

Appendix 1 - Hourly Rate options to consult with the Early Years Reference Group

Funding Announcement 21/21	20/21 PTE	Hours per week	38 weeks	20/21	Allocations as	at Dec 19		
	(January 19 census)			Hourly Rate as published				
2 Year old EY Entitlement	773.78	15	38	£5.48	£2,416,979			
Disability Access Fund (DAF)	214.00			£615/child	£131,610			
Early Years Pupil Premium (EYPP)	620.40	15	38	£0.53	£187,423		Universal	6981.73
3 & 4 Year Old EY Entitlement	10068.46	15	38	£4.44	£25,481,259		Working	3086.73
					£28,217,271			

Two basic options

To continue to fund 2 year olds at funded rate?

IE Increased from £5.40 to £5.48

or

To use flexibility not to passport funding in full to 2 year olds and maximise 3&4 year old funding to settings?

No inflation or increases have been applied to centrally held funding eg: deprivation / sparsity

Options	20-21 Rates	1	2	3	4	5	6
2 year old rate	£5.40	£5.48	£5.44	£5.45	£5.46	£5.47	£5.42
3&4 year old rate	£4.20	£4.25	£4.25	£4.25	£4.25	£4.25	£4.26
Contingency unallocated		82k	99k	95k	90k	86k	51k
% Contingency of 2, 3&4 YO funding		0.31%	0.37%	0.35%	0.34%	0.32%	0.19%
Disability Access Fund (DAF)		£131,610	£131,610	£131,610	£131,610	£131,610	£131,610
Early Years Pupil Premium (EYPP)		£187,423	£187,423	£187,423	£187,423	£187,423	£187,423
Deprivation, rurality		£230,000	£230,000	£230,000	£230,000	£230,000	£230,000
EY Inclusion funding		£357,000	£357,000	£357,000	£357,000	£357,000	£357,000
Central EY functions		£421,600	£421,600	£421,600	£421,600	£421,600	£421,600
2 Year old EY Entitlement		£2,416,979	£2,399,337	£2,403,748	£2,408,158	£2,412,569	£2,390,516
3 & 4 Year Old EY Entitlement		£24,390,844	£24,390,844	£24,390,844	£24,390,844	£24,563,015	£24,448,235
		£28,135,457	£28,117,814	£28,122,225	£28,126,635	£28,303,217	£28,166,384
Contingency for any increase in take up of hours		£81,814	£99,456	£95,046	£90,635	-£85,946	£50,887
		<i>viable option</i>	<i>viable option</i>	<i>viable option</i>	<i>viable option</i>	<i>viable option</i>	<i>viable option</i>

Notes

Option 1

Maximises the 2 year old funding and passports the increase in full. The guidance previously protected 2 year old funding however, this has been relaxed. To do this, the 3&4 year old rate needs to be £4.25 in order to leave a contingency for any increased take up of hours.

Options 2-5

Applies a percentage of the 2 year old increase however, this does not free up sufficient funds to apply an additional 1p to 3&4 year olds. Tests what would need to happen in order to increase 3&4 year old funding by an additional 1p. Options 2-5 are not viable options for the sector as they do not maximise opportunity to increase the hourly rates.

Option 6

In order to increase the 3&4 year old rate by 1p per hour, the hourly rate for 2 year olds would need to be £5.42.