

BRIEFING – EARLY YEARS NATIONAL FORMULA CONSULTATION

15th September
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AIMS

- To summarise the proposed Early Years funding changes
- To look at the impact on Wirral and changes needed
- To look at some of the consultation questions
- Opportunity to ask questions

WHAT IS THE CONSULTATION ABOUT?

- A new national Early Years funding system.
- Providing LA's with funding based on a new national formula
- A formula that will target additional resources where needed
- "To deliver the extended 30 hour entitlement and ensure that all children can continue to benefit from high quality early education".

CURRENT EARLY YEARS FUNDING

- The current system is based on historic spending decisions.
- Early Years funding is different in each LA.
- Wirral receives for each 3 and 4 year old attending an Early Years setting £2,290 pa.
- In 2016-17 it is estimated there will be 5,137 eligible 3 and 4 year olds = £11.7m
- The new EYPP is in addition to this c £0.2m



The early years national funding formula



WHAT IS BEING PROPOSED

- A new Early Years funding rate to be paid to Wirral, based on the following:

	£	
• Base rate	3.79	(88%)
• Additional Needs:		
FSM	0.45	(10%)
EAL	0.01	(0%)
DLA	0.06	(2%)
Rate per Hour	4.31	

WHAT IS BEING PROPOSED 2

- Wirral's current hourly rate is £3.79
- Proposed rate is £4.31 an increase of £0.52

£m Current		£m Proposed
11.2	Early Years	12.8
0.5	Nursery protection	0.5
<u>0.2</u>	EYPP	<u>0.2</u>
11.9		13.5

Using the new formula the DFE illustrative funding rate for Wirral providers is £4.09 per hour

WHY IS THE RATE NOT HIGHER?

- Wirral's rate will increase from £3.79 to £4.31
- Nationally the increase in funding for 3 and 4 year olds will increase from £4.56 to £4.88
- But:
 - Protection limits grant losses in some LA's
 - Protection for Nursery school funding
 - Distribution of Additional Needs affects rates
 - The Area Cost Adjustment – for some London LA's their base rate is almost double.

WHAT ELSE IS BEING PROPOSED?

- To restrict levels of central spend by LA's to 5% of funding eg the costs to support and advise.
- Use the same base rate for all on Wirral by 19-20
- Protect existing funding for maintained Nursery Schools (2 years)
- There will be the same funding available for the additional 15 hours (September 2017).
- 2 Year old offer is not part of this consultation - rates will be uplifted

WHAT ELSE IS BEING PROPOSED 2?

- A Disability Access Fund – nationally £12.5m
- LA's to promote use of SEN Inclusion Funds
- No change to EYPP
- Local Formula supplements to be no more than 10% of the funding available
- Quality supplement to be removed
- Optional supplement for delivery of additional 15 hours

WHAT DOES THIS MEAN FOR WIRRAL?

- Additional funding - proposals
- Review of EYSFF
- How do the changes help introduce the Early Years extension?
- Review supplements – they account for 13%
- Consider other supplements
- Nursery school protection for 2 years
- Review level of central spend and inclusion funds
- Maximise FSM numbers in Primary schools

CONSULTATION QUESTIONS

1. Should there be a EYNF?
3. Should there be a Universal Base Rate?
- 4b Are the right additional needs identified?
5. Should the formula include an ACA?
7. Should the free entitlement be capped at eligible working parents?
8. Should there be a minimum of EY funding passed through to providers?
12. Should LA's be able to use funding supplements
15. Should there be a Disability Access Fund?

TIMESCALES / NEXT STEPS

- Meet next week with Forum Early Years reps
- Consultation response by 22nd September
- Report to Schools Forum 28th September
- Autumn term working group develop proposals and consult with providers
- December confirmation of funding from EFA
- January / February 2017 Forum and Cabinet approve funding and formula changes

ANY QUESTIONS?