

**EARLY YEARS NATIONAL FUNDING FORMULA REVIEW 2018/2019 UPDATE**

**To:** Cambridgeshire Schools Forum  
**Date:** 13<sup>th</sup> December 2017  
**From:** Sam Surtees - Strategic Admissions Manager (Cambridgeshire and Peterborough)  
 Emma Jones – Finance Business Partner (Education Directorate)  
 Helen Phelan – Head of Special Educational Needs and Disabilities (SEND) Specialist Services (0 – 25)

**1.0 INTRODUCTION**

- 1.1 The Department for Education (DfE) announced the introduction of the Early Years National funding formula which would come into effect from April 2017 and the introduction of a new early learning and childcare scheme for working parents from September 2017. Eligible working parents are now entitled to access an additional 15 hours of free childcare above the Universal Entitlement which would enable them to access 30 hours of free childcare in total.

The Local Authority undertook a full consultation with providers in Cambridgeshire and a new Cambridgeshire funding formula was agreed and implemented which came into effect in April 2017.

**Funding for 2018 – 2019**

- 2.0 The DfE recently published the Early Years National Funding Formula Hourly Rates for 2018 – 2019 financial year. This confirms that there will be no increase to baseline funding rate of £4.42 received during 2017 -18 and no changes within the operational guidance which will have an impact on the Cambridgeshire Funding Formula.

**3.0 Summary of the Proposed Cambridgeshire Formula for 2018/19**

- 3.1 Unlike the schools funding formula, Local Authorities will continue to be responsible for determining and administering their own Early Years Single Funding Formula.
- 3.2 The proposed Cambridgeshire Formula is as follows:
1. **Base Rate** – This is a basic hourly rate that is paid to providers on a per child basis, based on actual hours of provision. This factor is applied to all providers and all providers will be paid the same hourly rate which is a result of the national guidance changes. The proposed funding rate will remain at £4.04 per hour.
  2. **Deprivation** – This is a mandatory supplement provided to settings on a per child basis to children living in a postcode deemed to be deprived according to the Income Deprivation Affecting Children Index (IDACI). The ranking are as follows:

Rank	Residence of child	IDACI Rank of postcode	Value per hour
1	Highest 10% per IDACI	0 - 3284	£1.30
2	Next highest 10% per IDACI	3285 - 6568	£1.00
3	Third highest 10% per IDACI	6569 – 9852	£0.65
4	Fourth highest 10% per IDACI	9853 - 13136	£0.30
0	Remaining 60% least deprived	13137 - 32844	£0.00

3. **Nursery School Supplement** – Nursery schools would be the most adversely affected by a move to a universal base rate of funding for all providers. Therefore, in recognition of this the government is providing an additional Nursery School supplement to Local Authorities, guaranteed until 2019 – 2020. This funding will be passed onto Nursery Schools in the form of additional top-ups so that their funding is maintained at current levels.

**4.0 Additional Funding outside of the funding formula**

- 4.1 **2 year old funding**

Funding for eligible 2 year olds will continue at the rate of £5.41 and will be administered in the same way as at present, subject to proposals below for the creation of an Additional Needs Fund to support those funded two year old children with additional needs but who do not meet the threshold for an Education Health and Care Plan.

#### 4.2 **Early Years Pupil Premium**

This will continue to be paid at a rate of £0.53 per hour for eligible children.

#### 4.3 **Disability Access Funding**

This fund was introduced in April 2017 and will continue be paid at a rate of £615 per eligible child per year. Eligibility is based on three and four year olds who are in receipt of child disability living allowance.

#### 4.4 **Top-up funding due to Education Health and Care Plans (EHCPs) or from Special Educational Needs (SEN) Inclusion Fund**

Settings will get additional top-up funding for children with Education Health and Care Plans. Additional funding will also be available to support three and four year old children before they have an EHCP in the form of top-up funding from the new SEN Inclusion Fund (SENIF). Work has been ongoing since last April to put in place the policy, process and criterion for the new SEN Inclusion Fund (SENIF), which came into effect for new children from September 2017. The current SENIF policy, guidance and application documentation can be found at <https://www.cambslearntogether.co.uk/early-years/sen-support/>

A two tier system has been implemented for SENIF applications:

- Tier 2-One off payment of up to £1000 which could be used, for example for a short term targeted intervention for a child; and
- Tier 3-High need funding for up to 30 hours for those with the most complex needs

Funding requests are for an amount of hours per child and are a contribution towards any additional support and/or resources the child may need. The maximum amount of hours available is 30. The funding amount will be £6.50 per hour.

