

Early Years Business Meetings

Questions and Answers

5th February 2026 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 2026/27?

We are currently awaiting the updated Statutory Guidance for Local Authorities from the Department for Education, so the Provider Agreement will be as soon as this has been checked by our Legal Department and 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 2026/27?

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

Q3: Is Capita changing?

Capita is changing to Management Reports International which you will hear referenced as MRI.

Q4: Where can I find the DfE's Easy Explainer link about how the funding rates are worked out?

This can be found on the DfE's website – <https://www.gov.uk/government/publications/early-years-funding-2026-to-2027/early-years-funding-rates-2026-to-2027-easy-explainer>

Q5: Where can I find more information on EYPP including example case studies of how other settings have utilised EYPP funding?

You can find this on our website - <https://www.nottinghamcity.gov.uk/earlyyears/section-pages/early-years-funding/early-years-pupil-premium/>

Q6: You mentioned the Early Years Schools Forum Sub Group, where can I find out more information and view minutes of these meetings?

You can find this information on our website - <https://www.nottinghamcity.gov.uk/earlyyears/section-pages/welcome-to-nottingham-city-early-years/early-years-schools-forum-sub-group/>

Q7: 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 Early Learning for 2-Year-Old entitlement 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 Early Learning for 2-year-old entitlement. Following consultation in January 2024, the local formula for 2-year-olds has been constructed to reflect a higher hourly base rate for Early Learning for 2-year-olds to meet this requirement.

Q8: 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 £1.15 per hour Deprivation Supplement.

Q9: LA have to pass on 97% of the funding received from central government for the early years entitlements. Is Nottingham City passing 97% of the funding on and what is the remaining 3% used for?

In 2026/27, Nottingham City is passporting the full 97% out to the sector, which means the base rates are as higher as we can get them. The 3% of the remaining funding from central government is used on Early Years staffing infrastructure and the administration of the early years entitlements funding.



Q10. I would like to review my breakeven point, where is the link for the Childcare Works resources?

You can access the Breakdown Analysis video from Childcare Works here - [Finance Matters - Breakeven Analysis - childcareworks.org.uk](https://www.childcareworks.org.uk/finance-matters-breakeven-analysis) and you can also access the Childcare Works Early Years Toolkit here - [Home page - childcareworks.org.uk/early-years-toolkit](https://www.childcareworks.org.uk/early-years-toolkit) and the Childcare Works HUB has a range of resources to support all aspects of your provision - [HUB for Providers and Schools - childcareworks.org.uk](https://www.childcareworks.org.uk/hub-for-providers-and-schools) – do take a look!

Q11. If a family is accessing only the funded hours and not opting to buy any extra services, so don't pay for anything, do I still need to issue them an invoice?

No, you don't need to issue an invoice if they are purely accessing just their funded hours and nothing more. However, it is good practice to have a template invoice ready should you need one.

Q12. I've been overpaid in my estimate payments as I didn't end date a child on the portal. How and when – do I pay this back?

We take into account all estimate payments for the balance payment on 15th March. If your earnings are below your total estimate payments then you will receive an email after the 31st March to explain how you pay this debt back. We allow until 31st March in case you have any new starters.

Q13. Do you need to see all our invoices or just a setting template?

Just a setting template is fine. This can include an actual invoice if all personal data is redacted.

Q14. Where can I find an example of a suitable invoice?

An example invoice can be found in the Further Information and Example Documentation pack which can be found on the funding pages of the website - <https://www.nottinghamcity.gov.uk/earlyyears/section-pages/early-years-funding/provider-information-on-early-years-entitlements-funding/>

Q15. What are the government doing about business rates?

In determining the 2026-27 national average hourly rates, the DfE have applied inflationary increases to reflect sector specific costs, including forecast Average Earnings Growth, Consumer Prices Index (using data available at the point of setting rates) and the 2026 National Living Wage. There are also increases to reflect workforce costs the sector has faced since April 2025, an above inflation increases for EYPP and funding in respect of the 2025-26 Early Years National Insurance Contributions and Teachers Pay Grant that has been rolled into funding rates. Coupled with funding to take account of levels area deprivation, SEND need and EAL, the hourly rate has an Area Cost Adjustment applied which accounts for data on staffing costs and non—staff costs (informed by Valuation Office Agency data on property costs), **including business rates**.

In England, childcare providers are generally not exempt from business rates and to the best of our knowledge, there are no current plans to extend the centralised payment system to private, voluntary or independent early years settings or to make these settings exempt from business rates. It is understood that all processes are kept under review and we will keep you informed of any updated information as it is received.

Small Business Rate Relief is available to providers occupying one property with a rateable value of less than £15,000. How much small business rate relief you get depends on your property's rateable value. You will not pay business rates on a property with a rateable value of £12,000 or less, if it's the only property your business uses. For properties with a rateable value of £12,001 to £15,000, the rate of



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relief will go down gradually from 100% to 0%. You can contact Nottingham City Council to check if you're eligible, find out how to get small business rate relief and check if you can get any other types of relief – <https://www.nottinghamcity.gov.uk/information-for-business/business-information-and-support/business-rates/> or email businessrates@nottinghamcity.gov.uk

Q16. A child becomes 9months on 3rd April and has a code already, can they access their place in the Summer Term?

Although the code has been applied for, they cannot start until the term after they are the eligible age, so this one will be the Autumn Term. Even though they are not officially using their code, they will need to keep it renewed.

Q17. Can parents refuse to pay optional charges over and above the funded entitlement hours?

Yes, additional charges must be voluntary and providers should have other reasonable options if parents do not wish to pay additional charges (unless they are receiving private hours which must be paid for).

Q18. The spring school term is only 11 weeks, so how can we fit in 12 weeks as this will go into April.

You can either claim just 11 weeks, or for this term only you can carry it over into the summer as the school term in summer is longer than the 12 funded weeks.

Q19. I've got parents missing out on places because eligibility codes haven't been checked. How do I help make sure this is done on time so they don't miss out?

Parents receive several reminders, however you can utilise the expiration dashboard on the Provider Portal which is colour coded to help remind parents. When the codes are amber, this is when you should make contact with those parents.

Q20. 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 and a member of the Early Years Funding Team will contact you.

*Early Years Team
February 2026*