

**Agenda Item
4**

Report Status

For information/note ☐
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Commissioning

Report to Haringey Schools Forum – 15th September 2016

Report Title: Draft Schools Forum Response to government consultation on proposals for a national funding formula for early years

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Purpose: To introduce Schools Forum members to a draft response to the government's consultation on proposals for a national funding formula for early years.

Recommendations:

1. That Schools Forum members consider the proposals set out in the government's consultation document.
2. That Schools Forum members review the response drafted by representatives of the school's forum early years working group, on behalf of the Schools Forum and make any additions or revisions as appropriate.
3. That Schools Forum agrees a final response for submission to the Department for Education (DfE) by the 22nd September 2016.

1. Introduction

- 1.1 The purpose of this paper is to provide an overview of proposals contained within the government consultation paper to support School Forum members to review a draft response developed by members of the forum's early years working group.
- 1.2 The government consultation on proposals for a national funding formula for early years launched on Thursday 11th August 2016 and will close on 22nd September 2016.
- 1.3 The consultation documents set out in detail proposals for a national funding formula for early years and cover the delivery of, and funding for, the free early education entitlement for 2, 3 and 4 year olds. As well as levels of funding to local authorities and indicative funding rates for providers, the consultation includes changes to the way the three and four year old entitlement are funded, including expectations on how local authorities administer the entitlements.

2. Main points from proposals

- Some changes are expected to be implemented from April 2017.
- DSG Early Years funding levels will continue as 'participation' based funding.
- The government are proposing a high minimum threshold for proportion of funding LAs pass to providers: 93% 2017-18, rising to 95% 2018-19 onwards. This will mean Haringey Council's centrally retained levels of funding from the early years block will reduce from current levels of approximately 15% to 7% from April 2017, falling to 5% from April 2018.

2.1 3 & 4 year olds

- The new formula will apply to the existing 15 hour entitlement and to the additional 15 hours from Sept 2017. The funding rate, to LAs and for providers, to be the same for both elements.
- The funding rate proposed for Haringey Council of £5.66 per hour.
- LA Funding rate comprised of universal basic rate, additional needs factor and an area cost adjustment.
- Additional needs factor is based on weighted numbers of children in a local authority area meeting Free School Meals (FSM) eligibility, with English as an Additional Language (EAL) and who attract Disability Living Allowance (DLA).
- Final funding allocations for 2017-18 will be based on an apportionment of 5/12ths of the January 2017 census and 7/12ths of the January 2018 census numbers.
- Future funding allocations to LAs will be highly dependent on good levels of participation and robust recording in January headcounts.
- A deprivation factor supplement, added to the universal base rate, remains mandatory; LAs can choose the metric to apply e.g. Income Deprivation Affecting Children Index (IDACI) or FSM and the amount paid.
- The government is proposing that LA discretionary supplements are limited to: Sparsity/Rural, Flexibility, Efficiency and Delivery of the additional 15 hour offer. The stated aim is to incentivise provider participation.
- New '*Disability Access Fund*'. This is proposed as a separate funding stream to LAs from government and will be applied to providers directly if a child attracts DLA.

- Local '*Inclusion Fund*'. It is proposed that an LA-determined funding pot is established in each LA area to help providers to meet the needs of children with special educational needs and disabilities and widen access to the free entitlement. The government suggest this can be developed through pooled funding from the High Needs and Early Years Blocks.

2.2 Maintained Nursery Schools

A separate, supplementary funding stream will be provided to support maintained nursery schools for at least two years to enable stability whilst longer term sustainability planning, including scope for efficiencies takes place.

2.3 Eligible 2 year olds

The government are proposing uplift to the current 2 year old funding rate for LAs. For Haringey, this would mean an increase from £5.28 to £5.66 per hour from April 2017.

2.4 Early Years Pupil Premium (EYPP)

This will remain a separate funding stream, to be applied to provider funding rate. EYPP will continue unchanged at £0.53 per hour for each eligible 3 & 4 year old child.

3. Draft Response to the Government Consultation

- 3.1 Members of the Schools Forum's early years working group met on the 6th September 2016 to consider the government consultation proposals and draft a response on behalf of the Schools Forum.
- 3.2 The draft response accompanies this report for consideration by the Schools Forum.