The funding will be paid directly to settings once awarded and for the Tier 3 funding it will be for a period of up to 38 weeks, split across 3 academic terms, paid on a termly basis, with the expectation of review paperwork to be submitted at the end of each term. Funding is attached to the child, and therefore if the child moves setting the funding will follow the child.

#### 4.5 **Creation of Additional Needs Funding (ANF) for eligible two year olds and other children aged 0 -3**

It has been identified, in working with providers, that as a result of the eligibility criteria for free early learning and childcare for two year olds, many of the children taking up these places present with additional needs requiring additional support which is not provided for within the current hourly rate and which could prevent the child from being able to access their entitlement to free childcare.

Two options are currently being explored by officers to create this funding stream. The first of these options would be to create any such funding by reducing the hourly rate paid to all providers for eligible two year olds and to retain this centrally. This funding will provide a top-up to the basic hourly rate paid to providers who are supporting eligible two year olds to bring the total hourly rate for identified children to a maximum of £6.50 per hour.

It is currently estimated that there are currently no more than 50 children eligible for two year old funding who will also be eligible for the new ANF. Using a working assumption that each of these 50 children will wish to access their maximum entitlement of 570 hours the following table shows the amount the hourly rate of £5.41 would need to be reduced by to create funding of the required level of approximately £31,000

New funded 2s hourly rate (£)	Reduction from the current rate (£)	Fund that could be created (£)
5.36	0.05	35,942

The second option will be to explore other funding sources which might available to create this fund.

- 4.6** In addition, it is proposed to create an additional funding stream which would run alongside SENIF for children under the age of 3, funded from the High Needs Block. The plan is to launch this at the end of March 2018, following a period of consultation early in the Spring Term to ensure a continuation of funding is available to support children who require additional support which will be administered in accordance with proposed policy, guidance and criterion as shown in **Appendix A**.

Due to the very limited budget available for this additional support, hourly rates may be changeable in the future, once both SENIF and ANF are fully operational.

## **5.0 Early Years Centrally Retained Funding**

The new Early Years Funding guidelines restrict local authorities to retaining a maximum of 5% of funding centrally for 2018/19. While the Cambridgeshire allocation for 2018/19 is not yet known, the proposal is to retain approximately 3.4% of current funding, well within this restriction.

## **6.0 Update on the Extended Entitlement**

- 6.1** The extended entitlement to early learning and childcare for 3 and 4 year olds was implemented nationally from 15 to 30 hours a week for working parents from September 2017 who meet the qualifying criteria.
- 6.2** It was estimated by HMRC that in Cambridgeshire there would be up to 5010 families with children who would be aged 3 and 4 who would be eligible to take up this entitlement in the first full year of implementation.
- 6.3** There are 2415 children taking up the extended entitlement this term.

## **7.0 Next steps**

- 7.1** We will be consulting on the proposals for the creation of the Additional Needs Funding for two year olds in the Spring Term and will publish the result of this consultation in March, with proposed implementation, if the proposals are supported from April 2018 onwards.
- 7.2** The final local formula will be confirmed by Children and Young People's Committee in March for implementation from April 2018 onwards.

## **8.0 Recommendation**

- 8.1** **Members of Schools Forum are asked to note the contents of the report and to approve the planned Centrally Retained amounts for 2018/19 as set out in section 5.**

## Appendix A

### Early Years Additional Needs Funding Guidance 2018 - 19

#### 1. Context and background

Local authorities and providers must have regard to the SEND Code of Practice (2014) and the Equalities Act 2010 and be able to demonstrate how they are implementing a graduated approach to support all children with special educational needs or a disability to fulfil their potential.

*5.4 Providers must have arrangements in place to support children with SEND or disabilities. These arrangements should include a clear approach to identifying and responding to SEND. (SEND Code of Practice, January 2015 update)*

All local authorities are required to establish an inclusion support fund for 3 and 4 year olds receiving the Early Years Funding, but there is no statutory requirement to offer funding for under 3s.

#### 2. Introduction to the Additional Needs Fund (ANF)

From April 2018 the Local Authority will be offering the Additional Needs Fund applications for children aged 0-3.

The purpose is to build on existing good practice and to support providers to address the needs of individual children with additional needs in the early years and promote inclusion. We recognise that **“children develop at their own rates and in their own ways”** (EYFS Framework 2017). The suggestions here are *guidance for practitioners and settings rather than a checklist*.

