

**Early Years Business Meetings**  
**Questions and Answers**  
6<sup>th</sup> February 2025 via MS Teams

The  
**Early Years**  
Team

Please find below the questions and answers raised across the 3 sessions held, for your information.

**Q1: When will we receive the Provider Agreement for 2025/26?**

We are currently awaiting the updated Statutory Guidance for Local Authorities from the Department for Education, so the Provider Agreement will be issued later than usual but still ahead of the new financial year. Please note the main changes which will be referenced on the foreword of the Agreement when it is issued.

**Q2: Where can I find the hourly base rates for 2025/26?**

These will be in the Provider Agreement when it is issued, but can also be found on the [funding pages](#) of the website.

**Q3: As a childminder, can I claim the early years entitlements if I look after my eligible grandchild?**

Currently, based on national guidance, the answer to this is no. As stated at clause 6.5 of the current Provider Agreement; *'Childcare' as defined in Section 18 of the 2006 Act, specifically excludes care provided for a child by a parent, step-parent, foster parent (or other relative) or by a person who fosters the child privately or has parental responsibility for the child. Early years provision by a childminder for a related child does not count as childcare in legal terms and early years entitlements funding cannot be claimed by, or spent on, childminders providing childcare for their own child or a related child, even if they are claiming for other children.*

**Q4: Parents returning from maternity leave can't apply for early years entitlements until they return to work, meaning their child is missing out on a term of funded provision. Are there any plans for HMRC to review this?**

This is HMRC national policy and guidance and to the best of our knowledge, there are no current plans for this to be reviewed. Parents can apply for an eligibility code for the child that is the subject of the parental leave, though when the parent returns to work will affect when they can take up the childcare as following dates apply;

Date of starting or returning work	When you can apply from	When you can access your entitlements from
1 October to 31 January	1 September to 31 December	1 January
1 February to 30 April	1 January to 31 March	1 April
1 May to 30 September	1 April to 31 August	1 September

The Early Years Team feedback issues affecting the sector at national and regional level wherever possible to influence future policy change. If there is significant evidence of such issues, please raise these in an email to [catherine.smith@nottinghamcity.gov.uk](mailto:catherine.smith@nottinghamcity.gov.uk) so we can monitor this impact locally and raise these concerns on behalf of the sector where possible.



- Q5. Are there any plans to increase the earning threshold of £16,190 per year before tax for families claiming tax credits to enable eligibility for accessing the disadvantaged 2-year-olds entitlement? This threshold has not changed for a number of years and there are lots of families still on low incomes but missing out on being eligible.**

This income threshold has been frozen in cash terms since 2014 and this, alongside reforms in the benefits system, particularly the major changes in Universal Credit, means that this static threshold could be seen as a less generous offer in terms of families being eligible, compared to when this entitlement was introduced. However, unfortunately this is a national policy and not under the control of the local authority. To the best of our knowledge there are no plans for this to be reviewed at present.

- Q6. I have had an Ofsted inspection recently and was worried in case I didn't get a grade that enabled me to claim the early years entitlements funding as most of my children are funded. I did get a 'Good' but what happens if you don't get a good or outstanding grade in relation to your funding?**

As noted in the clause 5.2 of the current Provider Agreement *"Provision must be offered in accordance with the national parameters on quality as set out in Section A3 of the Early Education and Childcare Statutory Guidance for Local Authorities 2024 and the EYFS statutory framework. Nottingham City Council is clear and consistent in its expectations of continuous quality improvement and as far as possible, early years entitlement places will be delivered by providers who have achieved an overall rating of 'outstanding' or 'good' in their most recent Ofsted inspection report"*. Section 5 of the Provider Agreement is all about quality and details the actions that would be taken and the support offered if you achieved a lower Ofsted grade. Clause 5.9 states that *"Following the publication of the Ofsted inspection judgement, providers not meeting the quality requirements outlined in this section, could have their funding suspended/withdrawn by the LA. A requirement of funding in such circumstances will be the participation in the LA's Provider Support Framework (PSF), quality improvement process and engaging in support from the LA's Early Years Team"*. The Early Years Team are committed to working with providers to mitigate against funding being withdrawn. The exception to this would be if the lower grade was because of a safeguarding issue, and if the provider has had their registration cancelled by Ofsted by emergency order, funding will be immediately withdrawn. Please refer to Section 5 of the Provider Agreement for further information.

- Q7. How do I check what details are on Ask Lion for my provision and how can I update them?**

You can see that information is held for your setting on Ask Lion by searching [here](#). To update your details please email [fis@nottinghamcity.gov.uk](mailto:fis@nottinghamcity.gov.uk) or call 0115 87 65910.

