

Central
Bedfordshire
Council
Priory House
Monks Walk
Chicksands,
Shefford SG17 5TQ



**TO EACH MEMBER OF THE
SCHOOLS FORUM**

20 March 2017

Dear Members

SCHOOLS FORUM - Wednesday 22 March 2017

Further to the Agenda and papers for the above meeting, previously circulated, please find attached the following report which the Chairman has agreed to take as an urgent item of business:-

4. Dedicated Schools Grant

To provide an update on the Early Years funding 2017/2018

Should you have any queries regarding the above please contact me.

Yours sincerely

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Meeting: Schools Forum
Date: March 22nd 2017
Subject: Early Years Funding 2017/2018
Report of: Director of Children's Services
Summary: Guidance on new Early Years National Funding Formula

Contact Officer: Sue Tyler

Public/Exempt: Public

Wards Affected: All

Function of: Council

Reason for urgency
(if appropriate)

RECOMMENDATIONS:

- 1. Schools Forum is asked to note that the existing model of funding Early Years will be continued for 2017/2018**
- 2. A full review of Special Needs and Inclusion spend will be carried out in the Early Years as part of a bigger review of High Needs spend**

Background

1. Following consultation the Department for Education (DfE) has issued information and guidance on the new Early Years National Funding Formula which begins to come into effect from April 2017 for the year 2017-18.
2. Considerable diversity has emerged to payments across the country, and the DfE is bringing the payment for three and four year olds into a nationally based system, in line with a similar system for payments for two year olds. One of the key drivers for the introduction of a national funding scheme is the new '30 hours allowance' which is to be rolled out nationally from September 2017.
3. At the Forum meeting in January detailed information was given about the aspects of the new Early Years Funding Formula and a number of models were considered.
4. The most significant difference between the current locally designed formula and the new national requirements are the base rate. At present in 2016/2017 there is a differential base rate. Schools and Maintained Nurseries receive a base rate of £3.70 per hour and Private Voluntary and Independent Providers (PVIs) receive £4.05 per hour. The new National Formula requires that by 2019 there can no longer be a differential base rate.

The current Social Deprivation and Quality supplements which are applied, along with the Maintained Nursery Supplement, bring the average hourly payment per child to £3.77 for Maintained schools, £3.85 for Nursery Schools and £4.20 for PVIs.
- 5.

6. Following discussion the Forum authorised a consultation based on a model which equalised the base rate at £4.05 for all sectors. This meant that there was no change for the PVI sector at all, but schools and nursery schools would see an increase.
7. 580 settings (including Childminders) were sent the consultation. 28 responses representing just under 5% were received. The majority of respondents felt that the proposed equalising of base rate, and the deprivation and quality proposals to be fair.

8. Current Funding Model

Type Of Provider	Estimated Funded Hours	Extra Hours from Sept	Base Rate per hr	Total Base Rate (£)	Social Dep (£)	Quality (£)	Maint. Nurs. Supplements	Total Funding	Avg Hr rate exl MN Supp
Main Nurs.	108,711	20,764	3.70	479,058	19,762	0	219,676	718,496	3.85
Schools	1,163,691	222,269	3.70	5,128,054	95,775	0		5,223,829	3.77
PVI	1,192,577	227,786	4.05	5,752,470	63,771	155,444		5,971,685	4.20
Total	2,464,979	470,820		11,359,582	179,308	155,444		11,914,010	

Transfer to Schools Block £226,821
Contingency £742,731

Proposed Funding Model on which Consultation Carried Out

Type Of Provider	Estimated Funded Hours	Extra Hours from Sept	Base Rate per hour	Total Base Rate (£)	Social Dep (£)	Quality (£)	Maint. Nurs. Supplements	Total Funding	Avg Hr rate exl MN Supps.
Main Nurs.	108,711	20,764	4.05	524,374	19,762	0	219,676	763,812	4.20
Schools	1,163,691	222,269	4.05	5,613,140	95,775	0		5,708,915	4.12
PVI	1,192,577	227,786	4.05	5,752,470	63,771	155,444		5,971,685	4.20
Total	2,464,979	470,820		11,889,985	179,308	155,444	219,676	12,444,4132	

Transfer to Schools Block £226,821
Contingency £212,328

Proposed 2017/2018 Early Years Spend

9. It was agreed at an earlier Schools Forum that any shortfall in the High Needs Block in 2016/2017 would be met from the Early Years underspent contingency.
10. Following discussions at a strategic level it is proposed to realign two early years functions which have previously been funded from the High Needs Block, so that they are funded from the Early Years Block.
11. These are the funding for the Early Years Advisory Teachers who carry out a SENDCO role with the PVIs at a cost of £200,000, and Early Years SEN funding at a cost of £250,000, and an administrator at a cost of £28K; a total cost of £478,000.
12. In order for these responsibilities to be met from the Early Years Block it is proposed to continue the model of spend from 2017/2018 for a further year. (As shown in para 8), in order to enable the new costs to be met from the contingency.
13. It will not be possible to equalise the base rates in 2017/18.

Provision for Disabled Children and Children with Special Educational needs (SEN)

14. The National Funding Formula also includes measures being introduced from April 2017 to support children with disabilities or SEN, namely the Disability Access Fund and the SEN Inclusion Fund.
15. The Disability Access Fund (DAF) Eligibility:
Any three- and four-year olds will be eligible for the DAF if they receive the 15 hours free offer and are in receipt of child disability living allowance. Four-year olds in primary school reception classes are not eligible for DAF funding. Children do not have to take up the full entitlement of 570 hours of early education in order to receive the DAF. Children in receipt of the DAF will be eligible where they take-up **any** period of free entitlement, however short.
The settings attended by three- and four-year-olds eligible for the DAF will be entitled to receive a one-off payment of £615 per year. It is not based on an hourly rate and is an additional entitlement.
16. The recommendation was agreed at the last Forum meeting that there would be a review of the current inclusion funding system within Central Bedfordshire carried out later in the year. This will now be part of a larger review of how High Needs in Schools and the Early Years is funded moving forward.

Recommendations

- a. Schools Forum is asked to note that the existing 2017/18 rates remain at 2016/17 levels
- b. A full review of Special Needs and Inclusion spend will be carried out in the Early Years as part of a bigger review of High Needs spend

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