Meeting date:	26 January 2022
Report to:	Solihull School Forum
Subject/report title:	Early Years Funding 2023-24
Report from:	Assistant Director - Inclusion & SEND
Report author/lead contact officer:	Steve Fenton – Head of Commissioning for Learning

Schools affected: ☒ Early Years Settings

Type of Report	For Forum to express view to the Local authority
Forum Voting	Whole of Forum
Public/private report:	Public
Exempt by virtue of paragraph:	N/A

1. Purpose of Report

1.1 For School Forum to consider the government settlement for early years block (EYB) of the Dedicated schools grant (DSG) and to consider the options for incorporation of teacher pay and pension grants into the local early years funding formula (EYFF).

1.2 Recommend to the Council your preferred option on incorporating teacher pay and pension grant (TPPG) into the local EYFF.

2. Decision(s) recommended

2.1 That School Forum recommends to the Council that the pension grant element is built into the early years funding formula by means of a "supplement factor" that will apply to all qualifying settings (option 2).

2.2 Schools Forum may also consider 2 further options that have emerged from the consultation, as described in paragraphs 7.4 and 7.6.

3. Early Years funding settlement

3.1 On 16 December 2022 the government announced their funding decisions and the levels of funding for the EYB element of the DSG. Note that the grant levels are provisional and will be adjusted for January 2023 census.

3.2 For Solihull the indicative level of grant is shown below:

2021-22	Grant Levels - From DSG Schedules	2022-23	2023-24	Change
9,480,010	EY Bloc, 3&4 and Admin	9,014,897	9,841,142	826,245
4,381,405	EY 30 hours	4,290,424	4,857,603	567,179
1,794,813	EY 2 YO	1,731,778	1,956,085	224,307
171,907	EY Pupil Premium	187,074	216,069	28,995
71,955	EY Disability Access Fund	81,600	101,016	19,416
15,900,090	**Total**	**15,305,773**	**16,971,915**	**1,666,142**
90,000	Add Local decision to add from HNB:	135,000	135,000	0
15,990,090	**Total available to the EY Block**	**15,440,773**	**17,106,915**	**1,666,142**

3.3 Central early years services were approved by School Forum at their meeting of 28 November 2022.

3.4 Of the £1.6m overall increase in national funding, £575,000 relates to an increase in estimated pupil numbers of 149 pupils, and £363,897 relates to teacher pay and pension grant (TPPG). Overall, excluding effect of TPPG, there has been a 8.3% increase in funding, of which 4.6% relates to cash increases, and 3.7% relates to pupil growth.

3.5 For Solihull, the TPPG incorporated into the early years block grant £352,000, consisting of £260,000 pension grant and £92,000 pay grant. In 2022-23 this TPPG was paid only to schools settings, a government not local authority decision.

3.6 The table below shows the national funding unit rates and how they translate to local rates in the local early years funding formula:

2021-22 funding rate		2022-23 funding rate	2023-24 funding rate	% Change
	National Unit Rates Awarded to Solihull			
£5.40	2 YO Hourly Rate	£5.61	£5.85	4.3%
£4.50	3/4 YO Hourly Rate	£4.67	£5.01	7.3%
£0.53	Pupil Premium Hourly Rate	£0.60	£0.62	3.3%
£615.00	Disability Access Fund - per eligible child	£800.00	£828.00	3.5%
	SMBC Unit Rates to pay to providers - Recommended			
£5.40	2 YO Hourly Rate	£5.61	£5.85	4.3%
£4.04	3/4 YO Hourly Rate	£4.21	£4.45	5.7%
£0.00	Supplement - Teacher Pension Cost (option 2)	£0.00	£0.23	n/a
£1.18	Deprivation Factor - per eligible child	£1.32	£1.37	3.8%
£0.65	Deprivation Factor - local formula	£0.72	£0.75	4.2%
£0.53	Pupil Premium Rate - per eligible child	£0.60	£0.62	3.3%
£615.00	Disability Access Fund - per eligible child	£800.00	£828.00	3.5%
£1.17	Inclusion Fund 1 (for 3–4-year-olds)	£1.21	£1.27	5.0%
£5.40	Inclusion Fund 2 (for 2-year-olds)	£5.61	£5.85	4.3%
£4.04	Inclusion Fund 2 (for 3–4-year-olds)	£4.21	£4.45	5.7%

3.7 Excluding the TPPG of £0.12p, the national 3-4 YO hourly rate has increased by

£0.22 (4.7%).

