	Yes	No	No Response Provided	
2023/24 disadvantaged 2 year old base funding rate increasing by 13p per hour from £5.51 to £5.64 per hour	160	23	5	188

2023-24 Early Years Funding Update

Proposal	In Agreement With Proposed Funding Rate Increase (No. Responses)			Total Responses
	Yes	No	No Response Provided	
2023/24 3 & 4 year old base funding rate increasing by 20p per hour from £4.31 to £4.51 per hour	139	48	1	188
Discontinuation of the Sparsity Funding Supplement with an additional 1p to the 2023/24 3 & 4 year old base funding rate	162	24	2	188
Distribution of the funding previously allocated to schools and academies via the teachers pay and pensions grant:	Option 1	Option 2	No Response	
Option 1 - Increase the 3 & 4 year old provider base funding rate by an additional 5p per hour Option 2 - Introduce a Quality Supplement which would be paid to those providers that employ a qualified teacher to deliver the early years provision, where the qualified teacher is employed on teachers' pay and conditions and where the employer pays into the teachers' pension scheme for the teacher delivering the early years' provision. The Quality Supplement rate would be 22p per hour for 3 and 4 year old universal and extended hours No Response provided Total Response	151	33	4	188

2023-24 Early Years Funding Update

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

- 3.5 In respect of the base provider funding rate for disadvantaged 2 year olds, 85% of providers submitting a response to the consultation indicated support for a base funding rate of £5.64 per hour for the 2023/24 financial year.
- 3.6 In respect of the base provider funding rate for 3 & 4 year olds, 73% of providers submitting a response to the consultation indicated support for a base funding rate of £4.51 per hour for the 2023/24 financial year.
- 3.7 In respect of the proposal to discontinue the Sparsity Funding Supplement for the 2023/24 financial year and utilise the funding to provide an additional 1p per hour on the base provider funding rate for 3 & 4 year olds, 86% of providers submitting a consultation response supported the proposal.
- 3.8 In respect of the options presented in the consultation for the distribution of the funding previously allocated to schools and academies via the teachers' pay and pensions grant, 80% of providers submitting a consultation response supported Option 1 (Increase the 3 & 4 year old provider base funding rate by an additional 5p per hour) and 17% of providers submitting a consultation response supported Option 2 (The introduction of a Quality Supplement which would be paid to those providers that employ a qualified teacher to deliver the early years provision, where the qualified teacher is employed on teachers' pay and conditions and where the employer pays into the teachers' pension scheme for the teacher delivering the early years' provision. The Quality Supplement rate would be 22p per hour for 3 and 4 year old universal and extended hours). 92% (138 responses out of 149 responses) of the Private, Voluntary and Independent early years providers responding to the consultation supported Option 1. 66% (26 responses out of 39 responses) of the responses to the consultation received from Maintained Nursery Schools, Maintained Schools and Academies supported Option 2.
- 3.9 Based on the consultation responses received from early years' providers, CYPS Executive Members, in conjunction with the Corporate Director – Children & Young People's Service, have been recommended to approve the following increases in the provider base funding rates for the 2023/24 financial year:
- An increase from £5.51 to £5.64 per hour for the funded entitlement for disadvantaged 2 year olds.
 - An increase from £4.31 per hour to £4.57 per hour for the funded entitlement for 3 & 4 year olds.

4.0 RECOMMENDATIONS

- 4.1 The North Yorkshire Schools Forum is asked:
- i. To note the outcome of the funding consultation undertaken with early years' providers within North Yorkshire on the level of the provider base funding rate for the 2023/24 financial year for 3.& 4 year olds and disadvantaged 2 year olds.

2023-24 Early Years Funding Update

- ii. To note the recommendation to CYPs Executive Members and the Corporate Director – Children & Young People's Service to approve:
- An increase in the provider base funding rate for the universal and extended funded entitlement for 3 & 4 year olds from £4.31 per hour to £4.57 per hour for the 2023/24 financial year.
 - An increase the provider funding rate for disadvantaged 2 year olds from £5.51 to £5.64 for the 2023/24 financial year.

