

## Expanded Childcare Offer (ECO) – Update August 2023

- DfE Consultation on the Early Years funding of the Expanded Childcare Offer (ECO)
- Derby Expanded Entitlement Provider Group (DEEP)
- ECO Provider Communication Events May June follow up
- ECO Stakeholders Pack Update
- Eligibility for the ECO
- Process to Apply for ECO for Parents

## DfE Consultation on the Early Years funding of the Expanded Childcare Offer (ECO) with illustrative 2024-2025 hourly rates for under 3's

The DfE has recently published a consultation on their proposed approach to funding for 2-year-olds and under from 2024-25. With the introduction of the new entitlements for working parents of children aged 9 months to 2 years.

The link for this is [here](#) to access the consultation and associated documents with a closing date of the **8 September 2023**. We would encourage you to respond to this by the deadline date.

The consultation sets out the DfE's proposals for the local funding framework, in which we the local authority, will be expected to pass the funding on to early years childcare providers to ensure most of the funding reaches providers in a fair and transparent way.

As part of the consultation the DfE has also published modelling, with **illustrative** local authority hourly rates for the 2-year-olds and under entitlements for 2024-25. These rates are **illustrative** only. The DfE will not be making final funding rates and allocations for 2024-25 available to Local Authorities until autumn.

**Illustrative** 2024-2025 rates for Derby city are:

Under 2-year-olds                      £10.96 per hour

2-year-olds                                £8.04 per hour

*It is important to note from the DfE funding allocation to the Council, the consultation is proposing that a deprivation weighting must be paid for 2-year-olds and under to align this with the 3- and 4-year-old funding formula, and there will need to be an Early Years Inclusion Fund (EYIF) for these age groups. The EYIF funding for these age groups and deprivation funding costs will have to be taken from the hourly rate allocated to the Council, which will reduce the hourly rate the Council passport back to childcare providers, in comparison to the original rate allocated by the DfE.*

## **Derby Expanded Entitlement Provider Group (DEEP)**

*Your opportunity to shape what happens in Derby with the ECO.*

We are committed to working in co-production with all providers, one of the key drivers for this will be the DEEP group. Members will represent the sector, their local area and meet to discuss key issues related to the implementation of the ECO.

One of the main commitments to the DEEP group is that representatives will seek to share information with other providers, gather their thoughts and feelings to ensure genuine partnership working. As senior leaders you will have the opportunity to share your expert knowledge through overseeing, advising, and making recommendations to the Council on the delivery of the ECO.

An immediate piece of work for the DEEP group representatives will be to contribute to how Derby city implement the funding formula for 2024-2025 to incorporate the ECO, ensuring this targets our most vulnerable children and supports our early years providers sufficiency.

*If you want to find out more and get involved with the DEEP then please email [earlyyearsfunding@derby.gov.uk](mailto:earlyyearsfunding@derby.gov.uk) confirming which of the Teams sessions below you would wish to attend and we will send you a link for this:*

Thursday 14<sup>th</sup> September 2023                      18:30pm until 19:30pm

Wednesday 20<sup>th</sup> September 2023                      9:30am until 10:30am

## **ECO Provider Communication Events-SWOT Analysis**

Thank you to everyone who was able to attend one of our events in May or June. We have attached a copy of the [PowerPoint presentation](#) and [SWOT analysis](#) for your reference.

## **ECO Stakeholder Pack Update**

Please view the [DfE's updated stakeholder information pack](#) to support you to raise awareness and answer questions about the ECO.

The pack contains key messages, communications, resources, and answers to frequently asked questions to support you to communicate with parents and early years providers about the changes to childcare policy up to 2025.

At the ECO Provider Events in May and June lots of feedback was shared by providers to ask the DfE to stop referring to the funding offer as 'free' and that for working parents the offer is unlikely to be taken as 15 and/or 30 hours per week and more likely to be taken on a stretched basis.

Please be assured we continue to re-enforce this message to the DfE but will ensure as Derby city develop our Communication and Engagement plan for ECO this is clearly reflected.

## **When will 9-month-old children become eligible for the ECO?**

The DfE has confirmed the eligibility for 9-month-old children will be the term after the child turns 9 months old in line with 2-, 3- and 4-year-old funded places.

## **Process to Apply for ECO for Parents**

HMRC will continue to determine eligibility through their Childcare Service. The process for parents claiming the entitlements will be the same as under the current system for the 30 hours 3- and 4-year-old extended entitlement, with eligibility checks processed through HMRC. Parents will continue to check what childcare support they are entitled to on Childcare Choices website.

Families on a low income or which have vulnerable 2-year-olds will still need to contact Families Information Service (FIS) to be issued with a voucher code to claim FEEE.

We have feedback to the DfE that codes should last longer than 3 months, and be useable as soon as parents apply, however the DfE have confirmed that the deadline dates for HMRC codes to be applied for, to use the following term, will continue to be 31<sup>st</sup> March (use summer term), 31<sup>st</sup> August (use autumn term) and 31<sup>st</sup> December (use spring term).

Those parents using Tax Free Childcare (TFC) will automatically be provided with a code to get their funded childcare, so this is another good reason to ensure parents are accessing this as well as getting their 20% discount on any fees to be paid at your childcare provision.

- [Making childcare affordable](#)

If you have any questions or queries you would like to raise with us, please send them to [earlyyearsfunding@derby.gov.uk](mailto:earlyyearsfunding@derby.gov.uk)