3.8 The SMBC recommended rates of 3 to 4-year-old hourly rate and the rate of the funding supplement assume option 2 of the incorporation of TPPG is approved. See section 5 below.

3.9 The SMBC unit rates are provisional at this stage, and subject to ratification by the Cabinet Member for Education in February.

3.10 The table below shows how the national headline rate is used to fund the various components of the local funding formula, and how we move from a national formula headline hourly rate to a local formula basic rate per hour:

Breakdown of national £5.01 3 to 4 YO national rate to local rates:

2021-22 Hourly Rate Equiv	Delivered locally as:	2022-23 Hourly Rate Equiv	2023-24 Hourly Rate Equiv	Total Allocated 2023-24
£4.04	Paid hourly rate	£4.21	£4.45	£13,055,771
£0.08	Deprivation (mandatory funding factor)	£0.08	£0.09	£261,374
£0.00	Supplement – Teacher Pension Cost	£0.00	£0.09	£265,215
£0.08	Inclusion Fund	£0.09	£0.09	£250,000
£0.04	Contingency Fund	£0.01	£0.01	£40,986
£0.26	Central Spend	£0.28	£0.28	£825,399
£4.50	**Total EY 3-4 YO grant**	**£4.67**	**£5.01**	**£14,698,745**
£0.03	Inclusion fund from High Needs Block	£0.05	£0.05	£135,000
£4.53		**£4.72**	**£5.06**	**£14,833,745**

Note the supplement assumes Option 2

3.11 The only element above that is not paid directly to providers is the central spend of £825,399.

4. Other changes in the government announcement

4.1 The government has confirmed their decisions on changes made to the national funding formula following their consultation in the summer.

4.2 The government have confirmed they will implement the majority of the proposed updates and amendments to the formulae, which will allocate funding rates for 2023-24, and update the data underpinning the formulae annually going forward. There are some technical modifications, following points raised in the consultation.

4.3 The government have also confirmed that they will mainstream the TPPG funding as set out in the consultation document. From 2023-24, the majority of the funding will be rolled into the overall quantum of 3- and 4-year-old entitlement funding, and so will be distributed as part of each local authorities' EYNFF rate. Local authorities' indicative 2022-23 TPPG funding will be included within the baseline against which they apply protections for 2023-24 to limit year to year changes in overall funding levels.

4.4 The government committed to ensure that the guidance to local authorities provides them with sufficient support and clarity over how they might use their quality supplement to channel the additional TPPG funding that has been rolled into their grant allocations.

4.5 The government also said in their announcement concerning the overall financial state of the early years sector, particularly in relation to rises in the cost of living and the current levels of inflation:

4.6 "We know the sector is facing economic challenges, similar to the challenges being faced across the economy. We have already announced additional funding of £160 million in 2022–23, £180 million in 2023–24 and £170 million in 2024–25, compared to the 2021–22 financial year, for local authorities to increase hourly rates paid to childcare providers. On top of that additional funding, we are investing a further £20m in recognition of the recently announced National Living Wage increases. Taken together, this will mean at a national level early years providers are supported with the additional National Living Wage costs associated with delivering the free childcare entitlements next year.

4.7 *Improving the cost, choice and availability of high-quality childcare and early education remains a key priority for this government. We continue to engage with sector stakeholders and local authorities to monitor dynamics with local markets, parents' access to the government's entitlements and the childcare they require, and the sustainability of the sector*".

5. Incorporating teacher pay grants into the local early years formula

5.1 Following the government announcement confirming the treatment of TPPG to be rolled into general early years funding, I have modelled how this can be implemented in Solihull.

5.2 For 2018 and 2019 teacher pay awards, the government introduced a grant to cover the cost of awards for schools where the awards were above 1% in 2018 and 2% in 2019. The government introduced a further grant for teacher employer pension costs when the employer pension contribution increased from 16.4% to 23.6% on 1 September 2019. The government have now incorporated these grants that relate to school nurseries only into the national early years funding formula. Consequently, the government have mandated local authorities to consider how they incorporate this funding into their local early years funding formula.

5.3 The revised operational guidance (extracts shown in Appendix 1) is clear that:

(a) There is a government expectation that some regard will be made to the stability of school funding given the ending of specific grant,

(b) the DfE encourage local authorities to use a supplement (quality) as the mechanism to distribute the additional funding they will receive because of the mainstreaming of the teachers' pay and pensions grants, as this does not require any further changes to the national framework.

