

## Background Information and Setting Details

**The School and Early Years Finance (England) Regulations require a local authority to consult its Schools Forum, Schools and Early Years providers about any proposed changes to the factors and criteria taken into account, and the methods, principles and rules adopted in the Early Years Funding Formula.**

**The Early Years Task and Finish Group, made up of 14 representatives from a range of Free Early Education Entitlement providers (Maintained & PVI) as well as 4 LA officers, have met twice over the last few months to discuss the 2020-21 formula. The group reviewed the current (2019-20) arrangements and made some initial recommendations regarding changes they would like considered for 2020-21.**

**This survey is seeking views from all Free Early Education Entitlement providers on the proposals made by the Early Years Task and Finish Group on the 2020-21 Early Years Funding Formula, which were approved by Schools Forum on 15th January 2020. The results of this consultation will determine the hourly rate paid to schools and PVI sector providers for Free Early Education Places delivered to eligible 2, 3 & 4 year olds from 1st April 2020.**

**We strongly advise that you read the full January 2020 Schools Forum report (which you can view here) in advance of completing this survey to ensure that you have relevant information on which to base your answers.**

**One consultation response will be accepted from each school or Ofsted registered PVI Early Years setting (including Childminders). So please consult with your colleagues before submitting your responses. In order to assist discussions with your colleagues prior to agreeing a response, providers can download a printable version of the consultation questions here (include link).**

**We will also be running question and answer sessions on the following dates at Walthamstow Children and Family Centre, 313 Billet Road, Walthamstow, London, E17 5PX**

**should you wish to attend. No need to book, just come along.**

**Friday 17th January 5.30pm until 6.30pm**

**Monday 20th January 5pm until 6pm**

**Alternatively, you can contact Mohammad Akhtar, LBWF Early Years Finance and Business Manager, at [Mohammad.akhtar@walthamforest.gov.uk](mailto:Mohammad.akhtar@walthamforest.gov.uk) or 0208-496-3577, or your Early Years Task and Finish Group sector representative. Contact details can be found here.**

**This consultation closes at midnight on Friday 24th January 2020.**

\* 1. What type of Early Years setting are you? Choose from the drop-down menu. If it is not listed, please choose Other then write in below.

\* 2. In what capacity are you responding? Choose from the drop-down menu. If it is not listed, please choose Other then write in below.

\* 3. Which school/setting are you responding on behalf of? Only One response per School/Setting please

## Early Years Systems Support (EYSS)

The LA's centrally retained budgets are capped at 5%. In light of this, the LA's ability to continue to fund the levels of free information, advice and training as it has done previously is not sustainable.

The Early Years Funding Formula can include a discretionary quality supplement payment however this can only be used to support workforce qualifications or system leadership.

The local authority commission EYSS training providers on behalf of the sector against agreed criteria and an EYSS budget. These EYSS training providers will then deliver the agreed training/support to Waltham Forest Schools Nursery provision and Ofsted registered providers. The criteria to be on an approved list of EYSS training /support providers are as follows:

- Current Early Years Inspection Ofsted of Outstanding
- Teaching school status in Waltham Forest or external.
- Early Years Specialist Leader in Education (SLE)

The EYSS training providers have been externally quality assured by DfE or Ofsted based on expertise to provide specialist support, information and training. The training providers are selected primarily from the Waltham Forest Early Years Sector and from other out of borough Early Years Sectors if required. The providers for 2019-20 academic year are:

- Davies Lane Teaching School
- Church Hill Nursery School
- St Mary's Teaching School
- The Lloyd Park Children's Charity

Details of the current training offer can be found here: ([Training](#))

The 2017-18 Early Years Funding Formula included a system leadership budget of £139,000 (1% of the Early Years Block ) but this budget was not spent and was carried over to 2018-19. A further £68,748 (0.5% of the Early Years Block ) was allocated from the 2018-19 Early Years Funding Formula. A total budget of £207,748 was therefore available during 2018-19.

As at 1 April 2019, £123,708 of this budget was underspent and carried forward into 2019-20. Any underspend from the 2019-20 budget is ringfenced for system leadership, therefore, the carried forward amount into 2020-21 will be utilised on System Leadership in future years.

The Early Years Task and Finish Group felt that it was important to ensure that schools and PVI sector providers (including childminders) were able to access a range of teaching and learning support, advice and information from peers across the early years sector, in order to further

**support the improvement in quality of early years foundation stage provision and CPD. However as the EYSS budget is underspent the Early Years Task and Finish Group therefore propose that the sector be consulted on three options below.**

**Please note, if you choose option 1 or 2 the underspend of £123,000 will be used over the next 3 financial years to top up the in-year budgets by up to £41,000 per annum.**

\* 4. What percentage of the hourly rate payable to provider for free early education places for 3&4 year olds would you like allocated to Early Years System Support in 2020-21?

