

Schools Forum

13 December 2021

Early Years entitlements funding rates for 2022/2023

This report is for information

1. Recommendations:

That Schools Forum members:

- 1.1 Note the information contained in this report

2. Purpose

- 2.1 To provide Schools Forum with information from the Education & Skills Funding Agency on Early Years entitlements funding rates for 2022/23

3. Report Details

- 3.1 At the October spending review, it was announced that funding for early years entitlements would be increased:

- £160 million in 2022/23,
- £180 million in 2023/24
- £170 million in 2024/25

compared to 2021/22. Enabling local authorities to increase the hourly rates paid to childcare providers, reflecting cost pressures and anticipated changes in the number of eligible children.

- 3.2 In 2022/23 the hourly funding will be increased by 21 pence an hour for the 2-year-old entitlement and 17 pence an hour for the 3 and 4-year-old entitlements. Additionally, the minimum funding floor will be increased, meaning no council can receive less than £4.61 per hour for the 3 and 4-year-old entitlements.

- 3.3 Local authorities are required to consult providers on annual changes to their local formula. A report will be brought to the Forum in the new year detailing the outcomes of the consultation with a view to seeking approval for revised rates.
- 3.4 The supplementary funding hourly rate for maintained nursery schools will be 3.5%, equivalent to the increase in the 3 and 4-year-old hourly funding rates in 2022 to 2023.
- 3.5 The Early Years pupil premium will be increased by 7 pence to 60 pence per hour, equivalent to up to £342 per eligible child per year, to support better outcomes for disadvantaged 3 and 4-year-olds in 2022/23.
- 3.6 Funding for the disability access fund, to help providers make reasonable adjustments within their provision to support eligible 3 and 4-year-old children with a disability, will also increase by £185 to £800 per eligible child per year.
- 3.7 Due to low attendance arising from the coronavirus (COVID-19) pandemic temporary arrangements were put in place calculating funding using a termly, rather than annual census. ESFA have confirmed that for 2022/23 there will be a return to the normal process of allocating funding based on the annual January census.
- 3.8 ESFA have confirmed that the 2021/22 funding will be based
nine-twelfths of the January 2020 census PTE numbers (to cover the April 2020 to December 2020 period),
plus
three-twelfths of the January 2021 census PTE numbers (to cover the January 2021 to March 2021 period)
- 3.9 Consequently, the Early Years funding for 2021/22 will be reduced by circa £570k, which had already been anticipated and does not create a financial pressure.

4. Recommendations

- 4.1 That Schools Forum note the information contained in this report.

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