(c) As with all other supplements, it is for local authorities to determine the appropriate metric for allocating funding, if their approach is in line with the principles set out above. However, we (the government) would encourage local authorities to consider the purpose for which the grants were originally introduced when designing their approach. They could continue to target the funding to take account of additional pressures that some providers might face, from, for example, the need to pay employer contributions to the teachers' pension scheme.

5.4 The government have provided sufficient detail that we know how much TPPG has been incorporated into the Solihull hourly rate, and how much for each of the pension and pay elements (paragraph 3.5).

5.5 The government state that LAs should use the existing mechanism permitted in local funding formulae of a “quality supplement”, but the operational guide continues to set out strict criteria for use see Appendix 1 – Funding supplements section. In particular, supplements must be “provider blind” – they apply to all settings (or pupils) that meet the criteria.

5.6 Therefore, to use this supplement, the qualifying criteria would be “where a setting employs a qualified teacher (QTS) on a permanent basis/contract” that is present and working directly with children the duration of any session attended by grant eligible 3-4 year-olds”.

5.7 This is drawn from the Early years entitlements: operational guidance for local authorities and providers June 2018 that sets out staff qualifications for adult: child staffing ratios in page 30.

5.8 Where a school did not employ a teacher, they would not qualify for the supplement, and a PVI setting that did employ a teacher would qualify. Qualification also depends on a QTS working directly with children at each grant eligible session. This would exclude for example, a setting employing a teacher for 2 hours a week, or where a teacher has oversight of a session but is not working directly with children.

5.9 Taking account of the guidance and the information above, I consulted with settings on 3 options. The impact of each option is shown in Appendix 2:

5.10 **Option 1** – no supplement. Teacher pay and pension grants incorporated into the basic hourly rate for all settings. However, this option does not meet government expectations and would have a major impact on the current funding levels of many schools. There is some mitigation for schools from all settings having a higher basic hourly rate.

5.11 **Option 2** – create a new supplement, for pension grant element only. This does recognise that it is unlikely settings without a teacher are having to pay a significantly higher employer contribution to pension costs than for a non-teacher. Pay awards are applicable to all settings, and the teacher pay grant relates more to how the DfE/treasury funded the pay award rather than an objective analysis of pay awards across different sectors. There is some mitigation for schools from loss of pay element by a higher basic hourly rate. This approach is consistent with government expectations.

5.12 **Option 3 -** create a new supplement, for pension grant and pay grant elements. This is consistent with government expectations. However, it is open to doubt that the pay element is sufficiently unique to a sector to justify the strong presumption that funding is consistent across all settings. There is also a further problem raised by a consultee that is discussed below in the consultation responses section.

5.13 The impact on schools of the 3 options is shown in Appendix 2. I have shown a global figure for non-school settings. At this stage TPPG was only payable to schools and I do not have any information regarding settings with a qualified teacher status (QTS) working in the setting, so I cannot model at an individual setting level, as I only know the pay and pension grant at school level. Note that this also assumes pupil numbers are at the levels that were used for the pay/pension grants. In practice it is likely that changes in pupil numbers could have a greater impact than any of the options here.

5.14 As the level of the supplement impacts on the basic rate, I have shown the impact the supplement would have on the change in the basic rate. This change reflects the overall increase in the basic rate from the government settlement. For 2023-24 it has increased by £0.34p overall, with £0.01p being allocated to deprivation supplement, £0.13p of the increase consisting of the incorporation of the TPPG (£0.13p times total 3-4 hours = the total grant that has been incorporated into the total EY grant). This leaves £0.33p to be allocated between a new QTS supplement and the basic hourly rate.

5.15 Note The supplement rate would not be £0.13p, as that is the equated rate across all 3-4 YO hours; a supplement rate will be higher because it is not applied across every pupil hour.

5.16 The impact on the supplement and basic rates is shown below:

	QTS Supplement Hourly Rate	Basic Hourly Rate
	£	£
Option 1 - No supplement	£0.00	£4.54
Option 2 - Teacher pension element	£0.23	£4.45
Option 3 - Teacher pay and pension element	£0.31	£4.42

The supplement is not paid to all providers, so it does not have a direct relationship with the basic hourly rate.

5.17 From the consultation, two further options have emerged – see para 7.4 and 7.6 below.

6. Consultation

6.1 Changes to the EY funding formula require consultation with EY settings, and a consultation paper was issued to schools just before Christmas. With a deadline to respond of 19 January so that feedback can be given to School Forum at this meeting.

