

**CITY OF WESTMINSTER  
SCHOOLS' FORUM – 23<sup>rd</sup> JUNE 2025**

**REPORT BY BI-BOROUGH HEAD OF EARLY YEARS, CHILDCARE AND  
ASSET STRATEGY**

**CHANGES TO EARLY YEARS FUNDING RE: LOCAL SUPPLEMENTARY FUNDING  
AND EARLY YEARS NATIONAL INSURANCE CONTRIBUTIONS AND TEACHERS'  
PAY GRANT (EY NTPG)**

This report provides information on the early years expansion grant and the offer of an additional £75m grant, which has been made available to support the roll out of the government-funded childcare expansion. The report also includes information on the newly announced early years national insurance contributions and teachers pay grant (EY NTPG)

**FOR INFORMATION**

## **1 INTRODUCTION**

- 1.1** In December 2024, the DfE announced the early years expansion grant, which will provide an additional £75 million of funding to support the sector as it prepares to deliver the final phase of expansion of the working parent entitlement from September 2025.
- 1.2** In May 2025, the DfE announced the early years national insurance contributions and teachers pay grant (EY NTPG) which is a standalone grant of £40 million for 2025 to 2026 to support public sector EY settings with increased costs.

## **2 METHODOLOGY AND ALLOCATION OF FUNDING**

- 2.1** The early years expansion grant will be paid to LAs in July, to cover the 2025 to 2026 financial year. The local authority must pay providers before the end of August 2025, to give providers certainty once they start to incur costs ahead of the September 2025 expansion.

The Bi-Borough will distribute their total allocation between providers as a flat rate per hour (multiplied by 15 hours x 38 weeks x local authority's DfE allocated hourly funding rate – see rates below).

- 2.2** For **Westminster** the rates will be:

Early years expansion grant DfE allocated hourly rate for 2-year-olds (disadvantage and working parents) = 21p

Early years expansion grant DfE allocated hourly rate for under 2s (working parents) = 0.29p

The Local authority does not need to consult with schools forum with regard to passporting on the early years expansion grant funding to early years providers and will passport 100% of the funding to early years providers.

For detailed information on the grant conditions and operational guidance, please refer to the official DfE publication: [Early Years Expansion Grant 2025 to 2026 – Conditions of Grant and Operational Guidance for Local Authorities](#).

### **3 EARLY YEARS NATIONAL INSURANCE CONTRIBUTIONS AND TEACHERS' PAY GRANT (EY NTPG) FOR 2025 TO 2026**

- 3.1** The DfE published details for the EY NTPG which is a standalone grant of £40 million for 2025 to 2026 to support public sector EY settings with increased costs in that year. The grant is made up of £25 million to support eligible providers with the increased employers' National Insurance contributions (NICs) costs from April 2025, and £15 million to support with the 2025 teachers' pay award for the period from September 2025 to March 2026.
- 3.2** The total allocation to Westminster is £0.138m which will be distributed in full to eligible early years settings based on the rate per part-time equivalent (PTE) per age cohort for the local authority.
- 3.3** The grant will be paid to local authorities in September 2025 in one payment to cover the 2025 to 2026 financial year.

### **4. RECOMMENDATIONS**

4.1 Schools Forum is asked to:

4.1.1 note the local supplementary funding

4.1.2 note the early years national insurance contributions and Teachers' Pay Grant for 2025/26.

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**Background Information:**

[Early years expansion grant 2025 to 2026 - GOV.UK](#)

[Early years National Insurance contributions and teachers' pay grant \(EY NTPG\) for 2025 to 2026 - GOV.UK](#)

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