

Early Years Funding Autumn Term 2020/21

Report to the Schools Forum 19 November 2020

- 1.1 Local authorities are usually funded for early years provision based on the numbers of children attending settings using the free entitlements at the January census. The January census is used as it represents the middle census in the academic year and thus tends to have an average number of children attending, given that each term a further cohort of children turn three and thus become eligible for the free entitlement. Eligible children increase from the low of the Autumn Term to the high of the summer term.
- 1.2 Usually funding for each financial year is based upon two January censuses, so for example, 2020/21 would be based upon a combination of the January 2020 census (5/12 of the funding, covering the summer term) and the January 2021 census (7/12 of the funding covering the Autumn and Spring terms). However, because there is a possibility that attendance at settings in January 2021 will still be lower than usual due to Covid19, the DfE will this year fund the Autumn Term using the January 2020 census numbers.
- 1.3 For the summer term of 2020, settings were funded on the basis of estimated numbers, given that in most cases the numbers of children attending were a small fraction of normal numbers. For the Autumn Term 2020 the DfE guidance is that local authorities *“should continue to fund providers which are open at broadly the levels they would have expected to see in the 2020 autumn term had there been no coronavirus (COVID-19) outbreak. They should also continue to fund providers which have been advised to close, or left with no option but to close, due to public health reasons. Local authorities should not fund providers which are closed, without public health reason, from the start of the autumn term.”*
- 1.4 The approach that has been taken in T&W has been as follows:
- to aim to distribute a similar amount of funding to providers overall as we did in Autumn 2019;
 - to fund all children attending settings at the relevant 2020/21 hourly rate for that setting;
 - if any settings have an increase in children, i.e. more free entitlement hours compared to Autumn 2019, to fully fund the additional hours;
 - in order to be able to fund this and distribute a similar amount of funding to Autumn 2019 limit, to reduce the hourly rate for ‘ghost pupil’ hours, i.e. for those hours representing the difference between Autumn 2019 and Autumn 2020, where Autumn 2020 is lower.
 - The hourly rate for pupils not in attendance will be determined once the details of the Autumn 2020 census are available.
- 1.5 The aim of this approach was to
- ensure all providers are fully funded for children attending.
 - support those settings with fewer children than last year.
 - stay within our budget.

- 1.6 The arrangements described above only cover the Autumn Term as the DfE has yet to confirm funding arrangements for the Spring Term. The default would be for both local authorities and settings to be funded based on the January census, but the DfE's final decision will presumably be based on the national situation in terms of Covid19 and the degree to which normal attendance at settings is taking place.

Tim Davis
Group Accountant
November 2020