



Subject Heading:

Early Years Funding 2021-22 and 2022-23

Report Author:

Nick Carter – Principal Finance Officer (Schools)

Eligibility to vote:

All members

SUMMARY

This report lays out the proposed schedule for reviewing Early Years funding rates for 2021-22 and setting funding rates for 2022-23.

RECOMMENDATIONS

That the Schools Funding Forum:

- (i) notes the proposed schedule for determining Early Years funding rates

REPORT DETAIL

Early Years funding 2021-22

The funding rates for 2021-22 were agreed by the Schools Funding Forum at a special meeting held on 23rd February 2021. This followed discussions held at the Early Years Provider Reference Group (EYPRG) and consultation with Early Years providers.

Rates for 2021-22 were agreed as follows:

1. The basic hourly rate for 2 year olds was increased from £5.68 to £5.76
2. The basic hourly rate for 3 & 4 year olds was increased from £5.00 to £5.02.
3. The Early Years Inclusion Fund funded from the Early Years Block remained at £300,000 and that the hourly rate for eligible children remained at £4.90.

The Schools Forum also agreed that in future, the use of any underspend in the Early Years Block should be discussed with the EYPRG before any proposals are brought to the Schools Funding Forum and before any decisions are made on its use.

As in 2019-20 and 2020-21 rates were to be reviewed during the year as the likely funding the LA would receive in the Early Years block became clearer.

The estimate of funding for 2021-22 was calculated using estimated hours at 95% of 2020-21 levels. In the summer term 2021 actual hours were very close to this level, meaning that funding from the DfE is unlikely to be significantly higher than forecast. It also means, of course, that funding should not be significantly lower. The funding rates agreed necessitated using part of the £701k balance brought forward that the LA has pledged to keep within Early Years. The remainder of the balance brought forward was left unallocated as a reserve in case EY hours, and therefore funding, were significantly lower than forecast.

The remaining balance is available for distribution to providers in the form of an increase in the hourly rate.

At the end of 2020-21 there were unspent balances on the Early Years Block as follows:

Provision for 2 year olds (in-year)	£81k
Provision for 3&4 year olds (in-year)	£62k
Centrally retained	£108k

As agreed the LA will discuss use of these underspends with EYPRG before any decisions on their use are made.

The LA plans to meet with EYPRG in early October to discuss the use of balances and proposals for increasing hourly rates for 2021-22. The discussion will include the balance between increasing the basic hourly rate and increasing the hourly rate for inclusion. Proposed funding rates will then be brought to the meeting of the Schools Funding Forum on 21 October 2021.

Early Years funding 2022-23

The DfE did not release any details of Early Years funding for 2021-22 until 17 December 2021 and it would be wise to assume that details for 2022-23 will be released at a similar time this year.

The LA has arranged a meeting of EYPRG on 10 January 2022 to discuss funding rates for 2022-23. Following this, there will be a consultation with providers. The outcome of the consultation will be discussed with EYPRG and proposed funding rates brought to the Schools Funding Forum for approval at the meeting on 10th February 2021.