



Early Years National Funding Formula (EYNFF)

Revised: March 2021

Relates to the Department for Education (DfE) Statutory Guidance for Delivery and Payment of Early Years Education and the current Hampshire Early Education Payment Funding Terms and Conditions.

The Department for Education (DfE) published its Early Years National Funding Formula Guidance (EYNFF) in December 2016. The Hampshire March 2021 basis of calculation reflects the outcome of the Hampshire spring 2021 consultation with providers. From April 2021, the flexibility supplement has been removed. This does not change the expectation that children can take up their full entitlement to early education, at times that best support their learning and at times which fit with the needs of parents or the DfE requirements in the Early Education and Childcare Guidance [Early education and childcare - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/early-education-and-childcare)

The EYNFF in Hampshire will determine the hourly rate to be paid to each setting for providing early years education. The hourly rate will be fixed shortly before, and continue throughout, each financial year, starting from 1 April.

The EYNFF has a single fixed base rate and a variable rate for each of two elements: quality and deprivation. The individual provider rate will be determined by the qualification of the staff (quality) and each child receives funding based on the Income Deprivation Affecting Child Index (IDACI) rating of the child's home address (deprivation).

A priority for the council is to ensure there is sufficient high quality early years education provision. Where providers have difficulty in maintaining high quality or financial stability, they should contact their local development team.

Contact Services for Young Children by emailing childcare@hants.gov.uk

Quality Supplements

The formula includes only the staffing qualification supplement. There is no change to the calculation of the staff qualification supplement formula.

The qualification supplement in the funding formula encourages settings to have well-qualified practitioners – that is all staff to be at least level 3 and through to qualified teachers (in the early years) and those with Early Years Professional Status.

The funding continues to recognise the higher cost of recruiting and/or retaining well-qualified staff who should consistently lead and demonstrate good practice. It provides an incentive to settings to develop staff. The statutory Early Years Foundation Stage requires each setting to plan clearly for the continuous

professional development of staff. There should also be clear policies regarding staffing such as the overall staffing structure, pay rates (including areas of management and responsibility), recruitment, retention or how staff gain promotion to which may require a minimum level of qualification and/or experience.

Staff qualifications: All permanently contracted staff in the setting, delivering the Early Years Foundation Stage to all 3- and 4-year-old children will be included the staff qualification calculation. Each will need to have their level of professional qualification verified by the setting and have the number of paid hours per week provided (averaged as necessary, where staff work variable hours through the year). Where staff work at more than one setting (for example, in a group of settings), their time should be apportioned appropriately across all the settings they work in.

The qualification must be backed up with a certificate, available for inspection and the details matched against the DfE Qualification Finder to determine the correct level: <http://www.education.gov.uk/eypgd/>

If staff have written evidence from the training provider that a qualifying course has been successfully completed and only the certificate is awaited from the awarding body, this will be accepted in place of a certificate for one year only, pending its receipt.

Staff excluded from the calculation are, ancillary staff, for example, cleaners, accountants, cooks and receptionists, staff without a contract, for example, casual staff covering for absent colleagues, occasional or visiting staff. Also excluded are apprentices on government sponsored schemes.

The staff qualification element of the quality funding band is calculated from the total number of weighted hours (level of qualification but only if level 3 or more) multiplied by paid hours divided by the total number of paid hours as follows¹:

- Q1 is less than 1.5
- Q2 is between 1.5 and 2.499
- Q3 is between 2.5 and 3.499
- Q4 is 3.5 and over.

You can check your staff quality using the calculator on our website:
<http://documents.hants.gov.uk/childrens-services/StaffQualityCalculator.xlsx>

¹ Formula: Weighted hours for staff delivering to 3- and 4-year-old children divided by the total sum of hours of staff delivering to 3- and 4-year-old children

Weighted hours calculation: for all staff delivering to 3- and 4-year-old children with level 3 or more, sum of the number of hours worked multiplied by the level of qualification for each member of staff.

Deprivation

Following the consultation exercise in April 2012 and approval of the recommendations at Schools Forum on 23 October 2013; from April 2013 Hampshire County Council (HCC) implemented changes to fund any deprivation supplement in the EYSFF based on child-level definitions of eligibility, rather than operating a supplement based on the characteristics at setting level. The EYNFF guidance December 2017 made deprivation a mandatory supplement which local authorities must use to recognise deprivation in their areas. This continues to be achieved through the 'Income Deprivation Affecting Children Index' (IDACI). The Deprivation Funding for Early Years Settings use the same bandings as schools; these bandings were updated by the DfE for 2017 as follows:

Band	IDACI score lower limit	IDACI score upper limit	Range
G	0	0.2	0 – 0.19
F	0.20	0.25	0.20 – 0.24
E	0.25	0.30	0.25 – 0.29
D	0.30	0.35	0.30 – 0.34
C	0.35	0.40	0.35 – 0.39
B	0.40	0.50	0.40 – 0.49
A	0.50	1.0	0.50 – 1.00

Therefore, deprivation rates will not be fixed for each setting but based on the individual postcodes of the children who attend the setting and therefore are variable.

The deprivation funding should be use in accordance with the EYE Payment Funding Terms and Conditions.

Data Collection

The Council collects the data to inform Schools Forum of the budget requirement for Early Years from the Dedicated Schools Grant. Schools Forum takes outline budgets prior to the 31 December and confirms budget requirements by February each year for the following financial year.

To fit it with this timescale and to ensure the funding bandings are as accurate and up to date as possible, we will collect information from every approved setting in the **spring funding period**.

- (1) **Approved settings** as at the spring headcount, will be required to confirm details about their staff. The data provided will be set out and the indicative funding bandings quality will be used to produce the budget forecast for each setting based on previous take up. **The funding bandings will default to the lowest values where settings fail to provide information.** Information for each setting's banding is set at the spring funding period.
- (2) **New settings** registering to provide early years education will complete the information required to calculate their funding banding as part of the Hampshire EYE registration process. The banding will default to the base rate until the information is processed. Any difference in rate will be reconciled at the first or subsequent headcount claims.
- (3) **Re-registration of settings** – providers re-registering with Ofsted, (for example changing the legal entity of the setting/business or moving premises) will have their existing funding bandings carried forward and these will be updated through the EYNFF annual review process for 1 April.

The data will be entered and checked and used by the Schools Funding Team to determine the values of the base and banding rates for Quality within the Early Years Education funding allocated budget. The budget cycle of Hampshire County Council means that banding rates cannot be confirmed until the spring funding period.

The funding bandings for each setting will be fixed for each financial year (1 April) and published for each setting not later than 31 March. The monetary value of the base rate and each of the funding bandings will be published on the website in **early/mid-March**, at the conclusion of Hampshire County Council's budget process.