


Agenda Item 2

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|  | London Borough of Hammersmith & Fulham SCHOOLS FORUM Tuesday 15th June 2021 | |
| EARLY YEARS FUNDING UPDATE 2021/22 | | |
| Open | | |
| Wards Affected: (All Wards); All | | |
| Accountable Director: Jacqui Mc Shannon, Director of Children’s Services | | |
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| Purpose of the report This report updates forum on the 2020-21 Early Years provisional out turn and the latest information from the ESFA/DfE on the changes to the 2021-22 Early Years funding regime. | | |

1. Early Years Provisional Outturn

- 1.1. The 2020-21 provisional outturn on the DSG Early Years block reported in the Council's accounts is an in-year surplus of £0.831m. This has been added to the brought forward surplus of £0.066m and the ESFA in-year additional funding of £0.521m leaving a carry forward surplus of £1.418m into 2021-22.
- 1.2. This is provisional until ESFA announces the final allocation for 2020-21 in November 2021. This is later than in previous years due to the additional requirements to submit Early Years census data for Summer 2021 and Autumn 2021. Likely adjustments will be calculated towards the end of the Summer term once all the relevant data has been submitted and analysed. A further report will be submitted to forum in Autumn proposing the deployment of the recalculated reserve balance brought forward.
- 1.3. ESFA/DfE notified local authorities in March 2021 that they would be changing the usual year end adjustment process for funding entitlements due to the Covid 19 related reduction in numbers of 2,3 and 4 year olds taking up free entitlements in the Spring term 2021.
- 1.4. The methodology for determining the final Spring term funding allocation will be based on an average of Spring and Summer term numbers capped at a maximum of 85% of January

2020 numbers. This will allow local authorities who have lower than usual January numbers to top up their numbers to ensure a higher funding amount for the Spring term BUT only if the required data is submitted in the agreed timescales.

1.5. Failure to meet the data submission requirements for the Summer 2021 and Autumn 2021 terms would mean Spring term 2021 funding would be based solely on the January 2021 census and there would be no top up to 85% of January 2020 numbers even if applicable.

1.6. The full guidance is available via the link below:

[Early years funding guidance for local authorities: spring term 2021 and the 2021 to 2022 financial year - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/early-years-funding-guidance-for-local-authorities-spring-term-2021-and-the-2021-to-2022-financial-year)

1.7. A review of the draft Summer Early Years census numbers from PVI's and Childminders indicate a significant increase in hours for 3 and 4 year olds from the Spring. The position on eligible 2 year olds shows no increase. The numbers from the School census are not yet available for review. On this basis it is likely that the council would be eligible for additional funding up to the 85% maximum so it is important that all deadlines for submission are met.

2. Early Years Funding 2021-22

2.1. In March 2021 forum agreed the final budget model for deployment of early years funding based on the provisional allocation issued by DfE/ESFA.

Table 1: 2021/22 Early Years Budget – 3- & 4-YO Universal and Extended Offer

| | 21/22 Budget |
|---|-------------------------|
| | £000 |
| Participation based on estimated hours - base rate | 11,542 |
| Participation based on estimated hours – deprivation. | 1,302 |
| Central services expenditure - 5% maximum allowed | 743 |
| SEN Inclusion Fund | 500 |
| Provision for Vulnerable & Additional Needs Children | 550 |
| Best Practice, Training and Network Building | 150 |
| Contingency | 73 |
| TOTAL SPEND | 14,860 |
| DSG EY funding | -14,860 |
| NET POSITION | nil |
| | |

2.2. In previous years this allocation would have been revised in July to take account of January 2021 census numbers. However, due to the changes described in the guidance detailed in section 1 of this report, the funding for 2021-22 will be based on actual early years census data for the 3 terms. I.e. Summer 2021, Autumn 2021 and Spring 2022 rather than the usual methodology of 5/12 January 2021 and 7/12 January 2022 numbers as long as data submission requirements are

met. If the requirements are not met then funding will revert to 5/12 January 2021 and 7/12 January 2022 which is likely to be detrimental to the total amount of funding available.

- 2.3. Proposals regarding the deployment of the early years funding will be brought to Schools forum in the Autumn term along with a monitoring report. Until the Summer census numbers have been analysed it is not possible to forecast the likely amount of funding that will be received.

REPORT ENDS