STUART CARLTON

Corporate Director – Children and Young People's Service



NORTH YORKSHIRE COUNTY COUNCIL

EARLY YEARS FUNDING RATES

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

A CONSULTATION PAPER

25 January 2023

Deadline for responses: 5pm, 22 February 2023

- 1.0 Background and introduction**
- 2.0 Disadvantaged two-year old proposed 2023/24 provider funding rate**
- 3.0 Three and four-year old proposed 2023/24 provider funding rate**
- 4.0 Three and four-year old funding supplements**
- 5.0 Consultation process**

1.0 Background and Introduction

- 1.1 On 16th December 2022, the Department for Education (DfE) confirmed that the early years funding rates used to distribute funding to local authorities will increase in North Yorkshire for the 2023/24 financial year. The hourly funding rate paid to the local authority for disadvantaged two-year olds will increase to £5.70 from £5.57 (representing a 2.3% increase), and the hourly funding rate for three and four-years olds paid to the local authority will increase to £4.87 from £4.61 (representing a 5.6% increase).
- 1.2 The DfE have also confirmed that the national funding rate for the early years' pupil premium will increase from 60p to 62p per eligible child per hour, and the Disability Access Fund will increase from £800 to £828 per eligible child per year.
- 1.3 The funding for maintained nursery school (MNS) supplements will continue for 2023/24 and has been confirmed at £3.80 per MNS hour.

2.0 Disadvantaged Two-Year Old Proposed 2023/24 Provider Funding Rate

- 2.1 In respect of disadvantaged two-year old funding, North Yorkshire will receive an increase in the local authority rate from £5.57 per hour to £5.70 from 1st April 2023. The local authority retains approx. 1% of this funding to support developments with regard to the early years' strategy within North Yorkshire.
- 2.2 **It is proposed to increase two-year old hourly funding rate paid to providers by 13p per hour from £5.51 to £5.64 for the 2023/24 financial year.**

3.0 Three and Four-Year Old Proposed 2023/24 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 £4.61 per hour to £4.87 from 1st April 2023. 5p per hour of the increase in the funding rate for three and four-year olds relates to the inclusion in the local authority funding rate of the teachers' pay and pension grant for the 2023/24 financial year; previously this funding has been paid as a separate grant to schools and academies operating early years' provision where the early years' children are on the school roll. The remainder of the increase, equating to 21p per hour, relates to the funding increase outlined in the Government Spending Review announcements and the updating of the data used by the Government in the national early years funding formula calculation for the 2023/24 financial year. 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 20p per hour from £4.31 to £4.51 for the 2023/24 financial year.** Dependent on the decisions made for 2023/24 in relation to the provider funding supplement proposals detailed in section 4 below, the

provider base rate funding may increase by a further 1p to 6p in addition to the proposed increase of 20p per hour.

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, funding supplements are currently paid for:

- deprivation (mandatory funding supplement), and
- sparsity (optional supplement)

4.2 Deprivation Funding Supplement

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 2023/24 financial year will be unchanged as follows:

<i>Band</i>	<i>2023/24 Deprivation Hourly Funding Rate</i>	<i>IMD Score</i>
Band A	54p	>34.17
Band B	7p	>20 <34.17
Band C	4p	>10 <20

4.3 Sparsity Funding Supplement

Sparsity funding within North Yorkshire has been used to support providers in areas where there is limited choice of early years' provision, and in circumstances where the provider would struggle to remain viable without additional interim financial support. 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
- The provider is projecting that they will be operating at a loss in the next 12 months
- The provider has less than 3 months operating costs within their reserves
- Any funding awarded is based on a financial assessment carried out by the local authority and the agreement of a recovery plan to return the provider to financial sustainability.
- The maximum funding award is £16,000.

Over recent years there has been very limited usage of the £50,000 funding allocation for the Sparsity supplement. **It is now considered appropriate to request the views of the sector on removing the Sparsity funding supplement for the 2023/24 financial year and to instead use the Local Authority Early Years funding reserve**

to provide any short term exceptional financial support to a provider where this is required to secure sufficiency of early years provision within a geographical area until the availability of provision can be stabilised. The removal of the Sparsity funding supplement would allow the funding previously allocated to the supplement to be added to the provider base rate funding. This would increase the three and four-year old provider base funding rate by a further 1p per hour, in addition to the 20p detailed in 3.3 above.

4.4 Additional Funding Arising from The Inclusion of the Teachers Pay & Pension Grant Funding in the Local Authority Funding Rate for Three & Four-Year Olds

For the 2023/24 financial year, the DfE have made the decision to include funding related to the teachers' pay and pension grant in the funding rate paid the local authority for three and four-year olds. In the 2022/23 financial year, this funding was paid as a separate grant to schools and academies operating early years provision where the early years' children are recorded on the school / academy roll. The grant funding was paid to support schools and academies with additional funding for higher than anticipated pay increases for teachers and increases in the employers' contribution rate for teacher's pensions. The inclusion of the grant funding equates to an additional 5p per hour on the local authority funding rate for three and four-year olds within North Yorkshire. The local authority is inviting views from the sector on two options for the distribution of this funding:

a. Option 1

To increase the three and four-year old provider base funding rate by an additional 5p per hour (in addition to the 20p detailed in section 3.3 above)

b. Option 2

To introduce a Quality Supplement which would be paid to those providers that employ a qualified teacher to deliver the early years provision, where the qualified teacher is employed on teachers' pay and conditions and where the employer pays into the teachers' pension scheme for the teacher delivering the early years' provision.

