

Early Years Funding Update 6th May 2021

Introduction

At our previous School Forum meeting we discussed in depth Early Years funding. At this time there was information that Officers were unable to confirm as national policy was not published. We have now received this information and the paper outlines the decisions that have been taken

Early Years Funding Update

Early Years funding will operate differently for the calendar year 2021 and adjustments for the financial year 2020-2021 will also be allocated in a different way. Below are slides issued by the Department for Education regarding the planned financial process for the financial year 2020-2021 and 2021-2022.

How is the final funding allocation for 2020-21 calculated



- For LAs **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)
- 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**)
- Final funding allocations for 2020-21 will be published in November.

Funding approach for 2021-22



- Given the uncertain times ahead as we move through the pandemic, we do not think that the usual 'once a year' count of children in January would provide the usual 'mid-point' representative level for this period in time
- Therefore, we are temporarily varying our approach to funding Early Years over the next financial year to give LAs and providers more protection over their funding income
- **We 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.
- **LAs will continue to pay providers for actual attendance, as they have since 1st January 2021**

- We will ask LAs to submit data from their 'local' 2021 summer and autumn counts to the Department, to determine the funding allocations in each of those terms.
- The spring term 2022 would be funded as usual using the Jan-22 census.
- Note – we intend to use the same 2021 summer term count data for determining both the 2021 spring term top-up (for FY 2020-21) and the summer term allocation (for FY 2021-22). As mentioned earlier, we will use a scaled version of the summer term count to represent the increase in spring term attendance, and the full summer term count data to represent the summer attendance. Therefore, local authorities do not need to submit different datasets in order to finalise the spring and summer term allocations.

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Key dates

- **Summer term 2021 data:**

Summer census week - week commencing 17 May 2021

Data return deadline - 19 July 2021

- **Autumn term 2021 data:**

Autumn census week - week commencing 4 October 2021

Data return deadline – 13 December 2021

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How is the final funding allocation for 2021-22 calculated

- 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)
- 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.

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How this affects Torbay

3-4 year old Universal hours		3-4 year old Extended hours		2 year old entitlement	
Jan 2020 PTEs	85% of Jan 2020 PTEs	Jan 2020 PTEs	85% of Jan 2020 PTEs	Jan 2020 PTEs	85% of Jan 2020 PTEs
1,677	1,425	618	525	361	307
2021 numbers					
	1,597.3		621.64		293.22
Lower or higher than 85%?	HIGHER		HIGHER		LOWER

From this it is evident that the 3 and 4 year old universal and extended entitlements are above 85% of the January 2020 census numbers, so no adjustment will be made to these.

The 2 year old numbers are below 85%, so Torbay's numbers will be adjusted. The adjustment will not be known until the LA's headcount is submitted to the ESFA in the summer term; this will be submitted in June/July.

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