



Appendix A

Consultation on Funding for the Free Entitlement for Two Year Olds

Purpose of the Consultation.

The Council must implement a single funding formula for funding places for eligible two year olds, in line with that for three and four year olds, in consultation with the Schools Forum. We are therefore seeking the views of all relevant stakeholders on the proposed formula in order to inform the Haringey Schools Forum recommendation to the Council.

In this paper we are seeking consideration on:

- the outline of the formula
- the principles of the formula and in particular
- the fairness of the formula.

The Early Years Working Group of the Schools Forum including officers of the Council has developed the proposed formula.

Haringey Schools Forum will consider the consultation responses in July 2013 and make a recommendation to Haringey Council. We will implement the formula, as finally agreed, from September 2013.

Consultees:

- Chairs of Governors of maintained schools, academies and nursery schools.
- Headteachers of maintained schools, academies and nursery schools.
- The Ofsted registered provider of all private, voluntary and independent settings providing the free entitlement.
- All members of the Haringey Schools Forum
- Children's Centre managers.
- Childminders
- Haringey Councillors.
- Any other interested parties.

How to respond;

You may like to use the response form at the end of this document, alternatively if you wish to respond more fully in a separate letter that will be acceptable. However, we would ask that all responses reflect clearly the details of the person responding and the capacity in which the response is being made. The postal and e-mail addresses for return are included on the form and all responses must be received by 7th June 2013.



We will also take comments and feedback at the workshop consultation meetings to be held during May and June.

Two Year Old Programme Funding Consultation meetings		
Date	Time	Venue
16.05.2013	6.30pm	The Resource Centre, Park Lane, London N17 0HJ
21.05.2013	6.30pm	Rokesly CC, Elmfield Ave, N8 8QG
23.05.2013	12-2pm (within PVI Forum)	PDC, Downhills Park Rd, N17 6AR
03.06.2013	4.30pm	Broadwater Farm CC, Adams Road, London N17 6HE

Equality Impact Assessment.

As with all major developments there is a need to ensure that the approach being proposed does not result in unexpected or unintended consequences when considered alongside other policies either of the Council or the Government.

Equality Impact Assessments (EIA) allow us to assess the effects a policy, strategy or function may have on people depending on their ethnicity, disability, gender, age religion and belief or sexual orientation.

The Two Year Old Funding Formula will distribute resources between the range of settings delivering places. There is a set amount of funding determined by the Government available to deliver all the required places within Haringey. Eligibility for places from September 2013 is based upon family income ie those children who would match the criteria used for free school meals.

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1. Background to the two year old programme

- 1.1 Evidence shows that high quality early education at age two brings benefits to children's development. In line with Government guidance Haringey will, as far as possible, only deliver places through providers of good or better quality.
- 1.2 The current programme has developed out of the pilot programme and has been delivering places for children referred by professionals against a set of criteria based on deprivation and vulnerability. It has been delivering up to 280 places mainly through Local Authority maintained provision with additional places in the PVI sector.
- 1.3 From September 2013 local authorities will have a legal duty to secure early education places for eligible two year olds ie those that meet the eligibility criteria. The Government has indicated that there are 880 two year olds entitled to an early education place in Haringey this year. A further expansion of places may be required for September 2014; however it is not yet clear how many additional places may be needed. We estimate that another 800 will be required.
- 1.4 Eligibility for this year 2013-14 is based on the criteria that are used for free schools meals, so places will be needed across the borough. However, as the programme is designed to improve outcomes for children from economically deprived backgrounds most places will need to be developed in those areas of the borough with the highest levels of deprivation. The delivery of this programme will be aligned to our Early Years Strategy, delivering high quality services to support better outcomes for children in Haringey.

Year	Places
2009-10	130
2010-11	250
2011-12	133
2012-13	280
2013-14 (estimated)	700
2014-15 (estimated)	1500

2. Changes required for the new programme from September 2013.

- 2.1 The current programme has so far delivered the vast majority of places through the maintained sector, principally within children's centres and nursery schools with some additional places in good quality playgroups. The funding for the programme up until now has been sufficient for us to pay providers according to their market



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charges. However, from September 2013 the Government is providing a set amount of funding for places totalling £2.122 million which equates to an average rate of £5.28 per child per hour. The Local Authority is required to create an agreed formula (as we do for the three and four year old free entitlement) to ensure a transparent and fair apportionment of the total funding pot.

- 2.2 Government guidance states that the formula for the programme from September 2013 should be either composed of a single base rate for all providers or a number of base rates differentiated by type of provider. Funding must be based on a count of children attending provision conducted at least three times a year.
- 2.3 At the present time the vast majority of places are within the maintained sector and have been funded at a higher rate. In order to build additional capacity for the new programme we propose that we create a range of rates for different types of providers, as we are seeking a way of delivering enough places within the total funding pot provided by the Government.
- 2.4 The new programme will necessitate a rapid expansion of places. We propose to deliver the programme through a mixed economy of providers including children's centres, nursery schools, primary schools, academies, private, voluntary and independent providers and childminders.
- 2.5 The Government is currently undertaking a consultation on proposed changes to the role of the local authority in early education and childcare. Within their consultation one proposal is that all local authorities should use a single flat rate to pay all providers for two year old places. If this is implemented it would not be before September 2014. One option for Haringey would be to pay every provider from September 2013 at the rate the Government has suggested of £5.28.