The Quality Supplement rate would be 22p per hour for three and four-year old universal and extended hours.

The funding supplement would only be payable to those providers meeting the eligibility criteria, with providers being required to provide evidence of meeting the eligibility criteria

5.0 Consultation Process

Providers are asked to complete the online survey at:

<https://consult.northyorks.gov.uk/snapwebhost/s.asp?k=167412116690> to tell us your views on the proposals for early years funding rates for the 2023/24 financial year detailed in sections 2, 3 and 4 above. The survey will be open until 5.00pm on Wednesday, 22nd February 2023.

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 2023/24 financial year.

Provider comments received on the proposals related to the provider base funding rate for disadvantaged 2 year olds	
Provider Type	Comment
Full Day Care	I didn't think the LA were allowed to top slice the 2 year funding
Sessional Care	With cost of living crisis needs to be more
Sessional Care	the percentage taken by nycc seems excessive
Sessional Care	We simply can not afford to take on any more funded 2 year olds due to high staff wages and the ratio of 1:4 on low wages.
Sessional Care	This is still low when you calculate the ratios and cost of provision
Full Day Care	I'd like more ideally.
Full Day Care	It is not enough
Full Day Care	We dont have any other choices it is what the government think we are worth!
Full Day Care	It still is not enough to cover the increases in salaries and utilities
Sessional Care	This is to low to cover the staffing costs and also the increase in the cost of living. Snack and food costs have increased and the low increase does not cover increase in setting rises
Full Day Care	Early Years is completely underfunded, with minimum wage increasing on an annual basis. Government hourly funding needs to always rise at the same rate as the minimum wage.
Sessional Care	I feel many settings are facing huge increases and this is not enough to help towards this, however I also recognise this is not NYCC and its a country wide issue.
Sessional Care	It is not clear where the money that is sliced off the top is being spent. I believe that settings would benefit from receiving the full funding given by the government.

Full Day Care	It doesn't cover the costs of running a nursery especially during the current situation of cost of living and paying staff at a lower ratio amount
Full Day Care	Personally don't think it's enough.
Full Day Care	These increases are less then the 10% staff wage increase- don't cover costs and we currently run at a loss each year because of funding
Sessional Care	To be financially viable, this needs to increase further.
Sessional Care	Ideally it would be more as once children access funding all settings lose money .
Childminder	This is a doable funding rate.
Full Day Care	I agree with the increase, Just feel like the rate is not enough
Full Day Care	This is not enough to cover increases placed upon us
Sessional Care	insufficient funding to make running a nursery viable
Full Day Care	Due to the increased costs of electricity, food and the forthcoming wage increase, I do not feel it is adequate.
Full Day Care	This does not support the rising costs we are being forced to meet but at least is some improvement
Sessional Care	These children often come with extra social or development needs the money accompanying these children is not sufficient to give them the support they very often need.
Full Day Care	not enough
Sessional Care	PLEASE NOTE - This will not cover the increase in the National Minimum Wage with effect from April 2023

Provider comments received on the proposed increase in the provider base funding rate for 3 & 4 year olds	
Provider Type	Comment
Childminder	too low
Childminder	I have been working far below my standard charged rate for years providing funding. It's not sustainable anymore and will not be accepting funding next year if the rate isn't increased.
Childminder	We have increased our hourly rate to £5.00 per hour because of the current cost of living, if we take the funded children we and a lot of childminder are actually losing money. We would just be happy if it was a flat £5.00 per hour rate.
Childminder	My current hourly rate is £6 so obviously I'd like the funding rate to be higher!
Full Day Care	It isn't a high enough increase to cover the increase in minimum wage and other increases in overheads
Childminder	Much higher than it was but still isn't the same level as my hourly rate
Sessional Care	With cost of living crisis needs to be more
Sessional Care	YES indeed, this would be a MUCH better option for many settings.
Sessional Care	the percentage taken by nycc seems excessive
Sessional Care	NLW and wages have risen sharply this year and again in April. We are struggling to pay new wage increase to the cost of funded children per hour. It isn't sustainable and many settings will close
Childminder	It is still 49p per hour less than my hour rate but it is better than £4.31 so I do agree with the increase.
Full Day Care	I'd like more. My costs are rising.
Childminder	It's still not enough.....would you work for £4.51
Full Day Care	I feel it should be in line with inflation and wage increases which this increase is not.
Full Day Care	Sadly not enough and in honestly I am concerned about our sustainability on the long term.

