

Appendix 2: Worked example of calculating the pass-through rate
Early Years Block modelling - 22-23 Financial Year

Appendix 2

			Option 1	Option 2	Option 3 (recommended option)	Option 4	Option 5	Option 6
A	1	Anticipated budget for base rate (including funding to MNS) for 3 and 4 year olds	£24,855,083	£24,911,571	£24,968,060	£25,024,549	£25,081,038	£25,137,527
	2	Anticipated budget for MNS lump sums for 3 and 4 year olds						
	3	Anticipated budget for supplements for 3 and 4 year olds: Deprivation (including funding to MNS)	£220,000	£220,000	£220,000	£220,000	£220,000	£220,000
	4	Anticipated budget for supplements for 3 and 4 year olds: Quality (including funding to MNS)						
	5	Anticipated budget for supplements for 3 and 4 year olds: Flexibility (including funding to MNS)						
	6	Anticipated budget for supplements for 3 and 4 year olds: Rurality (including funding to MNS)	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000
	7	Anticipated budget for supplements for 3 and 4 year olds: EAL (including funding to MNS)						
	8	Anticipated budget for 3 and 4 year old SEN inclusion fund (top up grant element)	£357,000	£357,000	£357,000	£357,000	£357,000	£357,000
	9	Anticipated budget for 3 and 4 year old contingency	169,236	112,747	56,259			
Subtotal =			£25,611,319	£25,611,319	£25,611,319	£25,611,549	£25,668,038	£25,724,527
B	10	DfE initial quantum allocation to local authority of MNS supplementary funding						
C	11	Planned total base rate hours for universal 15 and additional 15 hours for 3 and 4 year olds	5,648,882	5,648,882	5,648,882	5,648,882	5,648,882	5,648,882
D	12	Equivalent average rate to providers for entitlement hours for 3 and 4 year olds	4.4	4.41	4.42	4.43	4.44	4.45
		= (A-B) / C = (lines 1+2+3+4+5+6+7+8+9 - 10) / (line 11)	£4.53	£4.53	£4.53	£4.53	£4.54	£4.55
E	13	LA EYNFF hourly rate for 3 and 4 year olds (published alongside this document, or in DSG tables in future)	4.61	4.61	4.61	4.61	4.61	4.61
F	14	Test of meeting requirement						
		$F = (D / E) * 100 = ((\text{line } 12) / (\text{line } 13)) * 100$	98.3%	98.3%	98.3%	98.3%	98.6%	98.8%

The local authority is passporting 100% of the 2 year old grant rate

The local authority is passing on 98.2% of the EYNFF hourly rate they received from central government for 3 and 4 year olds to their providers, the local authority will meet the policy requirement. To be