



Guidance

Early years funding: technical note for 2021 to 2022

Published 17 December 2020

- Contents
- [Introduction](#)
 - [Calculating hourly funding rates for 2-year-olds](#)
 - [Calculating hourly funding rates for 3 and 4-year-olds](#)
 - [Supplementary funding for maintained nursery schools \(MNS\)](#)

[Print this page](#)

Introduction

This technical note describes the methodology for calculating the 2021 to 2022 hourly funding rates for both the 2-year-old entitlement and the 3 and 4-year-old entitlements (the universal 15 hours entitlement and the additional 15 hours entitlement for eligible children of working parents). It also sets out information on supplementary funding for maintained nursery schools.

The 2021 to 2022 initial allocations for the early years block will be announced in the dedicated school grant allocations table in December 2020.

For the early years block allocations, the national funding rate for the early years pupil premium is 53 pence per eligible child per hour, and Disability Access Fund is £615 per eligible child per year.

This document accompanies a [2021 to 2022 funding rates spreadsheet](#), which includes:

- a table showing the 2021 to 2022 hourly funding rates for 2-year-olds for each local authority
- a table showing the 2021 to 2022 hourly rates for 3 and 4-year-olds for each local authority
- a step-by-step table that shows how each local authorities 2021 to 2022 funding rates have been derived.

The Isles of Scilly and City of London have been excluded from this table, as these local authorities receive a central grant from the government, which will include funding for early years.

Calculating hourly funding rates for 2-year-olds

The [2020 to 2021 funding rates](#) are the starting point for calculating the 2021 to 2022 hourly funding rates for 2-year-olds.

The 2021 to 2022 hourly funding rates for 2-year-olds are then calculated by applying an 8 pence increase for all local authorities.

Calculating hourly funding rates for 3 and 4-year-olds

In December 2016, we published the 2017 to 2018 [early years national funding formula \(EYNFF\) hourly rates and allocations](#), with and without transitional protections and capping, together with a [step-by-step guide](#) on how they were derived.

The EYNFF rates for 2018 to 2019 and 2019 to 2020 are available on the same web page along with step-by-step guides. The [rates and step-by-step guide for 2020 to 2021 are available on this page](#).

The vast majority of local authorities 2021 to 2022 funding rates will be increased from their 2020 to 2021 rates by 6 pence per hour. Local authorities who have previously been protected from large drops to their funding rate as a result of the 'loss cap' will have their 2020 to 2021 hourly funding rates maintained in 2021 to 2022.

When the EYNFF was introduced, a loss cap protection was applied to ensure that no area could lose more than 10% from their 2016 to 2017 funding baseline, and a minimum funding floor to ensure no areas saw less than £4.30 per hour.

In 2017 to 2018 and 2018 to 2019 no significant changes were made to the EYNFF. Local authorities protected by transitional protections saw those protections unwind, whilst rates remained the same for other local authorities.

In 2020 to 2021 almost all local authorities had an 8 pence uplift to their rates. Along with this, the minimum funding floor was increased to £4.38.

The starting point for calculating 2021 to 2022 rates is the [2020 to 2021 EYNFF rates](#) before both protections are applied. See the 3-4 year-olds step-by-step table, column F.

The hourly rates are then uplifted from this starting point by 6 pence.

We then top up all rates that are below £4.44 to the new minimum funding floor of £4.44.

For those local authorities protected by the loss cap, we then top up those that would receive less than their 2020 to 2021 rate in 2021 to 2022.

For further detail on derivation of the 2021 to 2022 rates please refer to the accompanying 2021 to 2022 EYNFF rates spreadsheet.

Supplementary funding for maintained nursery schools (MNS)

Supplementary funding for MNS is allocated to local authorities to protect the level of funding to MNS, prior to the introduction of the EYNFF.

The supplementary funding allocation to local authorities in 2021 to 2022 will be at the local authorities 2019 to 2020 supplementary funding rate. The supplementary funding rate is the difference between the 'provider equivalent rate' and the 2016 to 2017 MNS baseline. Please see the [EYNFF technical note for 2019 to 2020](#) for details on the calculation of the 2019 to 2020 'provider equivalent' funding rate. The local authorities supplementary funding rate is described as 'element F' in the EYNFF technical note.

The indicative allocation for each local authority qualifying for the supplementary funding is calculated as follows:

- the number of part-time equivalents taking up the universal 15 hours in MNS as recorded on the January 2020 schools and AP censuses
- multiplied by 15 hours × 38 weeks × local authority's 2019 to 2020 supplementary funding rate.

For 2021 to 2022, part of the supplementary funding allocations are published as indicative, and part as conditional. The allocations for April 2021 to August 2021 are indicative and will be updated on the same basis as the universal entitlements (more information on funding arrangements in this period will follow). That is the only adjustment that will be made to those figures. However, the maintained nursery school supplementary funding allocations for September 2021 to March 2022 are conditional: they may be subject to change and local authorities should therefore treat them as unconfirmed. The [indicative allocations and the conditional allocations](#) have also been published.

Is this page useful?

Coronavirus (COVID-19)

[Coronavirus \(COVID-19\): guidance and support](#)

Brexit transition

[Check the new rules for January 2021](#)

Services and information

- [Benefits](#)
- [Births, deaths, marriages and care](#)
- [Business and self-employed](#)
- [Childcare and parenting](#)
- [Citizenship and living in the UK](#)
- [Crime, justice and the law](#)
- [Disabled people](#)
- [Driving and transport](#)

- [Education and learning](#)
- [Employing people](#)
- [Environment and countryside](#)
- [Housing and local services](#)
- [Money and tax](#)
- [Passports, travel and living abroad](#)
- [Visas and immigration](#)
- [Working, jobs and pensions](#)

Departments and policy

- [How government works](#)
- [Departments](#)
- [Worldwide](#)
- [Services](#)
- [Guidance and regulation](#)
- [News and communications](#)
- [Research and statistics](#)
- [Policy papers and consultations](#)
- [Transparency and freedom of information releases](#)