Appendix 2 - 2023/24 Early Years Funding – Provider Comments

Childminder	Does not match my hourly rate
Full Day Care	it is not enough to cover costs and provide quality care and education
Childminder	You need to bring this to above £5 otherwise it is unsustainable for childcare providers.
Childminder	This is still well below inflation & cost of living rises
Childminder	This is too low and doesn't cover the hourly rate
Full Day Care	Given the increase in the minimum wage and the staffing shortages in this sector both of which are driving up staff cost massively the increase to £4.51 per hour is not adequate. It is impossible to provide high quality resources and keep motivated and highly trained staff with this level of funding.
Full Day Care	We dont have any other choices it is what the government think we are worth! Even though we are setting a firm foundation for learning for children and setting them up for their life journey into school and beyond
Childminder	It is nowhere near the rate it needs to be!! I charge £4.80 an hour.
Childminder	It's still too low, at the moment I charge £5 per hour so I am working at a loss
Sessional Care	Still isn't enough to purchase new equipment, resources, consumables. We continue to have to fundraise and beg for donations.
Childminder	Doesn't meet hourly rate that I charge
Full Day Care	I think this should be in line with our hourly rate.
Sessional Care	As above. The sector is in a recruitment crisis because the funding does not cover costs and wages for staffing have to be so low. It is under valued and under paid due to Government restrictions on increases.
Childminder	Although any increase is welcome. The hourly rate should in my opinion be higher than it is.
Childminder	It still isn't enough!
Full Day Care	Early Years is completely underfunded, with minimum wage increasing on an annual basis. Government hourly funding needs to always rise at the same rate as the minimum wage.

Appendix 2 - 2023/24 Early Years Funding – Provider Comments

Sessional Care	I feel many settings are facing huge increases and this is not enough to help towards this, however I also recognise this is not NYCC and its a country wide issue.
Sessional Care	It is not clear where the money that is sliced off the top is being spent. I believe that settings would benefit from receiving the full funding given by the government.
Full Day Care	Although an increase of just 4.64% further contributes to the wilful destruction of the early years sector by central government. Our wages bill will increase by 10% in April and our energy costs will treble when our fixed rate runs out in June. I appreciate that NYCC can only pass on what central government grants to them.
Sessional Care	Early Years Providers are struggling with rising cost ie minimum wage, utilities bills it could have been more.
Full Day Care	Again isn't enough to cover the cost of running a nursery especially in the current situation of rising cost and cover the staff on top
Childminder	This would hardly cover costs - would have to ask parents to pay additional for consumables
Childminder	I'm losing 99p per hour on this rate - its not sustainable
Full Day Care	Absolutely not. Far too low!
Full Day Care	Same reason as above- we are considering closing the setting due to the lack of financial support for funding by the government and local authorities because of the huge loss we make per year especially after staff wages have dramatically increased and costs of running a nursery and business is increasing
Full Day Care	It does not cover our costs and staff wages will be going up in April 2023.
Sessional Care	Again, this does not cover the costs. Fee paying parents are having to pay 60p more any hour.
Childminder	Does not cover costs
Full Day Care	It is good increase but still not enough to cover the cost to the parent and a popup fee is needed from the parent.
Sessional Care	Again once children access funding settings lose money .
Sessional Care	We would prefer a slightly larger increase in recognition of the increase in minimum wage and cost of living. 10% possibly?

Appendix 2 - 2023/24 Early Years Funding – Provider Comments

Childminder	As a childminder with restricted numbers this funding amount doesn't cover the real cost of delivering the child's place per hour. I cannot work with an assistant for that amount of funding. As wages and bills increase it is getting harder to deliver funded places. The rate needs to be equal to 2 year old funding especially for childminders where our numbers are low
Full Day Care	Have I misunderstood? it says £4.61 on the previous page
Sessional Care	Although this proposal is closing the gap between the hourly funding rate and our current hourly running cost, there will still be a deficit of 20%
Full Day Care	No need to be increases for private sector in line with school we all have to do the same jobs and have similar overheads, but we don't have extra budgets of money injected by the government.
Full Day Care	I agree with the increase, just feel like the rate is not enough
Full Day Care	It is a poor increase and does not cover the rise in staff pay and outgoing expenses
Full Day Care	This is not enough to cover increases placed upon us
Sessional Care	I disagree with this amount I feel it should be much higher, as we have the staff wages going up, electric, maintenance of the building, rent etc. It is shocking that everything is going up so much including food everything. Yet we are expected to survive on this hourly rate. This is why so many companies are going under because of the lack of support from the government with these hourly rates.
Sessional Care	Not enough to ensure provision staffing
Sessional Care	insufficient funding to make running a nursery viable
Academy	This is only a 4.6% increase in funding in a time when general inflation is circa 10%, minimum wage is increasing 10% and utility costs are up 350%. This will put more pressure on providers and is not sustainable longterm.
Full Day Care	Again the rate is not high enough as per my comment regarding the increase in the question above
Full Day Care	It still doesn't fall in line with the cost of an early years place especially with the cost of living and staff salaries increases. We continue to find it incredibly disappointing that the government do not fund early years even close to sufficiently
Full Day Care	This does not support the rising costs we are being forced to meet but at least is some improvement
Sessional Care	We are voluntary setting and try to keep the cost of childcare down if we can and still this funding increase is below what our non-funded children would pay. Staff are not paid what they are worth. All my staff are qualified and have key children

