

# Early Years Rates to providers 2025/26

**Report being considered by:** Schools' Forum  
**Date of Meeting:** 20<sup>th</sup> January 2025  
**Report Author:** Lisa Potts  
**Item for:** Information **By:** All Forum Members

## 1. Purpose of the Report

1.1 To set out the proposed funding rates for Early Years providers

## 2. Recommendation

2.1 To agree the hourly rates for Early Years entitlement for 2025/26.

## 3. Implications and Impact Assessment

Equalities Impact:	Positive	No Impact	Negative	Commentary
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?				
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?				
<b>Data Impact:</b>				
<b>Consultation and Engagement:</b>	Early Years Funding Group			

#### 4. The funding rate Framework for 2025/26

4.1 At the Spring Budget 2023, the government announced the 30 hours entitlement will be extended in stages from April 2024 to children aged nine months to three years by 2027/28. The new entitlements will be rolled out in stages:

- From April 2024, all working parents of 2 year olds have been able to access 15 hours per week
- From September 2024, all working parents of children ages 9 months up to 3 years have been able to access 15 hours per week.
- From September 2025, all working parents of children aged 9 months to 3 years old will be able to access 30 hours free childcare per week.

4.2 Grant funding rates from central government to West Berkshire Council are shown in the table below:

	Local authority rates for 2025/26
3 & 4 year old funding rate (per hour)	£6.49
2 year old funding rate (per hour)	£9.06
Under 2 year olds funding rate (per hour)	£12.30
Disability Access Fund (DAF) (per child)	£938.00
Early Years Pupil Premium (per hour)	£1.00

#### 5. Funding Rates for providers 2025/26

5.1 The DFE have asked that we publish our rates to providers by 28<sup>th</sup> February 2025.

5.2 We have used the rates above to determine a local hourly rate for the following provision types:

	Provider funded rates for 2024/25	Provider funded rates for 2025/26	% uplift
3 & 4 year old funding rate (per hour)	£5.44	£5.83	7.17%
3 & 4 year old quality rate (per hour)	£0.60	£0.60	-
2 year old funding rate (per hour)	£8.30	£8.68	4.58%
Under 2 year olds funding rate (per hour)	£11.16	11.79	5.65%
Disability Access Fund (DAF) (per child)	£910.00	£938.00	3.08%
Early Years Pupil Premium (per hour)	£1.72	£1.72	-

5.3 The Disability Access Fund levels are determined by the DFE.

5.4 The Early Years Pupil Premium is made up of £1.00 grant plus a 72p deprivation supplement for all funding streams.

5.5 The Local Authority is allowed to fund from the grant some centrally provided services, including staffing and IT costs in relation to overseeing the delivery of the

free entitlement, sufficiency of places, eligibility checking, and administration of funding payments to providers. However funding for these services is limited by the requirement to set a “pass-through rate” for all funding streams which is at least 96% of the authority’s funding rate.

## **6. Conclusion**

- 8.1 The rates for Early Years providers have been set at a level that fits within the DFE guidelines of 96% pass-through rate

## **7. Appendices**

- 7.1 None