

EARLY YEARS NATIONAL FUNDING CONSULTATION – DRAFT RESPONSE

20th September 2016

Early Years National Funding Formula Q1 – 7 (DfE Consultation pages 25 – 32)

1. • Should there be an early years national funding formula (to distribute money from central government to each local authority)?

Yes - it is important to consider all areas in the reform of school funding.

2 • To what extent do you agree with the proposed funding floor limit, so that no local authority would face a reduction in its hourly funding rate of greater than 10%?

There is concern that the reduction of 10% (or 5% a year) is too much and will be implemented too quickly, without understanding the implications for providers / LA's

3. Considering a universal base rate of funding which does not vary by local area

3a • Should a universal base rate be included in the early years national funding formula?

Yes, although there are cost differences between different providers across the sector.

3b • Is 89.5% of overall funding the right amount to channel through this factor?

This should be the basis of the majority of funding for LA's, however it is not clear how the amount of 89.5% has been determined

4 Considering an additional needs factor...

4a• Should an additional needs factor be included in the early years national funding formula?

Yes

4b • Do we propose the correct basket of metrics?

The metrics should also include Looked After Children

4c• Do we propose the correct weightings for each metric?

No. The Schools Forum Working Group consider less weighting should be given to costs associated with English as an Additional Language (at the age of 3 children respond to languages quickly) and greater weighting should be given to SEND, even after allowing for the Disability Access Fund.

5 Considering an Area Cost Adjustment ...

5a• Should an Area Cost Adjustment be included in the early years national funding formula?

Yes there are regional differences in costs of staff and of premises

5b • Should the ACA be based on staff costs (based on the General labour Market) and on nursery premises costs (based on rateable values)?

Yes

5c• Do we propose the correct metrics and weightings?

No the working group are concerned by the weightings which appear to overstate regional differences and that by maintaining a high ACA it will keep low levels of pay in other areas across the country.

The ACA for nursery premises relates to core costs within the base rate only, it should not apply to additional needs.

6 To implement the increased hourly rate for the two-year old free entitlement...

6a • Should we retain the current two-year-old funding formula?

Yes and should be ring-fenced.

6b • Should we use the additional funding secured at the spending review to uplift local authorities' allocations based upon this?

Yes

7 Considering the Dedicated Schools Grant...

• Should the free entitlement be capped at 30 hours for children of eligible working parents and 15 hours for all other children?

This policy will reduce childcare costs for working parents; however a £100,000 salary is a high ceiling to apply. The policy is likely to widen the attainment gap of children and may impact on 2 year old provision. There should be a move towards 30 hours early education for all children.

Local Authority Funding to Providers Q8 – 14 (pages 33 to 44)

8 • Should the Government set the proportion of early years funding that must be passed on to providers?

No. Although it is right that as much funding as possible is passed to providers decisions should be taken locally in consultation with the Schools Forum and Early Years representatives.

9• Do you think that 95% is the correct minimum proportion of the money that should be passed from local authorities to providers?

No – answer as above

10. Should local authorities be required to give the same universal hourly base rate to all childcare providers in their area?

No. These should be local decisions, taking account of local provision and costs.

11• Should local authorities be able to use funding supplements?

Yes

12• Should there be a cap on the proportion of funding that is channelled through supplements?

No – this should be a local decision.

13 If you agree that there should be cap on the proportion of funding that is channelled through supplements, should the cap be set at 10%?

No – this should be a local decision

14• Should the following supplements be permitted? Deprivation, sparsity / rural areas, flexibility, efficiency, additional 15 hours

Not all – see answers below

14a• When using funding supplements, should local authorities have discretion over the metrics they use and the amount of money channelled through each one?

Yes

14b• If you agree that efficiency / additional 15 hours should be included in the set of supplements, do you have a suggestion of how should it be designed?

An efficiency supplement should not be needed. This should be business driven.

A 15 hours supplement would be useful and may in some cases replace the need for a flexibility supplement.

14c• If you think any additional supplements should be permitted which are not mentioned here, please set out what they are and why you believe they should be included.

LA's should be able to consider formula supplements for English as an Additional Language, Looked After Children and SEND (since most of these will be recognised in the national formula).

In addition although there was no agreement in the working group about supplements for maintained nursery schools it was acknowledged that more than 2 years transition was needed

SEND Questions 15 – 20 (pages 45 to 51)

15• Should there be a Disability Access Fund to support disabled children to access their free entitlement?

Yes – ring-fenced to provide discrete funding for each child.

16• Should eligibility for the Disability Access Fund be for children aged 3 or 4 who are a) taking up their free entitlement and b) in receipt of Disability Living Allowance?

Yes – however it should also be for 2 year olds

17• When it comes to delivering the funding for the Disability Access Fund, is the most appropriate way the existing framework of the Early Years Pupil Premium?

Yes – this gives accountability

18• To what extent do you agree that a lack of clarity on how parents / childcare providers can access financial support results in children with special educational needs not receiving appropriate support? (We mean children who do not already have an Education, Health and Care Plan)

There are other reasons that may affect clarity for example the approach taken by parents and the quality of the local offer.

19• When it comes to establishing an inclusion fund...

19a• Should local authorities be required to establish an inclusion fund?

Yes

19b• Would an inclusion fund help improve the supply of appropriate support children receive when in an early years setting?

Yes

20• When it comes to the SEN inclusion fund, should local authorities be responsible for deciding...

20a• The children for which the inclusion fund is used?

This should be a multi-agency decision

20b• The value of the fund?

In consultation with Schools Forum and partners

20c• The process of allocating the funding?

As above

20d• Where specialist SEN or SEND services are delivered free at the point of use, should they be considered as funding passed directly to providers for the purposes of the 95% high pass-through?

Yes

Transition Questions 21 – 24 (pages 52 to 54)

21• To what extent do you agree with the transition approach proposed for the Early Years National Funding Formula (money distributed from Government to local authorities)?

The 10% target in 2 years is challenging

22• To what extent do you agree with the transition approach proposed for the high pass-through of early years funding from local authorities to providers?

It is important to have sufficient time and flexibility. 2 years is not likely to be long enough.

23• To what extent do you agree that our proposals on the high pass-through of funding from local authorities to childcare providers makes the existing Minimum Funding Guarantee for the early years unnecessary?

Yes

24• To what extent do you agree with the transition approach proposed for introducing the universal base rate for all providers in a local authority area?

This has a significant effect on maintained nursery schools. The transition should be over a longer period and be subject to review