

Early Education Funding Formula Factsheet 2024/25



The Department for Education sets a local authority level hourly funding rate using a national funding formula. This means that the funding rates that each local authority receives can vary.



Local Authorities set hourly funding rates and other formula components for providers in line with regulation. The local authority are currently able to retain 5% of the income for central services.



The proposed hourly funding rates are discussed with the Early Years Reference Group which is made up of School nursery and Private, Voluntary and Independent (PVI) representatives. The agreed rates are then ratified by Schools Funding Forum which includes representatives from maintained schools, academies, early years providers, diocese and trade unions.



A consultation is then held on the proposed funding rates with all Early Years Providers before the funding rates for the year are confirmed. The funding rates will differ between local authorities due to the funding they have received as part of the national funding formula.

3 and 4 Year Old Funding

Funding received from government



£18,277,099

Estimated hours funding will pay for



3,274,508

Passed on to providers

95%



£17,363,244

Central spend for early years services

5%



£913,855

Funding Allocations

Base rate	£15,979,597	87%
SEN Inclusion Fund	£590,060	3%
Deprivation supplement	£305,000	4%
Quality supplement	£478,741	
Contingency (unused funding distributed to providers at the end of the year)	£9,846	0%
Total passed on to providers	£17,363,244	95%

Provider Funding Rates

Base rate per hour for all providers	£4.88	
Deprivation supplement per child per year, pro-rata for extended hours	Universal £251	
	Extended £251	
Quality supplement	Group Settings	£1,250
	Childminders	£500
	School Nursery	£6,600

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2 Year Old Funding

Funding received from government

  **£7,782,838**

Estimated hours funding will pay for

  **1,010,758**

Passed on to providers

95%  **£7,393,696**

Central spend for early years services

5%  **£389,142**

Funding Allocations

Base rate	£7,230,748	93%
SEN Inclusion Fund	£162,900	2%
Contingency (unused funding distributed to providers at the end of the year)	£48	0%
Total passed onto providers	£7,393,696	95%

Provider Funding Rates

Disadvantaged base rate per hour for all providers	£7.48
Working Parent base rate per hour for all providers	£7.05

Under 2's Funding

Funding received from government

  **£4,063,716**

Estimated hours funding will pay for

  **386,146**

Passed on to providers

95%  **£3,860,530**

Central spend for early years services

5%  **£203,186**

Funding Allocations

Base rate	£3,822,846	94%
SEN Inclusion Fund	£36,200	1%
Contingency (unused funding distributed to providers at the end of the year)	£1,485	0%
Total passed onto providers	£3,860,531	95%

Provider Funding Rates

Base rate per hour for all providers	£9.90
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National Funding Formula

These are nationally set rates by the Department for Education and apply to all early education funded children.

Disability Access Funding, per eligible child per year	£910
Early Years Pupil Premium, 68p per hour per eligible child up to a maximum of 570 hours per year	£388