

Early Years Funding Consultation 2023/24

1. The Consultation

- 1.1. A consultation was launched with the Sheffield Early Years sector asking how they would like the base hourly funding rate for 3&4-year-olds to be paid and distributed to the sector in 2023/24.
- 1.2. The consultation was necessary due to rolling in funding previously related to the Teacher Pay and Pension Grant (TPPG) into the Early Years National Funding Formula. This generates an additional 11p per hour to the 3&4-year-old funding rate and was previously paid to schools and academies to support the additional costs associated with having qualified teaching staff.
- 1.3. Three models were shared with the sector. The models were:
 - Model 1 to distribute the full additional £0.16 to all providers, as a minimum, increasing the hourly funding rate payable to £4.59. The £0.16 includes the additional TPPG funding of £0.11.
 - Model 2 to distribute an additional £0.05 per hour to all providers increasing the hourly funding rate payable to £4.48. In addition, to distribute the TPPG funding to all providers in a weighted model of 1:1.25 weighted towards schools (excluding the maintained nursery schools, as they receive this funding as part of the Maintained Nursery Lump Sum). Schools would receive a lump sum of £2,058 each with all other providers receiving a lump sum of £1,646.
 - Model 3 to distribute an additional £0.05 per hour to all providers increasing the hourly funding rate to £4.48 but a new quality supplement would need to be created and introduced with an appropriate metric to distribute the TPPG fund of £679,130 to the sector with further consideration as to the process required in providing evidence and processing claims. The quality supplement would pay all providers employing qualified teachers, in the provision of Funded Early Learning (FEL), which could include providers from the private, voluntary and independent sector (PVIs).
- 1.4. There were 97 replies received from the sector, a 31% return overall and 60% of those responses received voted for Model 1 - to distribute the full £0.16 to the sector.

- 1.5. Following discussion at the February Early Years Working Group it is proposed that Sheffield implements Model 1.
- 1.6. We acknowledge that we should be cautious of the vote outcome being proportionately representative but that for the city, and early years sector as a whole, it is the most prudent option.

2. Consultation Feedback

- 2.1. There were several points raised by the sector, lots of requests made for equality in funding across all provider types and the level of income received from ESFA. It was stated that whilst the additional funding is welcomed it doesn't cover the rising costs in the minimum wage increase and sadly is still not adequate.