

12. Early Years Update

1.1 The Early Years Block is formulated to cover the cost of funding early years pupils (2-, 3- and 4-year-olds) in maintained nursery schools, primary schools with nursery provision and early years settings in the Private, Voluntary and Independent sector (PVIs).

2020-21 Update

1.2 The LA receives income based on actual pupil numbers in settings as of the January census. Under normal circumstances the EY Block income for Financial Year 20-21 would be based on 5/12ths of the January 2020 census, and 7/12ths of the January 2021 census. Because of the disruption caused by COVID-19, the DfE announced that for 2020-21, the EY block would be based on 9/12ths of the January 2020 census and 3/12ths of the January 2021 census.

1.3 The result of this is that the LA has been funded for April 2020 to December 2020 based on census data taken pre-COVID. Settings have received funding in line with this, thus funding has been maintained at a level as if COVID-19 had not happened.

1.4 However, according to information provided by the DfE in December and confirmed in early January, for the rest of the financial year, January to March 2021, the LA will receive funding based on the January 2021 census, which is taking place while the country is locked down, and as such is expected to be significantly lower than the January 2020 census. The DfE also announced that the LA should return to the normal funding approach (i.e. funding follows the child) for all providers from Jan 1st, 2021. Should the January 2021 census indeed be lower than the January 2020 census, this will result in a cut to the funding to both the LA and the settings

1.5 The DfE has put in provision for LAs where attendance is below 85% of their January 2020 census level and the local authority can provide evidence for increased attendance during the spring term. Under these circumstances, the DfE will provide a top-up to the January 2021 census. The top-up would only fund the additional places taken-up after the January 2021 census week count and would be limited to a cap equivalent to 85% of their January 2020 census. This ensures that settings will receive funding for EY pupils who start after the census date, from the date that they start, as is normal.

1.6 Following objections to these arrangements from several organisations nationally, including concerns expressed by Barnet council, and taking account of the impact of lockdown, it is understood the DfE is reviewing these arrangements and may shortly announce changes.

2021-22 Update

1.7 The DfE has announced that funding to the LA for the EY block will return to the same method used pre-COVID for FY 2021-22. That is, March 2021 – August 2021 (5/12ths of the year) will be funded based on the January 2021 census, and September 2021 – March 2022 (7/12ths of the year) will be funded on the January 2022 census. Settings will continue to receive allocations based on their actual number of pupils as in the Spring term. This may result in a fall of the 2021-22 indicative EY block allocation (as reported in item X Budget Proposals) which is currently based on the January 2020 pre-COVID census. However, the DfE has indicated that the plans for funding LAs will be kept under review. We will update Schools Forum in future meetings should the guidance change, or at the meeting if changes are made before then.

Recommendation

- V. Schools Forum is asked to note the latest updates regarding the Early Years Block funding