- Q8. What can be done to address the fact the hourly base rates offered don't meet the full costs of delivering these places?**

We understand that providers face challenges as businesses and employers, large and small, particularly in relation to increases in rates and staff costs. In our communications to parents, we are clear that the early years entitlement hours are funded hours and that whilst they are to be accessed as free at the point of delivery to parents, they are not free to offer to providers. The DfE have always been clear that these hourly rates are a contribution towards the cost of delivering places, we are aware that the hourly rates do not cover the full costs for all providers and the DfE Easy Explainer document on the [funding pages](#) of our website details how the national rates have been set, how this is passed on to LA's and how LA's then need to allocate the funding at local level. These national guidelines determine how we need to passport the vast majority of this funding out to providers to ensure the hourly rates are as high as they can be within each age group funding allocation we receive. There are a wealth of different business models around how the early years entitlements are offered and this is essential in enabling local parents to access their entitlements in a pattern to suit their needs and with a provider of their



choosing. In balancing the funding available through the early years entitlements and from parental fee income, with your business models, we understand sustainability is key so we would encourage you to consider your business models, giving thought to the type and size of your provision, staff ratios, how many funded places you can offer and in what patterns to ensure your business model is sustainable moving forwards.

**Q9. I am interested in being on the new Early Years Consultation Sub-Group which is going to link to Schools Forum. How do I register my interest?**

Please email Kathryn Bouchlaghem, Head of Service for Early Years, directly on [Kathryn.bouchlaghem@nottinghamcity.gov.uk](mailto:Kathryn.bouchlaghem@nottinghamcity.gov.uk)

**Q10. Where can I access further support on business planning to aid the sustainability of my provision?**

Whether you are looking to start, grow or sustain your business, Childcare Works have developed some fantastic Toolkits which are free to access and have brilliant resources to guide you through the various areas of planning for a sustainable business. Check them out [here!](#)

**Q11. In September 2025, will all the early years entitlements all increase to 30 hours per week?**

No. In September 2025, only the working parent entitlements will be increased to 30 hours per week, the 2 year old offer for families receiving additional support and the universal offer for 3 and 4 year olds will remain at 15 hours per week.

**Q12. What if a setting doesn't have capacity to offer all the early years entitlements?**

Just as per the arrangements for the current entitlements, it is not mandatory for providers to deliver the expanded entitlements. Providers should assess their own business models and decide which of the entitlements they can offer and for how many places. It is the LA's responsibility to ensure there is sufficient provision across the City, which will be measured through the Childcare Sufficiency Assessment.

**Q13. LA's can retain a maximum of 4% of the overall grant allocation, how much are Nottingham City retaining and what will this be used for?**

In 2025/26, Nottingham City is retaining 3%, so passporting an extra 1% out to the sector. This funding will be used on staffing infrastructure and the administration of the early years entitlements funding.

**Q14. Why are there 2 different hourly rates for the 2 different entitlements for 2 year olds?**

LAs are required to ensure that the final hourly rate paid to providers for the 2 year old entitlement for families receiving additional support is at least equal to (or more than) the final hourly rate paid for the 2 year old working parent entitlement to ensure providers are not disincentivised from offering the 2 year old entitlement for families receiving additional support. Following consultation in January 2024, the local formula for 2 year olds has been constructed to reflect a higher hourly base rate for 2 year olds of families receiving additional support to meet this requirement.

**Q15. Can we still apply for the SEN Inclusion Fund next year?**

Yes. Information on applying for SENIF can be found [here](#).

**Q16. What is the difference between EYPP and the Deprivation Supplement?**

Early Years Pupil Premium (EYPP) funding is available to any eligible child accessing their early years entitlements. If the child is 3 or 4 years of age, accessing their early years entitlements and eligible for EYPP, they will also attract the £1 per hour Deprivation Supplement.



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**Q17. Do all Looked After Children automatically receive EYPP and 2 year old disadvantaged funding?**

Not automatically. A Looked After Child may attract EYPP funding, providers will need to enter the relevant details on to the Early Years Provider Portal to enable a check to be completed and to ensure we are aware this is a Looked After Child. For disadvantaged 2 year old funding, this is not a universal entitlement, although Looked Ater Children may be eligible. This funding will need to be applied for in the usual way. Eligibility can be checked with FIS [here](#).

**Q18. If I have any questions regarding the early years entitlements who do I contact?**

There is a wealth of information on our funding pages and particularly in the Provider Agreement, but if you need further support please email [eyfunding@nottinghamcity.gov.uk](mailto:eyfunding@nottinghamcity.gov.uk) and a member of the Early Years Funding Team will contact you.

*Early Years Team*

*February 2025*