Appendix 2 - 2023/24 Early Years Funding – Provider Comments

	responsibilities/ safeguarding etc yet they are on the minimum wage or just above as we cannot pay them what they are worth!
Full Day Care	not enough
Sessional Care	PLEASE NOTE - This will not cover the increase in the National Minimum Wage with effect from April 2023
Sessional Care	although settings are suffering financially, funding has never been enough and never will be with the cost settings have to pay, a higher rate would be nice

Provider comments received on the proposed discontinuation of the Sparsity Funding Supplement with an additional 1p to the 2023/24 3 & 4 year old base funding rate	
Provider Type	Comment
Sessional Care	As long as the "Funding reserve" could be used to help subsidise settings where necessary
Maintained School	A difficult choice to make - as the only provider within 3 miles I was unaware of the sparsity funding available and whether or not my setting would have qualified. To suggest an alternative I can only assume it will assist those most in need. Circulation of clear guidance and the criteria for the financial support available would be useful.
Full Day Care	I think a lot of settings of all kinds will need support so yes, however I'm not sure its fundamentally correct to collect that money from the industry you want to support!
Full Day Care	I feel that 1p per hours is meaningless.
Full Day Care	For setting to approach for this funding reserve makes more sense as each setting is unique and has its own challenges depending on where they are located
Full Day Care	It's removing money from the childcare sector which is already running below the amounts needed to cover the bills
Sessional Care	At times settings may need support especially in the economic crisis we all find ourselves in.
Sessional Care	Not that 1p helps very much, much more is needed.
Sessional Care	as pupil number have been low this has helped us in the past and again would have in 23/24
Maintained School	As a small rural school, sparsity funding is crucial to being able to provide a high quality of education to all of our pupils.

Provider comments received on the proposed options for the distribution of the funding previously allocated to schools and academies via the teachers' pay and pensions grant	
Provider Type	Comment
Sessional Care	I am a Level 7 qualified Early Years Teacher, so I do agree with option 2 that there should be a Quality Supplement as I think there is a problem with the quality of provision in some settings. However, we do not pay into teachers pension scheme, nor do I receive 'teachers pay' as I have chosen to be employed in a private Preschool. I think the issue is the criteria here of Option 2, and instead the extra 22p per hour should be provided to providers who can prove an EYT or other qualified teacher works at the setting for over 30 hours a week.
Sessional Care	Option 1 please! To be perfectly honest we think that the majority of settings will go for option 1 as most settings do not employ a "Qualified Teacher" and especially can not afford to do so under the terms and conditions "MUST be paid a teacher's pay and MUST pay into a "Teacher's pension" IF option 2 is cast as the majority of the votes a lot of settings like ourselves will certainly suffer immensely getting NO increase in the funding rates at all and due to the rising costs of running a business. This is where quality and efficiency will well and truly suffer if Option 2 is chosen in an already struggling industry where we are left to our own devices most of the time due to "No funding available or lack of funding" IF option 2 is chosen we would like statistics circulated please in line with the decision. Thank you though to ALL the EYFT you do an amazing job and always a pleasure chatting to you all and being there whenever we need you!
Sessional Care	I am a qualified teacher but do not hold a EYTS certificate, but a PGCE Level 7. I do not feel we should be paying for teachers, when there are plenty out there and still on min wages due to not being able to afford proper wages with such low funding
Sessional Care	We have x2 qualified teachers, pay them accordingly but we dont have access to the teachers pensions scheme. We think it is fairer for all providers to get the same increase and pay staff accordingly
Maintained School	As a maintained nursery we have to employ a teacher which has always put us an a disadvantage for staffing costs.
Childminder	There is no way childminders would be able to employ a teacher so I have to agree to option 1
Full Day Care	A qualification doesn't mean anything; just because you have a qualification doesn't mean you're any good at the job? My apprentice is absolutely brilliant so saying you'll pay more if you have QTS is rather offensive even to me who does actually employ a QTS member of staff.
Full Day Care	Everybody needs the 5p increase, I employ teachers and qualified early years professionals and its not the bit of paper that brings the magic its the quality of teaching they are capable of. The "quality Supplement " should be based on standards met not on if they have a teaching degree there are a huge amount of terrible teachers out there and conversely some truly fabulous early years educators you cant make the funding distinction on qualifications alone that's wrong and dangerous