- Option 1- reducing the top slice to 0.1% of the EYB (£21K approx. )
- Option 2- reducing the top slice to 0.2% of the EYB (£41K approx)
- Option 3- retaining the top slice at 0.3% of the EYB (£62K approx).

Additional Comments

The hourly payment rate for each of the deprivation rate bands (1-6)

The Early Years Task and Finish Group proposed that overall current levels of funding allocated to supplements remain unchanged for 2020-21 as this meant that all providers received a good hourly base rate.

During 2019-20 4.2% of EYB funding passported to providers was allocated to the deprivation supplement, which is a mandatory supplement.

The Early Years Task and Finish Group felt that it was important to maintain the current overall level of funding allocated to deprivation, as this funding enables early years settings who provide places to the most vulnerable children additional resources to provide those children with adequate support.

Income Deprivation Affecting Children Index (IDACI) measures are used to calculate deprivation payments, using home postcode details of children attending each setting during the October Census, as these are based on the proportion of all children aged 0 to 15 living in income deprived families. For the 2019-20 Early Years Funding formula the IDACI data was based on 2015 census data. However, due to IDACI bands having been updated using the 2019 census data and the significant change in demographics within the borough, this has resulted in a significant reduction in the number of children falling into the higher IDACI bands.

In order to ensure the same overall level of funding is allocated to deprivation, the proposal is to increase the hourly rates for each band by 3 times the 2019-20 funding levels.

**Option 1 - based on 2019-20 rates (Total projected spend on deprivation factor £187,000)**

IDACI Band 1 (score 0.2 & 0.25)	£0.10
IDACI Band 2 (score 0.25 & 0.35)	£0.20
IDACI Band 3 (score 0.3 & 0.5)	£0.30
IDACI Band 4 (score 0.35 & 0.4)	£0.55
IDACI Band 5 (score 0.4 & 0.45)	£0.75
IDACI Band 6 (score 0.5 +)	£0.90

**Option 2 - Based 2019-20 rates multiplied by three (Total projected spend on deprivation factor £561,000)**

IDACI Band 1 (score 0.2 & 0.25)	£0.30
IDACI Band 2 (score 0.25 & 0.35)	£0.60
IDACI Band 3 (score 0.3 & 0.5)	£0.90
IDACI Band 4 (score 0.35 & 0.4)	£1.65
IDACI Band 5 (score 0.4 & 0.45)	£2.25
IDACI Band 6 (score 0.5 +)	£2.70

You can find modelling of the impact of both options at provider level [\(here\)](#)

**Please note that in addition to deprivation rates received via the Early Years Finding Formula, settings are able to apply for Early Years Pupil Premium (EYPP) funding which equates to an additional 53p per hour for individual eligible children for all hours of attendance.**

\* 5. What percentage of the Hourly rate payable to provider for free early education places for 3&4 year olds would you like allocated to the deprivation supplement in 2020-21?

- Option 1- retain deprivation rate bands (1-6) at the current levels, which would decrease the overall annual allocation to deprivation to approx. £ 187,000 per annum
- Option 2- increase deprivation rate bands (1-6) to 3 times the 2019-20 levels, which would retain the overall annual allocation to deprivation at approx. £ 561,000 per annum.

Other (please specify)

Hourly rates payable for free early education places for eligible 2 year olds

The funding rates for places for 2 year-olds paid by the Department for Education/Education and Skills Funding Agency in 2019-20 was £5.66 per hour. Once the centrally retained (5%) and SEN Inclusion Fund (3%) is deducted, this would equate to an hourly rate of £5.21 payable to providers. This was topped-up by 45 pence per hour to £5.66 per hour, which was funded from the Early Years Block underspend in 2019-20.

In 2020-21, the funding rates for places for 2 year-olds paid by the Department for Education/Education and Skills Funding Agency has increased by 8 pence per hour to £5.74 per hour. Once the centrally retained (5%) and SENIF (3% - 2019-20 level) is deducted, this would equate to an hourly rate of £5.28 payable to providers.