6.2 The Finance Group considered these matters at their meeting on 10-01-2023; the minutes record that *Finance WG were of the view that option 2 was reasonable, but clearly schools on the group would prefer option 3*.

6.3 Solihull currently pays grant to 249 early years settings. The response to the consultation is shown below:

Option 1

Schools	PVI
0	3

Option 2

Schools	PVI
3	1

Option 3

Schools	PVI
11	0

6.4 Comments received included:

6.5 Option 1:

(a) I feel that option 1 should be applied to all - I have fully qualified staff in early years, some who are Level 3, 4, 5, 6 and EYTS but my staff are all equal and just as good at their jobs and provide an excellent service to our families and children and I do not feel that just because a school setting has a 'QTS' they offer any better quality childcare and education than we do so I feel all 3 and 4 year olds should be funded in the same way no matter what setting they attend.

(b) I would prefer to option one and receiving a basic hourly rate of £4.54, especially considering the financial pressures the PVI sector is currently under e.g. inadequate funding, increase in business rates, high inflation, increase in gas and electricity, NMW increase of 10% from April.

6.6 **Option 3**: We would support option 2 as well

6.7 I also received an extensive response from the 2 forum representatives for the PVI sector (I have edited the response quoted below, but not changed the substance):

- I have always had the concern that this supplement intended only for schools is totally unfair and although it is to replace a previous grant to support teachers wages and pensions - why are PVI settings the poor relation in respect of the said support?

- It is proposed that this funding support will be incorporated in the early years funding and suggested it is included as a quality supplement - it suggested this will only cover settings where there is a QTS permanently employed member of staff working in early years. This completely over-looks settings who have level 6 workers and pay enhanced rates of pay for them, such as EYPS (Early years professional status) a post graduate qualification encouraged by the government for several years before the Early Years Teacher qualification as an alternative to QTS for Early Years.

- Small independent settings seem to be really disadvantaged in a funding formula that is supposed to be equal to all. In a time where settings are struggling, and I suggest smaller setting not have a larger provision such as a school to support them are likely to be struggling financially the most. You acknowledged this once saying that small PVI settings didn't have the advantage of sharing management and HR from the larger provision. As a manager and owner of 2 smaller settings I am feeling very undervalued and feel that we employ several level 6 graduates in nursery and well as 2 EYP's.

7. Reasons for recommending preferred option

7.1 Option 2 is the recommended option – as striking an appropriate balance between stability of funding for settings, government expectations, and the strong presumption that funding is consistent across types of settings. The supplement qualifying criteria will be applied to all settings, not just schools.

7.2 The net difference to schools between option 2 and 3 is just £58,000, average of £1,000 per school, of total school 3-4 YO funding of £5.9m. The difference between option 1 and 3 is £219,000, an average of £4,000 per school.

7.3 From the government guidance there is a strong case for the pension element; it is unique to a particular section of the workforce and would have a much larger impact on school funding. Although technically the local authority has to do this by using a “quality” supplement; there is no suggestion that this is a “quality” supplement in that the purpose is to reward “higher quality” settings – this is divisive between settings.

Therefore, the local authority will always use the language of “Teacher pension supplement”.

7.4 From the consultation, I have very carefully considered the response from Forum PVI representatives, and they have raised a very pertinent point that if we are going to have a supplement to cover teacher pay, then surely this must include all Level 6 qualified staff (QTS, EYPS, or EYT or other suitable L6). This is consistent with the definition given in the EY operational guidance. I do think this is an important point and, if QTS pay is permanently reflected in the formula would, legitimately, be seen as unfair and divisive by providers that employ L6 qualified staff other than QTS. At this stage we do not have the information to model this. So, an **option 4** could be option 2 plus a quality supplement for all settings using L6 qualified staff working directly with children in 3-4 YO grant eligible sessions.

7.5 I am also most reluctant to re-open the debate on the merits of a quality supplement based on the type of staff employed. To date, providers have agreed that for a relatively lowly funded authority like Solihull, the priority is to maximise the general hourly rate paid to providers. It is fine if early years providers want to revisit that strategy, but it would need to be looked at and evaluated carefully, not as a result of incorporating a historic grant.

7.6 I think there is a further option, say **option 6**, that meets the government criteria: option 3, but pay element for 2023-24 only, then pay element phased out the following year. So, option 3 for 2023-24 then option 2 for following years. This would strike a balance between continuity of funding for schools from current year to next year but give a clear signal of funding in 2024-25 and beyond to all settings. This approach does not open a complex debate around a full quality supplement for other Level 6 qualified staff.