Full Day Care	The proposed additional 5 pence will go some way to helping with increased costs across the board where everything has or is set to increase close to 10% and business rates looking like they will increase by almost 50% from April. I do think that Early Years settings are going to struggle as we advance into 2023.
Full Day Care	it still isn't enough
Childminder	Definitely not number 2. What an insult to any childcare provider who doesn't have a qualified teacher. I know many teachers that are not as good as level 2 or 3 providers.
Full Day Care	Although we have 3 qualified teachers employed at our setting they aren't employed on teachers' pay and conditions so it would not benefit the individual or the setting but more importantly it wouldn't add anything to the children's experience.
Full Day Care	This feels like discrimination for those settings unable to afford or even recruit an early years teacher, quality needs to be across all settings and is not necessarily dependant on an early years teacher, it's more dependant on a sustainable setting that is funded correctly and at market rates and therefore can afford to employ quality staff invest in staff training and equipment enabling them to deliver high quality care and education. A two tier system would develop very rapidly with the introduction of option one and I say that having 2 qualified teachers at my setting!
Full Day Care	I highly train and support my staff to a very high standard costing my both time and money. My staff teach the children as good as any qualified teacher
Childminder	very unfair on childminders who are self employed and don't employ anybody let alone a qualified teacher
Sessional Care	Early Years settings that can fund a qualified teacher are in the minority. Graduate training for early years practitioners was given high priority and I took advantage of this. I can only speak for myself but I know many other colleagues who trained as level 6 practitioners and the fact that early years is being left off the 'qualified teacher' criteria does not go down well. Many KS1 teachers do not have an early years specialism what was the point of LA funding used to raise the status of quality practitioners and provide high quality provision if we are passed over yet again. I feel very strongly about this option ... where will this leave the early years sector and the places that are needed for our younger children. I could say much more about this but I think you get the gist of how I regard Option 2 I, a level 6 practitioner, I am well qualified to attract a quality supplement and had high priority in the past and, as one who took advantage of this, not being regarded as providing quality provision and therefore not qualifying for a quality supplement is insulting. My record as a leading practitioner for the local authority and delivering training to other early years settings (as many other setting managers/Level 6 practitioners have done, appears to count for nothing. We were rated outstanding in our last inspection ... not every qualified KS1 teacher has early years experience early years is a specialised area and, as such, needs early years teachers.
Childminder	As much as I would love to be a qualified early years teacher being a childminder the job doesn't allow it. The early years teacher route needs a placement in a classroom and it's just not viable as a childminder. I think it would be unfair to childminders to go down route 2 however I can see why this would improve the quality of nurseries.

Sessional Care	I think Option 2 is very discriminating and not inclusive. A setting could have an amazing Manager, with years of experience, that can provide the same 'Teaching' environment as a qualified teacher, but just not hold the 'status'. As a setting, we have an Outstanding Ofsted Rating, without a 'Qualified Teacher Status' within our team.
Sessional Care	Option 2 does not appear to apply to early years' settings, as we would never be eligible to claim the Quality Supplement. Employing a teacher on teachers' level pay and conditions would never be financially viable and we are not able to pay into the teachers' pension scheme as we are not a school establishment. We do not understand why this option is included in the consultation.
Full Day Care	I am soon to become an Early Years Teacher, but feel that money at the moment needs to be shared equally in Early Years.
Sessional Care	It would be amazing to employ a qualified teacher and I myself have an EYPS and Level 6 degree but still nowhere near a teachers wage even though this is what was promised many years ago.
Sessional Care	Please can you justify how a qualified teacher can provide more quality care than other members of staff without teacher status. It is insulting to the quality of care provided by less qualified staff.
Full Day Care	Option two seems to be an artificial construct in order to specifically fund maintained settings. Whilst these play a vital part in our North Yorkshire early years infrastructure they are only attended by a very small minority of children. A supplement of this nature seems discriminatory to children not attending maintained settings. Surely all supplements should be potentially attainable by any setting and for the benefit of any child, regardless of the type of setting ? - a quality supplement based on OFSTED grading would be less discriminatory.
Full Day Care	The costs of running a nursery stay the same either way and staff levels are lower ratio for non teacher qualified so costs more to cover wages to ratios
Childminder	Not applicable for childminders...however a lot of childminders are ex teachers
Sessional Care	Although qualified teachers are often employed in PVI settings, the settings will not be able to afford to employ them on teachers pay and conditions and pay into the teachers' pension scheme. Therefore, if the money goes to the quality supplement, it will end up going to school based provisions rather than PVI, thus pushing independent providers out of business. Just because an early years provision employs a teacher, it does not necessarily mean the quality is better!
Maintained School	If Option 2 were to be about quality and recognising those schools that have a teacher, then the rate ought to be SIGNIFICANTLY higher than that proposed FOR ME TO SUPPORT THIS OPTION
Maintained School	The proposed amount would need to be significantly higher to fully recognise the costs to the service provided by a teacher.
Full Day Care	we have qualified teachers working in the setting but option 2 would make budgets difficult to forecast due to recruitment issues in the sector. Staff can leave giving 1 months notice. We never use the ratio for QTS within the setting because of holiday illness and potential notice