Take up of places by eligible two years olds, as recorded in the January 2019 census, was 47%, which was below the national and London averages of 68% and 56% respectively. The recent Life Chances Commission report also noted that outcomes for Waltham Forest early years children were good, but that more 2 year-olds needed to take up their place to maximise impact and increase outcomes further. The Early Years Task and Finish Group felt that it was important to maximise the hourly rates payable in order to

- ensure the most vulnerable children are supported
- encourage providers to offer places to eligible two years old

The EYTFG proposed that we continue to top-up the hourly rate by up to 50 pence per hour in 2020-21 (subject to Jan 2020 consultation outcomes) which would cost £172,000 if 900 (75% of those eligible) children took up a place. This would be funded from the early years underspend reserves.

This would increase the hourly rate payable to providers to a maximum of £5.78.

\* 6. Do you think that the funding rate for free early education place for 2 year olds should continue be topped up by up to 50p per hour to a rate of approx £5.78 per hour in 2020-21?

- Yes I think that the funding rate for free early education place for 2 year olds should continue be topped up by up to 50p per hour to a rate of approx £5.78 per hour in 2020-21?
- No I don't think the funding rate for free early education place for 2 year olds should continue be topped up by up to 50p per hour to a rate of approx £5.78 per hour in 2020-21?

Additional Comments

## The SEN Inclusion Fund (SENIF) Budget

It is a mandatory requirement that the Early Years Block budget includes an SEN Inclusion Fund (SENIF).

Schools and PVI settings are able to use early years pupil premium (EYPP) and disability access funding (DAF), as well as deprivation funding paid as part of their Early Years Funding Formula payments to fund additional costs incurred to support the needs of children with developmental delay or SEND. They are also able to access free support from the SEND Success outreach programme which is commissioned by the LA and provided by Whitefield Schools.

Should the funding outlined above be insufficient to cover the additional cost of meeting the needs of a child with SEND that does not have an EHCP, schools and PVI settings can apply for additional funding from the SEN Inclusion Fund via the SENIF panel for pre-Reception class children. The SENIF Panel comprises a multi-agency membership including LA officers across Early Years, Early Help and the SEND Service as well as NELFT and School and PVI sector reps from the early years sector.

You can find further details here ([SENIF info and application forms](#))

The 2019-20 SENIF was based on 3% of Early Years Block funding. The Early Years Task and Finish Group felt that the budget should increase in 2020-21 from the current 3%. This increase in budget would fund SENIF panel placements (children who do not have an EHCP), fully fund EHCP's for pre-reception aged pupils and alleviate some of the pressures on the High Needs Block budget overspend.

This funding is top-sliced from the DfE/ESFA allocation for 2 year olds; the universal 15 hour offer for 3-4 year olds; and the additional 15 hours for 3-4 year olds from working families. If a top-slice of 3.5% is agreed, this would create a budget of £784,571 to fully fund Early Years SEND services as set out above.

### Impact on base rate for 3&4 year olds

As outlined in Appendix B of the Jan 15 2019 Schools Forum Report, the hourly funding rate from the DfE/EFA for 3 & 4 year olds has increased by 8 pence per hour for 2020-21. The base rate payable to providers in 2019-20 was £4.85 per hour.

If you choose option 1 your base rate for 3 & 4 year olds would be £4.95 per hour  
If you choose option 2 your base rate for 3 & 4 year olds would be £4.94 per hour  
If you choose option 3 your base rate for 3 & 4 year olds would be £4.93 per hour

### Impact on base rate for 2 year olds

As outlined in Appendix B of the Jan 15 2019 Schools Forum Report, the hourly funding rate from the DfE/EFA for 2 year olds has increased by 8 pence per hour for 2020-21. The base rate payable to providers in 2019-20 was £5.21 per hour.

**If you choose option 1 your base rate for 2 year olds would be £5.26 per hour**

**If you choose option 2 your base rate for 2 year olds would be £5.25 per hour**

**If you choose option 3 your base for 2 year olds rate would be £5.23 per hour**

\* 7. What percentage of the hourly rate payable to provider for free early education places would you like allocated to the SEN Inclusion Fund for 2020-21?

- Option 1- creating a SENIF budget based on top-slicing 3% of the Early Years Block Funding, which would create an overall annual allocation of £ 672,490 per annum
- Option 2- creating a SENIF budget based on top-slicing 3.25% of the Early Years Block Funding, which would create an overall annual allocation of £ 728,530 per annum
- Option 3- creating a SENIF budget based on top-slicing 3.5% of the Early Years Block Funding, which would create an overall annual allocation of £ 784,571 per annum.

Additional Comments

Thank you

**We appreciate you taking time to complete this survey.**

**Thank You.**