

Funding Formula Consultation 24th April 2017 until 5PM 8th May 2017

Purpose

This is a second funding consultation for all providers delivering Early Years Entitlement (EYE) funded places for children in their pre-school years. This is following requests from the Early Years Reference Group (EYRG) and then a decision at the Schools Forum that in light of the limited number of responses to the original consultation the matter should be considered again.

This consultation will provide the following:

1. A chance to look at the original proposed formula again.
2. An alternative method of allocating the funding under an alternative formula.
3. To consider both proposals alongside the Department for Education (DfE) provider agreement. This was not published at the time of the original consultation. A draft including Bath and North East Somerset Council's proposed additions, where we have been allowed them, is attached.

The outcome of this consultation has to result in a formula being set at the Schools Forum meeting on 9th May 2017.

Please note

Deciding on and accepting either proposal is not agreeing to offer the new additional 15 hours. This consultation is to set the funding rates for the EYE hours you offer. As providers you are free to make the following choices:

- Not take part in EYE at all
- Offer EYE within the constraints of the hours placed on you by your premises arrangements, planning conditions or the days that you wish to operate on.
- Remain with the original 15 hours.
- Offer all or part of the extend offer being made available to working families from 1st September 2017.

Background

The original consultation can be found as Appendix 1 of this document. It ran from 25th January 2017 to 10th February 2017. This details the funding made available to the Council to support delivery of the whole EYE to 2, 3 and 4 year old children and should be read again alongside this paper.

In total 16 responses were received to the consultation, 8 in favour and 8 against. In response to individual questions on the elements of the proposed formula each answer had more yes's in favour as opposed to no's against.

Following extensive discussions on both this outcome and a request to look at the options again it has been agreed that a second consultation can happen.

Appendix 2

Once again there is a limited consultation window so you are urged to reply, even if you do not wish to express a preference. At least by acknowledging that you are not expressing a preference it is known that you have seen the consultation and you have indicated that you are aware that the funding formula is changing.

Please note

This policy is being driven by the Department for Education (DfE) who have set up the statutory legislation in the Childcare Act 2016, provided the funding allocation to Councils and provided the Terms and Conditions in the Provider Agreement.

Your Council is a conduit for this proposal with very little room to change the core purpose, functionality and funding of this offer.

Second proposal

A second proposal has been drafted as an alternative to the original in light of discussions with those who have made representation to the Council, primarily through the EYRG. This proposal is as follows:

2 year old funding will increase from £5.07 to £5.43 to all providers meeting the eligibility criteria set by the DfE in the Local Agreement. This is a 7% increase and a full pass on of the funding allocated by the DfE.

3 and 4 year old funding to be allocated at a flat rate of £4 an hour to all providers meeting the eligibility criteria set by the DfE in the Local Agreement. The % increases for different providers is set out below.

Current Funding Formula Rate	Current	New	Hourly increase	% increase
Existing base rate	£3.58	£4.00	42p	12%
Flexible offer 570 hours	£3.68	£4.00	32p	8%
Base rate plus relevant graduate	£3.73	£4.00	27p	7%
Flexible offer plus relevant graduate	£3.83	£4.00	17p	4.5%

All other supplements would cease except the deprivation supplement which is mandatory within the DfE regulations on the funding formula. All Councils have a statutory duty to narrow the gap in attainment at the end of the EYFS and deprivation is one of the key factors within this gap. It is therefore intended to allocate this supplement as follows:

- All children will be allocated an additional 2p an hour for deprivation in all areas. Providers can then allocate this additional fund to the children they determine in their setting require additional support

Appendix 2

Please note that this supplement will be paid to all children alongside their headcount funding e.g. £4.00 plus 2p will show as £4.02 on your payment breakdown.

In addition and as you are aware the gap in attainment in Bath and North East Somerset Council for children as measured at the end of the EYFS is one of the largest in the country. As outlined in the original consultation (Appendix 1) we already provide a supplement to the top 2 most disadvantaged areas and it was proposed to extend this to the next two levels of disadvantaged areas as measure by IDACI. This was based on Council officer recommendation to expand the areas.

This recommendation has remained endorsed within by officers of the Council and therefore it is proposed to continue with the expansion of the deprivation supplement as outlined in the original consultation. The funding will be allocated as follows:

- Areas 1 and 2 will receive 34p as they currently do
- Areas 3 and 4 will receive 16p. This is new.

The flat funding rate, new universal deprivation payment and targeted deprivation payment allocate all of the funding Bath and North East Somerset Council are expected to pass on within the DfE budget regulations.

IDACI areas by Ward

For further context and in addition to the Children's Centre areas in which they are located here are the top 4 IDACI areas by electoral ward.

LSOA post 2011	IDACI Rank	Ward
E01014463	1	Twerton
E01014390	2	Combe Down
E01014464	2	Twerton
E01014462	2	Twerton
E01014458	2	Southdown
E01014461	3	Twerton
E01014370	3	Abbey
E01014407	3	Kingsmead
E01014450	4	Radstock
E01014401	4	Keynsham North
E01014404	4	Keynsham South
E01014433	4	Odd Down
E01014448	4	Radstock
E01014478	4	Weston
E01014469	4	Westfield
E01014445	4	Peasedown

Appendix 2

SEND

You will receive separate communications about the resources allocated for SEND. Please note that this is not currently funded from the EYE but could be in the future.

Please note

The DfE have indicated that the funding received by each Council for EYE will next be reviewed in 2020. Each Council will, however, need to review their annual spend on EYE every financial year. This may mean that the formula has to be changed in subsequent years so the formulas presented are only for 2017 to 2018.

What you need to do next

Please use the online consultation on the Council website to respond. You will be asked to do 3 things

1. Agree to original proposal as outlined in Appendix 1
2. Agree to second proposal as outlined in this paper
3. Comment in the box provided on the Provider Agreement. Please remember that nearly everything in the agreement has already been written on our behalf by the DfE.

Philip Frankland
April 2017