Childminder	Again no mention of childminders providing quality. Why are we not able to claim this?
Sessional Care	We are not in a financial position even with the increase in option 2 to employ a a qualified teacher at qualified teacher pay and conditions
Full Day Care	This would be an advantage to us as the funding rate does not cover our costs and the children receive the same education and care as paying children on our full paid hourly rate.
Full Day Care	We are having problems recruiting qualified staff, as I am sure many providers are. We stretch the funding so there is no value in a term time only teacher and we couldn't afford one. As with many other businesses, we are struggling to remain viable with increasing costs so there is no value in Option 2 for us.
Full Day Care	Trying to employ staff with level 3 is hard enough
Sessional Care	would not get enough pupils on roll to employ a teacher
Sessional Care	The PVI sector is vastly under funded and it all becomes about School and teachers. We deliver high quality care and education to our children just like teachers. we also have pensions to pay into. the majority of PVI workers are on the minimum wage or just above. All we ask for is fair funding for all of us.
Academy	This specific grant should only be paid to those with a qualified teacher who are incurring the cost and not used to hide underfunding in the general funding rates.
Academy	As this additional funding is intended to cover the significant cost attached to teachers pensions, you could argue it feels right that it is targeted at those providers who employ qualified teachers. However, this then fails to recognise the significant cost of LGPS pension contributions. Two out of our three nurseries are not teacher led but the staff that work in the provision are all in the LGPS pension scheme and the employer contribution rates for this scheme are just as high as the teachers pension scheme. I therefore don't think you should link the additional funding to just those settings who employ a teacher. I also think it is unfair on early years professionals to assume that employing a teacher = quality and that by default any provision not led by a teacher is of inferior quality..
Full Day Care	This would not be affordable for a private day nursery setting
Full Day Care	We would not look to employ and early years teacher, the rates would not cover the cost and it wouldn't work in our type of setting. As a day nursery the amount of level 3 qualified, experienced practitioners on the floor, as such, is incredibly important to be able to support the children's needs in the type of setting we are. Having one member who is more highly qualified would don't offer the flexibility of working with the under 3's where ratios are so much higher, regardless of their qualification. Option 1 supports a broader spectrum of types of settling where the funding can be applied straight into covering the cost of a place.

Sessional Care	Currently we offer a governor led unit that employs a full time teacher to provide quality provision. How would you collect the evidence of meeting the eligibility criteria?
Academy	As this was through the teachers' pay and pensions grant then it should be directed to settings who are using this. Particularly in the maintained nursery sector settings are unable to charge the high prices per day, or make the additional charges for food, early drop-off etc that the PVI settings can add.
Maintained School	All our EYFS pupils are taught by a fully qualified teacher on the teacher pay scale.
Sessional Care	I am a qualified teacher so I would welcome a supplement to my pay and it would encourage others to move forward with they career progression , however our pre-school could never afford to pay me a teachers wage that's a joke on the funding levels we are currently awarded!
Full Day Care	if settings relied on qualified teachers and had to follow their pay scales you would ned to 4x the hourly rate

