

SCHOOLS FORUM 21 September 2016

Proposed Response to the Early Years National Funding Formula Consultation

Appendix 2

Questions 1 -8 – identification questions

Early Years National Funding Formula

<p>9. Should there be an early years national funding formula (to distribute money from Government to each local authority)? Yes/No</p>	<p>Yes – The current formula disadvantages our providers significantly as it does not take into account the high costs of wages and premises in Wokingham Borough. We currently receive one of the lowest hourly rates across the country.</p>
<p>10. Should a universal base rate be included in the early years national funding formula? Yes/No</p> <p>Is 89.5% of overall funding the right amount to channel through this factor? Yes/No</p>	<p>Yes - there needs to be a base rate that reflects the average cost of providing funded hours across the country which then has supplements added to reflect local market conditions in each area.</p> <p>Yes – providing the additional 10.5% supplements accurately reflect costs in the local area.</p>
<p>11. Should an additional needs factor be included in the early years national funding formula? Yes/No</p> <p>Do we propose the correct set of metrics? Yes/No</p> <p>Do we propose the correct weightings for each metric? Yes/No</p>	<p>Yes - costs to support children with additional needs are higher per funded hour than for children without additional needs. It is therefore important that more funding is allocated to areas where there a significant number of children with additional needs.</p> <p>Yes – they give additional funds in relation to the costs of providing for children with additional needs.</p> <p>No 8% for free school meals is too high as eligible children could already attract EYPP. We believe it should be more evenly split between DLA and FSM and EAL.</p>

<p>12 Should the early years national funding formula include an area cost adjustment? Yes/ No Should that adjustment be based on staff costs (based on the General Labour Market measure) and on nursery premises costs (based on rateable values)? Yes/No –</p>	<p>Yes - it costs significantly more to provide care in Wokingham than other areas or the country.</p> <p>Yes - this will give a true reflection of the main cost drivers behind providing childcare in the borough.</p>
<p>13 If you have any comments or recommendations for alternative metrics or weightings to be used in the early years national funding formula, please explain here:</p>	<p>This would be the list of explanations as above for the questions regarding the metrics</p>
<p>14 To what extent do you agree with the proposed funding floor limit, so that no local authority would face a reduction in its hourly funding rate of greater than 10%? Strongly Agree, Agree, Neither agree nor disagree, Disagree, Strongly Disagree</p>	<p>Strongly Agree – although it does not affect us we understand the damage this could do to the market in other areas if there is a large reduction in rates paid.</p>

Two Year Olds and DSG capping

<p>15 Should we retain the current two-year-old funding formula? Yes/No</p> <p>Should we use the additional funding secured at the spending review to uplift local authorities' allocations based upon this? Yes/No</p>	<p>Yes - There appears to be no issue at the moment with it as it recognises the increase in cost for providing 2 year old provision.</p> <p>Yes - Yes any uplift in funding for 2 year olds will continue to incentivise providers to provide places. As the rate to provide 3 and 4 year old places increases it is important to maintain the differential between the two rates or two year old places will be lost.</p>
<p>16 Considering the Dedicated Schools Grant, should the free entitlement be capped at 30 hours for children of eligible</p>	<p>Yes</p>

working parents and 15 hours for all other children? Yes/No	
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Pass Through Rate

17 Should Government set the proportion of early years funding that must be passed on to providers? Yes/No	Yes – we currently do not retain any of the funding centrally
18 Do you think that 95% is the correct minimum proportion of the money that should be passed from local authorities to providers? Yes, I agree, No, 95% is too high, No, 95% is too low, Unsure	Yes – 95 % seems a reasonable central retained funding limit as this balances the cost of providing the administration and support against providing enough funding for providers
19 If you would like to explain a response you've submitted on this page in more detail, please do so here:	Comments made above <i>Any additional responses from providers/schools forum</i>

