
Early Years Budget – changes to funding

Report being considered by: Schools' Forum on 19th July 2021

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Item for: Information **By:** All Forum Members

1. Purpose of the Report

- 1.1 To set out the new process for the Early Years grant funding for the financial year 2021/22.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
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2. Traditional Funding Framework

- 2.1 The standard process for determining funding allocations for local authorities for the early years entitlements is to take an annual census count of the number of hours taken up by children in each local authority in January.
- 2.2 However, the DfE have recognised that the number of children attending childcare has not returned to normal levels in all areas when the January 2021 census was recorded, and it therefore does not represent the mid year point in the normal way.

3. Spring Term top up Funding 2020/21

- 3.1 If attendance in the January 2021 census is shown to be below 85% of the January 2020 census, a top up will be applied by the DfE.
- 3.2 All 5 EY Block funding strands will be entitled to top up funding and will be assessed separately :
- (i) Two year olds
 - (ii) Three and four year olds – universal 15 hrs
 - (iii) Three and four year olds – extended 15 hrs
 - (iv) Maintained nursery schools supplementary funding
 - (v) Early years pupil premium
- 3.3 For West Berkshire, we will be receiving a top up to our grant for the two year old element, as our census numbers were below the threshold.

4. Final funding allocation for 2020-21 calculation

- 5.1 For LA's not eligible for the top up, final EY funding allocation will be based on:
- 9/12th of the Jan-20 census PTE numbers (to cover the April 2020 to December 2020 period), plus
 - 3/12th of the Jan-21 census PTE numbers (to cover the January 2021 to March 2021 period)
- 5.2 For LAs eligible for the top up, final EY funding allocation will be based on:
- 9/12th of the Jan-20 census PTE numbers (to cover the 2020 summer and autumn terms), plus
 - 3/12th of the final 'spring allocation' PTE numbers (where the 'spring allocation' PTE is the average PTE between Jan-21 and May-21 count, up to 85% of Jan-20 PTE value)
- 5.3 Final funding allocations for 2020-21 will be published in November.

5. Funding approach for 2021-22

- 5.1 The DfE are temporarily varying their approach to funding for Early Years over the next financial year, in light of the Covid pandemic.
- 5.2 They will fund each LA on the basis of termly attendance for 2021-22. This is to ensure that funding aligns with attendance as children return to their settings or take up their free entitlements for the first time, as lockdown restrictions are eased.
- 5.3 LAs will continue to pay providers for actual attendance, as they have since 1st January 2021
- 5.4 The final EY funding allocations for 2021-22 will be based on the following:
- 5/12th of the May 2021 count PTE numbers (to cover the April 2021 to August 2021 period), plus
 - 4/12th of the October 2021 count PTE numbers (to cover the September 2021 to December 2021 period); plus
 - 3/12th of the January 2022 census PTE numbers (to cover the January 2022 to March 2022 period)
- 5.5 The adjustments for the summer and autumn terms will be announced in January 2022, and the final funding allocation for 2021-22 announced in July 2022 as normal.
- 5.6 The DAF funding is based on actual numbers rather than attendance.
- 5.7 Payment to our early years settings will not change, the changes noted above are in relation to the funding West Berkshire Council receive from the DfE.