Any other provider comments received on the funding consultation	
Provider Type	Comment
Childminder	I wish you would allow Childminders to claim for grandchildren...the system is SO unfair in England, compared to Wales where Childminders CAN claim for related children.
Sessional Care	No, see the previous comments
Sessional Care	the percentage taken by nycc from 2 Yr and 3-4 Yr funding seems excessive. How much is raised through this by nycc yearly and where precisely is it spent?
Sessional Care	The DfE MUST and NEED to recognise our qualifications and struggles financially. The cost of living and wages etc have all risen hence so many sectors going on striking across the nation. Yet, the Early Years are offered peanuts yet again and with all the high cost of everything, many settings we fear, will close.
Sessional Care	These funding rates are still barely manageable based on the increases staff require to maintain their standard of living, pension contributions etc
Full Day Care	The funding rate has to come up and I would like to know what is being done to push this with central government
Childminder	You need to level the amount between 2 and 3/4 yr olds to be the same. They should all go to £5
Full Day Care	Every year we say the same the government need to understand the early years and give it the status it deserves and pay providers realistically (particularly private providers)
Childminder	The low funding rate is killing the childcare sector. My parents have to pay the difference. I charged £4.50 an hour several years ago. Costs have gone up hugely!
Full Day Care	My energy cost, rise of living has gone up dramatically, although i can employ 16-21 year olds they are expecting the higher price pay. With the line of "they do the same job as me, why shouldnt i get the same pay?" This forces either the nursery to pay that cost or lose them to a fish and chip shop down the road. The funding rate dictates how much my day rate is
Full Day Care	I do not think schools who provide early years provision should receive more funding than private providers, Parents should be given a voucher for their funded entitlement to take to which ever provision they choose then for it to be taken off the cost of the hours. The increase in funding which is appreciated however does not cover our increased costs, staff costs, business rates, utilities have all increased, how are providers suppose to continue to operate on these figures?
Sessional Care	Many Earlys Years Providers have closed in the last few years due to insufficient funding.
Full Day Care	The increase in funding should cover the increase in the cost of living crisis the funding is way below the normal charge for non funded children and should be brought up to match to provide better opportunities for the children

Appendix 2 - 2023/24 Early Years Funding – Provider Comments

Childminder	I think the proposed increase is an insult to providers & with our ratios and overhead costs, it is way below the minimum wage
Sessional Care	Although I have agreed to the funding rate increases, I feel the sector is really struggling at the moment and these increases do not match the increases in the national living wage.
Full Day Care	remake the funding work - its a very good contribution that is tax free to those who receive it. It is only the exception from parents that is still difficult to deal with. Thank you for all that your department does to support us.
Childminder	Still poorly funded. The increases and the whole funding payment structure, doesn't reflect increases to setting running costs or the extra work funding causes. Childminders once again will struggle as we cannot offer the numbers require to make a viable business on funded children.
Sessional Care	Although the proposed funding rates still do not match the hourly running costs, it is closing the gap , we are hopeful that future increases will reduce the gap further to enable us to maintain a high quality provision
Full Day Care	Thank you for this information
Full Day Care	The NMW is going up and the fees given by the LA are not enough to cover a place at nursery.
Sessional Care	sadly despite everyone agreeing that nursery education is vital and important the funding does not reflect this
Academy	Just to confirm this return covers all Ebor Academy Trusts Nursery provisions at Staynor Hall, Camblesforth, Brotherton & Byram, Tadcaster, Braeburn & Filey Infant schools <i>Response recorded as 6 academy responses in the consultation results analysis</i>
Sessional Care	As ever undervalued and underpaid in the current economic climate prices and utilities are soaring for settings and practitioners alike but who is supporting us? We are professionals delivering outstanding provision yet the funding does not reflect this.
Full Day Care	our provision will remain outstanding despite financial restrictions
Sessional Care	PLEASE NOTE - The National Living Wage is set to increase by approx. 9% in April 2023 and the increase in funding rates will still leave the setting circa £4,000 per annum worse off. To the point we may have to consider closing in circa 5 years if this situation does not change
Full Day Care	Obviously we realise you are working within the parameters that are been given to you, but with the increase in NLMW by over 9%, energy costs over 50%, the new business rate formula for nurseries from 1st April on maximum numbers (even though not at capacity due to staffing crisis), consumables and overall running costs of the setting (cleaning accountancy fees, insurance following Covid). We have encouraged our staff to go for highest qualifications going, 2 EYT 1 EYP, degrees, and other staff working towards these qualifications, there is no way these staff can be paid fairly for their qualifications and experience on the funding rates. The rate does not even cover the very lowest qualified member of staff's hourly rate. If we

Appendix 2 - 2023/24 Early Years Funding – Provider Comments

	had taken on a qualified teacher and paid with teachers pay and conditions, this would be unsubstantial and not covered by any funding costs. In addition we would then be having to find cover for them to fit ratios when they go on strike. As many settings have already done we have written to local MP's and Members of parliament .but to no avail. Many nursery owners are planning to march in March for this to be highlighted, but as many are private setting this is not feasible to do as we need to stay at the settings to cover ratios. As teachers are going on strike it is also nurseries that are taking up the slack to take in the children who should be at school to enable parents to go to work. If you can give any more information or guidance or sign post us elsewhere for a voice that would be much appreciated.
Sessional Care	funding really needs to be looked at as settings are closely due to lack of funding and the rising costs. We are great educators and feel the sector gets put on the back burner