

BRIEFING – EARLY YEARS FORMULA CONSULTATION

10th January 2017
Andrew Roberts

AIMS

- To summarise the outcome of the National Consultation on Early Years funding
- To look the impact on Wirral
- To look at some formula proposals
- Consultation questions
- Next steps

“We now need to ensure that this funding is allocated efficiently and fairly across the country and that it reaches providers so that they can deliver our entitlements on a sustainable and high quality basis”

Justine Greening Secretary of State for Education

What is changing from April 2017?

- 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”.



The early years national funding formula



Government response to Consultation

- The proposals have been positively received
- Confirmation of hourly rates increase:
for 3 and 4 year olds Wirral to £4.31 (from £3.79)
2 year olds £5.22 (from £4.87)
- Scope to pay on average at least £4.00 hr (from £3.67)
- Supplements may include Quality
- Additional funding for Nursery extended to 19-20
- Disability Access Fund £615 per child

Early Years Funding – Wirral's Overall Hourly Rate

- The new rate to be paid to Wirral is based on the following:

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

Early Years Funding – Wirral Cash increase

- 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

Consultation Issues

- Amount going through the formula has to be at least 93% of total (and 95% the year after)
- Formula Base Rate has to be at least 90%
- Supplements no more than 10% (Wirral 12%)
- Are the supplements the right ones
- 10% of Wirral's funding is deprivation based
- Funding for additional needs
- Funding for central support

Timescale

- A tight timescale to implement 1st April 2017
- DfE confirmed changes 1st December
- Local consultation with providers start 19th December 2017 until 16th January
- Schools Forum approval 18th January 2017
- Cabinet approval 20th February 2017
- Advise providers on budgets March 2017

Impact of changes on providers

- 3 options are described
- Base Rate £3.60
- Select current entitlement to supplements:
 - Deprivation Low, Medium High
 - Flexibility, none, in school day, outside day
 - Quality
- Add together to equal new hourly rate
- Multiply by estimated hours in year
- Average £4.00 per hour

Consultation Questions

- Base Rate £3.60?
- Supplements to equal 10%?
- 5. Options for supplements
- Securing long term funding for maintained Nursery Schools
- Increase SEN inclusion
- Increase central support
- 2 year old rate £5.12

EY Setting 15,000 hrs pa

	Current	Option 1	Option 2	Option 3
Base rate	£3.20	£3.60	£3.60	£3.60
Dep High	£0.23	£0.19	£0.30	£0.38
Quality	£0.16	£0.13	-	£0.08
Flex In	<u>0.18</u>	<u>£0.15</u>	<u>£0.18</u>	<u>£0.08</u>
	£3.77	£4.07	£4.08	£4.14
	£56,550	£61,050	£61,200	£62,100

ANY QUESTIONS?