8. List of appendices referred to

8.1 Appendix 1 – extracts from the operational guide.

8.2 Appendix 2 – impact of options for teacher pay and pension grant incorporation on settings.

9. Background papers used to compile this report

9.1 Early years funding settlement 2023-24 Early years funding: 2023 to 2024 - GOV.UK (www.gov.uk)

9.2 Guidance: Early years entitlements: local authority funding operational guide 2023 to 2024 - GOV.UK (www.gov.uk)

9.3 Early years entitlements: operational guidance (publishing.service.gov.uk)

9.4 Government response to the consultation Early years funding formulae - GOV.UK (www.gov.uk)

Appendix 1

Extracts from Guidance: Early years entitlements: local authority funding operational guide 2023 to 2024 (DfE).

(*Italics is direct quote from guide*, non-italics is Solihull added text)

Consultation:

Local authorities must consult their schools forums and maintained schools on changes to their funding formulae, including agreeing central spend, by 28 February 2023. Where local authorities propose changes to their funding formulae which will affect early years providers in their area, they must also consult those providers in relation to those changes. The final decision on the formula, following any consultation, rests with the local authority.

Funding supplements

Funding supplements are amounts of funding paid to providers in addition to the base rate to reflect local needs or policy objectives. When using supplements, local authorities should adhere to the following principles:

- *the use of supplements should be transparent and fair and should be open to all providers which meet the eligibility criteria [*ref Solihull deprivation fund*]*
- *supplements should be used to channel additional funding to providers and local authorities should not use them to reduce funding rates for providers that do not meet the eligibility criteria*
- *local authorities should not distinguish between the universal 15 hours entitlement and the additional 15 hours for working parents; any supplement should apply equally to both entitlements*

Local authorities must have a deprivation supplement for 3 and 4-year-olds.

From 2023 to 2024 the total planned value of funding supplements must not be more than 12% (10% 2022-23) of the total value of planned formula funding to providers.

Quality (discretionary supplement)

To support workforce qualifications, or system leadership (supporting high quality providers leading other providers in the local area). This is not currently used in Solihull.

We (the DfE) also encourage local authorities to use the quality supplement to distribute the additional funding they will receive because of the mainstreaming of the teachers' pay and pensions grants. From 2023 to 2024, the separate teachers' pay grant and teachers' pensions employer contribution grant are no longer being paid directly to school-based nurseries, and instead this funding has been rolled into the overall quantum of 3- and 4-year-old entitlement funding.

Local authorities' indicative 2022 to 2023 teachers' pay and pensions grants funding has been included within the baseline against which we applied protections to the EYNFF hourly rates for 2023 to 2024, to limit year to year changes in overall funding levels. Nonetheless, for local authorities, the amount of funding that has been rolled in may be higher, or lower, than the amount their school-based nurseries previously received through the grants, given the distribution is now through the EYNFF.

As with all other supplements, it is for local authorities to determine the appropriate metric for allocating funding, if their approach is in line with the principles set out above. However, we would encourage local authorities to consider the purpose for which the grants were originally introduced *when designing their approach. They could continue to target the funding to take account of additional pressures that some providers might face, from, for example, the need to pay employer contributions to the teachers' pension scheme*.

Special educational needs inclusion fund (SENIF)

Local authorities are required to have SENIFs for all 3 and 4-year-olds with special educational needs (SEN) who are taking up the free entitlements, regardless of the number of hours taken. These funds are intended to support local authorities to work with providers to address the needs of individual children with SEN. This fund will also support local authorities to undertake their responsibilities to strategically commission SEN services as required under the Children and Families Act 2014.

Local authorities should target SENIFs at children with lower level or emerging SEN. Children with more complex needs and those in receipt of an education, health and care plan (EHC plan) continue to be eligible to receive funding via the high needs block (HNB) of the DSG (hence Solihull also makes provision for inclusion fund 2 from the HNB)

SENIFs should apply to children attending settings in their local authority area, regardless of where they live. In Solihull Inclusion fund 1 (funded from early years block) is available to all pupils aged 3 and 4 in Solihull settings, Inclusion fund 2 (funded from high needs block, for pupils with higher needs, is for 2 to 4-year-olds. Children with an EHCP are funded by the local authority where the child is resident.

Local authorities should establish their SENIFs using funding from the early years block and/or the high needs block of their DSG allocation.

Local authorities are not required to establish a special educational needs inclusion fund (SENIF) for 2-year-olds. However, they may wish to do so as part of their provision for children with SEN.