3 Haringey Consultation on a Two Year Old Single funding Formula.

- 3.1 Haringey is now consulting on the proposed hourly rate for places and will be holding a series of consultation workshops for every type of provider. Providers and interested parties will also be able to respond to the consultation by e mail or letter.
- 3.2 **Basic hourly rate;** it is intended that the basic hourly rate contributes towards the costs of providing places on the programme for two year olds. As the new two year old programme, from September 2013, is focused on deprived children and is not a universal provision for all two year olds it is not expected that there will be additional supplements for deprivation.
- 3.3 The Department for Education allocation to Haringey is £2.65 million which averages as £5.28p per child per hour. Experience from the implementation of the funding formula for 3 & 4 year olds has been that the cost of provision varies between different providers.
- 3.4 The setting groups we propose to use are:
 1. Childminders
 2. Private, Voluntary and Independent day-care settings
 3. Local authority maintained schools, academies and nursery schools
 4. Playgroups
 5. Children's Centres



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- 3.5 We would need to ensure that the hourly rate(s) paid would allow the local authority to build on our current places which are mainly within the maintained sector, while developing sufficient new places within the funding envelope the Government has provided but also allow time for necessary changes to be made for funding maintained places if a single flat rate becomes a requirement in the future.

Consultation Question1

Please indicate in the response section how many places you could provide for the rates shown.

4 Government consultation.

- 4.1 The Government is holding a national consultation on changes to local authorities. Within that consultation is a proposal to set a single flat rate for all providers of two year old places within any local authority. If this does become a requirement it is likely to take effect in 2014 - 2015.

Consultation Question 2

If the Government requires local authorities to set a single flat rate for all providers after 2014-15:

- a. would you provide places, where the rate varies between different types of settings from 2013?
- b. would you provide places from 2014 onwards on a flat rate?

[Government current proposals would suggest a figure based on £5.28]

5 Sustainability and the provision of new places.

- 5.1 The Local Authority has a duty to provide sufficient early education places for eligible two year olds to meet parental demands from September 2013. The Government's regulations make it clear that funding must, other than in exceptional circumstances, be based on participation and not on planned places.
- 5.2 In order to incentivise providers to deliver new places for the two year old programme from September 2013 – March 2015 we propose to agree to pay providers for an agreed number of places according to need in any area for an agreed period. The take up of these places would be monitored carefully to establish whether the planned number of places will be fully used.
- 5.3 After the agreed period of time all payments will be based on participation and the number of children to be funded will vary according to the termly counts



Consultation Question.3

Do you agree that providers should be supported through place based funding for new provision for an agreed period of up to a year in their first year of delivery?

6 Payments and In Year Adjustments.

6.1 After an initial period of place funding, as set out in paragraph 5.2, participating two year old children must be counted at least once every term. The process for payments will be created in line with that for the three and four year old free entitlement and will be based on participation. These arrangements are set out below.

6.2 Pupil count– maintained settings.

6.2.1 The basis of all early years funding will be the actual termly count of hours of free entitlement provided. The count will usually take place in the third week of each term.

6.2.2 Maintained schools and academies will be provided with indicative budgets for the full financial year based on pupil attendance as recorded on the January PLASC return. Any adjustments due to be made, based on the three termly counts for the year will be actioned as an adjustment to the school's budget for the following year.

6.2.3 Schools will continue to receive monthly cash advances in the normal way including resources for the provision for the free entitlement for eligible two year olds.

6.3 Private, Voluntary and Independent Provision (PVI) and Childminders.

6.3.1. PVI settings and childminders will also be provided with indicative budgets for the full financial year using data collected through the January Early Years Count extended to include two year olds together with data from the previous financial year, where available. Payments will be made in the first three months of each term as set out below.

6.3.2 To ensure that all PVI settings and childminders have sufficient cash flow before the actual termly count is completed, we propose that the first payment(s) will be made using monthly instalments of the indicative budget (see paragraph 6.3.1). Once the actual count is available the sum due for the term will be determined and this, less advances, will be paid over the remaining term.

7 Conclusion

This is an important programme developed to support better outcomes for young children. We hope many providers will want to deliver places for the programme. We welcome your views on our proposals, either on the attached response form or by letter. This programme will be challenging to deliver but has the potential to make a



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real difference to children in Haringey. We hope you will be able to participate and provide places for eligible two year olds.



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The Children and Young People's Service

Free Entitlement for Eligible Two Year Olds Funding Formula Response Form

This form brings together the questions in the body of the consultation document and allows you to give your opinion on various points; it also allows you to comment more generally on the Two Year Old Funding Formula. You may use this form if you wish although we are happy to receive other written responses such as by letter. In all cases we would be grateful if responses could indicate your full details including the capacity in which the response is being made.

This response is from

Name of responder	School/organisation

I am responding as an:

Individual

☐

On behalf of a group

☐

If the latter, please specify

Name of group	Role of responder



Please indicate the setting that best reflects your organisation

PVI settings	Maintained settings
Private day care/nursery	Children's Centre
Playgroup	Primary School
Childminder	Nursery school

Question 1.

Please indicate how many places you could provide for the rates shown:

£4.00 per hour per child

£4.50 per hour per child

££5.00 per hour per child

£5.28 per hour per child

£5.50 per hour per child

£6.00 per hour per child

Comments;



Question 2

If the Government requires local authorities to set a single flat rate for all providers after 2014-15:

a. Would you provide places, where the rate varies between different types of settings from 2013?

Yes

No

b. Would you provide places from 2014 onwards on a flat rate?

[Government current proposals would suggest a figure based on £5.28]

Yes

No

Comments;

Question 3.

Do you agree that providers should be supported through place based funding for new provision for an agreed period of up to a year in their first year of delivery?

Yes

No

Comments;



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Additional comments

If you would like to make any additional comments on aspects of the consultation document please feel free to do so here.

Please return this form by Friday June 7th 2013 to;

**Jess Kaur
The PDC
Downhills Park Road
London N17 6AR or
e. mail to; jess.kaur@haringey.gov.uk**