Distribution of Funding by Local Authorities

20 Should local authorities be required to give the same universal hourly base rate to all childcare providers in their area? Yes/No	Yes - there is an injustice if different providers are given different rates for providing the same care. We currently have a level base rate so will not affect us although all maintained nursery classes automatically get high cost supplement for being teacher led. <i>The main issue here will be the lump sum paid to Ambleside as a maintained nursery school which should be supported for the next two years. Some additional funding will be available to support this but not the full amount</i>
21 Should local authorities be able to use funding supplements? Yes/No Should there be a cap on the proportion of funding that is channelled through supplements? Yes/No	Yes - LA's need to be able to incentivise the market to meet parent's needs and these differ in different LA areas. No - it should be up to the LA to decide. If the cap is too low it limits the LA from offering high levels of incentive to meet parents' needs in particular areas.
22 If you agree that there should be a cap on the proportion of funding that is channelled through supplements, should	No the cap should be higher than 10% We currently have 18% split over 4 supplements. If we reduce the amount

<p>the cap be set at 10%? Yes, I agree with a 10% cap, No, the cap should be higher than 10%, No, the cap should be lower than 10%, I'm unsure</p>	<p>of supplements available 10% may not be enough to incentivise the market.</p>
<p>23 Should the following supplements be permitted? Yes/No</p> <p>Deprivation</p> <p>Sparsity/rural areas</p> <p>Flexibility</p> <p>Efficiency</p> <p>Additional 15 hours of childcare</p>	<p>Yes – it costs more to support a child from a deprived background</p> <p>Yes – if needed in an area. <i>It would not be needed in our borough</i></p> <p>Yes – this is an important factor in meeting the needs of our working families.</p> <p>No – this would be very difficult to quantify and there is a danger that if implemented it will detrimentally affect good practice in settings who spend extra to ensure high quality.</p> <p>Yes - this is an important factor in ensuring that the LA has enough places to meet their statutory duty. It could be linked with flexibility supplement to have a greater impact</p>
<p>24 When using funding supplements, should local authorities have discretion over the metrics they use and the amount of money channeled through each one? Yes/no to metrics and amount of money for each one.</p>	<p>Yes - to all as LAs in consultation with providers are best placed know the local market conditions and what will incentivise them.</p>
<p>25 If you agree that efficiency (efficient business practices that provide excellent value for money) should be included in the set of supplements, do you have a suggestion of how should it be designed</p>	<p>Do not agree - This would be very difficult to quantify and there is a danger that if implemented it will detrimentally affect good practice in settings who spend extra to ensure high quality.</p>
<p>26 If you agree the delivery of the additional 15 hours of free childcare should be included in the set of supplements, do you have a suggestion of how should it be designed- free text</p>	<p>This could be linked to flexibility and also be available for those doing stretched offer as long as they provide 1140 hours of funded care. Should be left to local LAs to decide for their area rather than set nationally</p>
<p>27 If you think that any additional</p>	<p>No further supplements - it should be</p>

supplements should be permitted which are not mentioned here, please set out what they are and why you believe they should be included – free text	kept as simple and transparent as possible. If the cap of 10% is implemented there would not be enough room within the 10% to have any more supplements with enough weight to create incentives for the desired outcomes
28 Finally, for this page, if you want to explain a response you've submitted on this page in more detail, please do so here: Free Text	Comments made in each question. <i>Responses gained from providers/schools forum</i>

Funding for disabled children

29 Should there be a Disability Access Fund to support disabled children to access their free entitlement? Yes/No	Yes - additional funding for disabled children will take pressure off the inclusion fund (EYIF)
30 Should eligibility for the Disability Access Fund be for children aged 3 or 4 which are a) taking up their free entitlement and b) in receipt of Disability Living Allowance?	Yes – However the main issue with this is there are very low numbers of children aged 3 and 4 who claim DLA even though they may be eligible.
31 When it comes to delivering the funding for the Disability Access Fund, is the most appropriate way the existing framework of the Early Years Pupil Premium?	Yes – it would make administration much easier and processes are already in place to ensure payment. The main issue would be timing of the payment. This may need to be looked at to ensure that payment reaches the provider as soon as the child starts
32 If you want to explain a response you've submitted on this page in more detail, please do so here	Comments made above <i>Additional responses from providers/schools forum</i>

