

Item 3

TITLE OF REPORT: Early Years Single Funding 2020/21

Purpose of the Report

The purpose of this report is to bring to Schools Forum the results of the Early Years Funding modelling for 2020/21.

Background

For 2020/21 there has been an increase in funding to the Local Authority (LA) of £0.08 per hour for 2 year old and 3 and 4 year old funding. The rate for 2 year olds has increased from £5.20 an hour to £5.28, this rate is fully passported to providers.

The rate to the LA for 3 and 4 year olds has increased from £4.53 to £4.61 per funded hour. The early years allocation received in December will be amended to take account of the January 2020 census and the funding will be updated in June 2020. At this time it is not known if the funding allocation will increase or decrease.

LA's are able to top slice the early years block by up to 5% for central services. The proposed top slice for 2020/21 is 4.5% due to the reduction in pension costs and the restructure of the early years team. It is the intention that if there is an early years block underspend for 2019/20 and after the June 2020 adjustment any underspend will be added to the Inclusion Fund for early years children with special educational needs (SEND).

Total funding for the 3 and 4 year old Early Years National Funding Formula (EYNFF) is £11,533,494 and is for both the universal and extended hours.

£519,028 4.5% top slice

£385,585 Early Years Team costs

£133,443 Inclusion Fund

Funding to Providers

The basis for the 3 and 4 year old funding formula for 2020/21 has not changed from 2019/20 and uses the same allocation of funding for the three elements as 2018/19: -

- 90% of available funding allocated via the universal base rate
- 5% of available funding allocated via the quality supplement
- 5% of available funding allocated via deprivation supplement

With the increase in funding there has been an increase in the universal base rate £0.1051 from £3.849 to £3.96.

The increase for quality and deprivation are £0.02 per weighted hour for quality and £0.0002 for deprivation as below. The deprivation supplement may change slightly when the Acorn data is refreshed from the January 2020 census.

For 2019/20 the rates were: -

- Quality Supplement £0.56216 – per quality weighted hour
- Deprivation Supplement £0.00547 –per deprivation weighted hour

The new rates are: -

- Quality Supplement £0.581 – per quality weighted hour
- Deprivation Supplement £0.00563–per deprivation weighted hour

Proposal

It is proposed that Schools Forum notes the new funding rates for the Early Years Single Funding Formula (EYSFF) as the methodology of the formula has not changed and notes that the increased funding rates for deprived two-year olds.

Recommendations

It is recommended that Schools Forum the notes the updated EYSFF factor values and note the two-year-old funding rate.

For the following reasons:

- To comply with the Early Years National Funding Formula Operational Guidance
- To comply with Schools and Early Years (England) Regulations

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