Government Response to consultation:

Updating underlying data & adjusting the formulae

We (the government) will implement the majority of the proposed updates and amendments to the formulae, which will allocate funding rates for 2023-24, and update the data underpinning the formulae annually going forward

We will use the most recently available dataset for the FSM proxy but we will not continue with our proposed change to the cut of the data, which would have included data for part-time 3 and 4-year-olds for 2023-24.

Mainstreaming the teachers' pay and pensions grants TPPG

We will continue with our proposal to mainstream the teachers' pay and pensions grants into both the EYNFF and MNS supplementary funding from 2023-24.

However, in light of responses to the consultation, we will:

• *Increase the supplements cap from 10% to 12% of the total value of planned formula funding to providers, and*

• *ensure that the guidance to local authorities provides sufficient support and clarity over how the quality supplement can be used.*

We will mainstream the TPPG funding as set out in the consultation document. From 2023-24, the majority of the funding will be rolled into the overall quantum of 3- and 4-year-old entitlement funding, and so will be distributed as part of each local authorities' EYNFF rate. Local authorities' indicative 2022-23 teachers' pay and pensions grants funding will be included within the baseline against which we apply protections for 2023-24 to limit year to year changes in overall funding levels.

We will ensure that the guidance to local authorities provides them with sufficient support and clarity over how they might use their quality supplement to channel the additional TPPG funding that has been rolled in.

In respect of queries regarding the fit of this proposal within the provider blind system, our proposal does not represent a change from the current approach regarding supplements, where local authorities have discretion over the metrics and approach used, as long as they meet the criteria set out in guidance and are transparent about their approach.

Protections

In 2023-24, we will invest an additional £20m in the Early Years entitlements to help meet the cost of the National Living Wage increase next year at a national level. We will apply 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. We will also increase the minimum funding floor for the EYNFF to £4.87.

Overall financial state of the early years sector, particularly in relation to rises in the cost of living and the current levels of inflation.

We know the sector is facing economic challenges, similar to the challenges being faced across the economy. We have already announced additional funding of £160 million in 2022–23, £180 million in 2023–24 and £170 million in 2024–25, compared to the 2021–22 financial year, for local authorities to increase hourly rates paid to childcare providers. On top of that additional funding, we are investing a further £20m in recognition of the recently announced National Living Wage increases. Taken together, this will mean at a national level early years providers are supported with the additional National Living Wage costs associated with delivering the free childcare entitlements next year.

Improving the cost, choice and availability of high-quality childcare and early education remains a key priority for this government. We continue to engage with sector stakeholders and local authorities to monitor dynamics with local markets, parents' access to the government's entitlements and the childcare they require, and the sustainability of the sector.

Solihull Outcomes:

Early Years National Funding Formula (EYNFF) 3 and 4-year-old entitlements 2023 to 2024 hourly funding rates

LA number	**LA name**	2022-23 EYNFF rate (£ / hr)	2022-23 TPPG rate (£ / hr)	2022-23 EYNFF rate + TPPG rate (£ / hr)	2023-24 EYNFF rate (£ / hr)	Change (£) from 2022-23 rate + TPPG rate	Change (%) from 2022-23 rate + TPPG rate
334	Solihull	£4.67	£0.12	£4.79	£5.01	£0.22	4.6%

Note: this is the overall funding rate paid to Solihull, it is not the basic hourly rate paid to providers.

2-year-old entitlement 2023 to 2024 hourly funding rates

LA number	**LA name**	2022-23 2YO funding rate (£ / hr)	2023-24 2YO funding rate (£ / hr)	Change (£) from 2022-23 rate	Change (%) from 2022-23 rate
334	Solihull	£5.61	£5.85	£0.24	4.3%

Note: Solihull does not make any deductions to this and passes this rate to providers.

Teacher Pay Grant Element:

Total 2022-23 = £363,897

Total PTE Hours 3&4 Jan 2022 basic (15 hrs) = 3,446.14

Total PTE additional Jan 2022 (30 hrs) = 1,701.02

So base rate increase = £0.12p

Total PTE Jan 2022 = 5,147.16

Total TPPG 2023-24 = £235,716 (15hrs) + £116,350 (30hrs), Total £352,066.

EYPP and DAF

- The national funding rate for EYPP will increase by 2 pence, from 60 pence to 62 pence per eligible child per hour.

The national funding rate for DAF will increase by £28, from £800 to £828 per eligible child per year