Funding for children with Special Education Needs

33 What extent do you agree that a lack of clarity on how parents / childcare providers can access financial support results in children with special educational needs not receiving appropriate support? (We mean children who do not already have an Education, Health and Care Plan) Strongly Agree, Agree, Neither agree nor disagree, Disagree, Strongly Disagree	Disagree – In Wokingham providers are well informed of the support on offer and the advice and encouragement to engage with parents at an early stage.
34 Should local authorities be required to establish an inclusion fund?	Strongly Agree – we already have one in Wokingham and it is working well

Strongly Agree, Agree, Neither agree nor disagree, Disagree, Strongly Disagree	(Early Years Inclusion Fund – EYIF)
Would an inclusion fund help improve the supply of appropriate support children receive when in an early years setting?	Yes- it works well at the moment however there will be pressure on the level of funding we can offer with the extension of entitlement to 30 hours.
35 If you envisage any barriers, arising from existing practice or future proposals, to introducing a new requirement on local authorities to establish an inclusion fund, please tell us what they are and how they might be overcome	None as one is in place already although there will be increased pressure on it with the new entitlement.
36 When it comes to the SEN inclusion fund, should local authorities be responsible for deciding: The children for which the inclusion fund is used? Yes/No The value of the fund? Yes/No The process of allocating the funding? Yes/	Yes Yes Yes All of these are in place at the moment and there is no reason to change the flexibility of the local authority to decide based on local knowledge of need.
37 Where specialist SEN or SEND services are delivered free at the point of use, should they be considered as funding passed directly to providers for the purposes of the 95% high pass-through? Agree/Disagree	Agree - as the funding is being passed in kind to providers it should not be counted in the 5% retained
38 If you want to explain a response you've submitted on this page in more detail, please do so here-	Comments as above <i>Additional responses from providers/schools forum</i>

Transition to a new funding system

39 To what extent do you agree with the transition approach proposed for the Early Years National Funding Formula (money distributed from Government to local authorities)? Strongly Agree, Agree, Neither agree nor disagree, Disagree, Strongly Disagree	Agree – the full increase is taking two years and the providers need the full increase as soon as possible however the decrease in other LAs makes this understandable.
40 To what extent do you agree with the	Neither agree nor disagree - we do not

<p>transition approach proposed for the high pass-through of early years funding from local authorities to providers? Strongly Agree, Agree, Neither agree nor disagree, Disagree, Strongly Disagree</p>	<p>currently retain funding centrally</p>
<p>41 To what extent do you agree that our proposals on the high pass-through of funding from local authorities to childcare providers makes the existing Minimum Funding Guarantee for the early years unnecessary? Strongly Agree, Agree, Neither agree nor disagree, Disagree, Strongly Disagree</p>	<p>Agree – The minimum funding guarantee will not be needed in the future if the 5% retention cap is introduced</p>
<p>42 To what extent do you agree with the transition approach proposed for introducing the universal base rate for all providers in a local authority area? Strongly Agree, Agree, Neither agree nor disagree, Disagree, Strongly Disagree</p>	<p>Agree – this will not affect us as we already have a level base rate. There will be an effect on our Maintained Nursery School; however the lump sum they receive will be protected for 2 years</p>
<p>43 If you want to explain a response you've submitted on this page in more detail, please do so here:</p>	<p>Comments as above <i>Additional responses from providers/schools forum</i></p>

Equality Assessment

<p>44. Please provide any representations and/or evidence on the impact of our proposals for the purposes of the Public Sector Equality Duty (Equality Act 2010). The protected characteristics are: age; disability; gender reassignment; pregnancy and maternity; race (including ethnicity); religion or belief; sex and sexual orientation</p>	<p>There are no clear negative impacts of these proposals on equality as defined in the Equality Act 2010.</p>
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