

January 2022

Early Years Funding – Budget Allocation & Hourly Rates

Contextual Information

The Early Years block of the DSG allocation for 2022-2023 was published by the ESFA on Friday 17th December 2021. This budget is used to calculate the hourly rates for providers from April 2022 through to March 2023. Local authorities are required to pass through 95% of the EY block to providers.

The budget has provided the Local Area with increased rates, as per the Government's Autumn Budget announcement and Spending Review. Torbay has been allocated the minimum increase with an additional 21 pence per hour for 2 year olds and 17 pence per hour for 3 and 4 year olds.

There is no change to the formula used to calculate the hourly rates.
The formula is as follows:

Total budget - 5% retained = net budget (95%)

Net budget – (Deprivation budget + SEND budget) = budget remaining for hourly rates

Remaining budget ÷ number of children on census ÷ 570 hours = hourly rate for providers

This is used for both the 2 year old and 3&4 year old funding streams.

Funding figures and new hourly rate information

5% retained total = £338k (*a decrease of £7,300 compared to 2021-22*)

EY block contribution to SEND Inclusion Funding (known as Alfey) - £195,000

Added to the £100k from HNB gives a total SEND budget of £295k. This budget has been increased due to year on year overspend and increasing need.

Deprivation budget - £120,000

New hourly rate for 3&4YOs = £4.15 per hour

An increase of 14 pence per hour compared to the current rate of £4.01

New hourly rate for 2YOs = £5.17 per hour

An increase of 13 pence per hour compared to the current rate of £5.04

Recommendation

It is requested that Schools Forum:

1. Endorse the above budget and hourly rates increases.