

Dear Providers,

### **Early Years Funding rates for April 2017**

Further to our Schools Finance Issues Group last week the proposed hourly rate from April 2017 has been agreed. This will now be put forward to the Devon Education Forum meeting next week but we hope that the new funding rates from April 2017 will be £3.98 for 3&4 yr olds and £4.90 for 2 yr olds.

Devon County Council will receive £4.30 per hour (the minimum national funding rate) for 3 & 4 yr olds and £5.20 for 2 yr olds. The DfE have set out the requirement for how the Local Authority must fund Early Years settings. Please find below a breakdown of the hourly funding for Devon:

### **3 & 4 yr old Funding**

	2016/17		2017/18	
<b>Baseline Funding</b>	<b>£4.07</b>	<b>100%</b>	<b>£4.30</b>	<b>100%</b>
Central Costs	£0.19	4.53%	£0.15*	3.49%
<b>Funding available for pass-through</b>	<b>£3.88</b>	<b>95.47%</b>	<b>£4.15</b>	<b>96.51%</b>
<u>Provider Costs</u>				
Deprivation per hour	£0.13	3.16%	£0.12	2.79%
Lump Sums per hour	£0.05	1.32%	£0.05	1.16%
<b>Hourly rate</b>	<b>£3.70</b>		<b>£3.98</b>	
EYPP	£0.53		£0.53	
DAF (for children in receipt of DLA)			£615	Per child

### **2 year old Funding**

	2017/18	
<b>Income</b>	<b>£5.20</b>	<b>100%</b>
Central Costs	£0.20	3.85%
<b>Funding available for pass-through</b>	<b>£5.00</b>	<b>96.15%</b>
<u>Provider Costs</u>		
Deprivation per hour		
Lump Sums per hour		
SEN Costs	£0.10	1.92%
<b>Hourly rate</b>	<b>£4.90*</b>	<b>94.23%</b>

Our existing formula meets the DfE requirements regarding supplements and 95% pass through but we do wish to review the lump sum and deprivation funding as this could be used to increase the hourly rate in future.

We will consult with providers regarding any changes to the formula and this will be your opportunity to feedback.

Kind regards,

**Early Years Funding Team**