This guidance is to inform all Cambridgeshire Early Years providers on how to access support for a child in their care who does not have an EHCP.

#### 3. Eligible providers

The following early years providers in Cambridgeshire are eligible to receive support from the Early Years ANF for children aged 0-3. Applications can therefore be made by;

- An Ofsted registered childcare provider
- An Ofsted registered childminder
- A school where childcare falls outside of educational statutory provision

#### 4. Applying to the Additional Needs Fund

The majority of children with SEND do not require specialist resources or enhanced staffing to be successfully included in settings. Most settings meet the needs of children with SEND very well from within their existing resources and through their own best practice.

It is important to note that a delay in learning and development in the early years does not always necessarily indicate that a child has a special educational need that calls for special educational provision. Similarly, difficulties related solely to learning English as an additional language are not considered a special educational need.

Applications can be made using the ANF application form, alongside supporting documentation e.g. progress check at 2, children tracker, Healthy Child record to evidence the child meets the criteria for the fund. An Early Help Assessment or Social Care equivalent assessment should also be attached.

Parents must be involved in the decision to apply for support from the Early Years Interim under 3s Fund and be in agreement with the application.

## 5. Types of support available from the Additional Needs Fund

ANF should be used in a variety of ways and **in conjunction with any other funding being received at child level** to best meet the needs of the individual child/ren in your setting.

The following are illustrative examples of how the funding could be used:

- Staff training specific to the child's needs, for example; Makaton, understanding autism and working with children with physical needs;
- Specific equipment or specialist resources, for example, a chair, standing frame or mobile ramp as recommended by the relevant professional. Any equipment purchased will remain the property of Cambridgeshire County Council and if a child moves to another setting or school then the provider may be required to release the piece of to the new setting. Please note the fund does not contribute toward building or refurbishment costs;
- Funding as a contribution towards enhanced staffing for those children with a higher level of need and the support will only be available for a set period of time.

Providers will need to submit Review documentation on a termly basis to ensure ongoing funding for the child. The purpose of the review is to inform the Local Authority on how the funding has supported inclusion and learning. Providers will be required to support transition with a child profile to the next setting or school.

## 6. Criteria and evidence

The Panel recognises that every child is unique, and the grid should be regarded only as a guide to assist your application. The Additional Needs 3s Funding should only be applied for where a setting is positive that they will be able to promote inclusion and achievement for a child (see *Additional Needs Funding – Criteria and Thresholds*) and **not all applications will be successful**.

Appropriate evidence we would consider for the Fund may include:

- Documented evidence from the parents of the child's needs on entry;
- Early Help Assessment/Social Care assessment;
- Baseline assessment;
- Child profile;
- Communication tracker;
- EYFS Progress check at 2;
- Healthy Child review;
- Medical assessment; and/or
- Individual education plans reflecting Assess – Plan – Do – Review.

Each application will be considered on its merits and should reflect the work that has been undertaken to date by the setting with the relevant paperwork.

## 7. Payment

Once an application has been approved providers will receive payments of:

- Funded 2 children – top up from £xx with £xx = £xx for up to 15 hours per week (DfE states that the higher rate for eligible funded 2 year olds should cover costs for additional needs)
- Non Funded 2 children– High need funding for up to 15 hours per week for those children with the most complex needs at a rate of £xx per hour.

The funding will be paid upfront to settings for a period of 38 weeks, split across 3 academic terms, paid on a termly basis with the expectation of Review documentation to be submitted at the end of each term.

**The Review paperwork must be submitted to ensure payment for the following term.**

For further information on Additional Needs Funding, please contact SEND Services by email at [Access@cambridgeshire.gov.uk](mailto:Access@cambridgeshire.gov.uk) or your district team.

Or

Early Years setting **members**, you can access advice by email [Quality.AssuranceTeam@cambridgeshire.gov.uk](mailto:Quality.AssuranceTeam@cambridgeshire.gov.uk) or calling 01223 699732

## 0-3 Additional Needs Funding (ANF) including Funded 2s Eligibility and Criteria 2017

### Criteria for 0-3 Additional Needs Funding

- Child is functioning in 0-11 months in the three prime areas with limited progress  
**AND/OR**
- Complex medical needs e.g. meets **Continuing Care thresholds**, requiring higher than 1:3 for under 2s and 1:4 for 2 year olds
- