



**Havering**  
LONDON BOROUGH

**Schools Funding Forum 16<sup>th</sup> January 2020**

**ITEM 5**

**Subject Heading:**

**Early Years Funding 2020-21**

**Report Author:**

**David Allen – Strategic Finance  
Manager**

**Eligibility to vote:**

**All members**

**SUMMARY**

This report is for the Schools Funding Forum to note the process that is underway for the Local Authority to determine the funding arrangements for early years provision for the financial year 2020-21.

**RECOMMENDATIONS**

That the Schools Funding Forum:

- (i) notes the LA's proposals for the funding of early years provision in 2020-21
- (ii) notes the timeline and arrangements for approving proposals following consultation with providers

## REPORT DETAIL

### Background

Early years education is funded through the Early Years Block of the DSG. For financial year 20120-21 local authorities have received indicative allocations of funding which include a share of the additional £66m increase allocated by central Government. This additional funding has been allocated through an 8p increase in the hourly rates used to fund all local authorities.

Havering's increase is as follows:

	2 year olds	3 & 4 year olds
2019-20	£5.66	£5.28
2020-21	£5.74	£5.36
Increase	£0.08	£0.08

These hourly rates are applied to the January 2019 census data to advise LAs of their indicative allocations. Havering's allocation is shown in the table below.

2 Year Olds			3 & 4 Year Olds			Total Funding for distribution to providers
Cohort (PTE)	Unit of funding	Allocation	Cohort (PTE)	Unit of funding	Allocation	
526.95	£5.74	£1,724,064	5,695.98	£5.36	£17,402,373	£19,126,437

Note: for all provision the PTE numbers are multiplied by 15 hours per week x 38 weeks per year x the hourly rate.

LAs' funding allocations are revised during the year (June or July) based on the January 2020 census.

The LA, in consultation with providers and the Schools Funding Forum needs to determine the hourly rate that will be used to fund early years provision having taken into account the use and cost of supplementary factors, contingencies, central retention of up to 5% for LA responsibilities and an SEN Inclusion Fund.

The cost of the LA's initial proposals is attached at Appendix A.

### Consultation

The consultation document on LA proposals is attached at Appendix B. The consultation was launched on 7<sup>th</sup> January with a deadline for responses of 24<sup>th</sup>

January. Responses will be considered by the Early Years Provider Reference Group on 28<sup>th</sup> January.

Final decisions need to be made by mid-February to be included in the funding statements to be sent to schools with nursery provision before the 29<sup>th</sup> February. The next meeting of the Schools Funding Forum is not until 19<sup>th</sup> March and it is therefore proposed to email Forum members with final proposals following the EYPRG meeting and delegate approval to the Chair and Vice Chair. Final decisions will be reported at the meeting on 19<sup>th</sup> March.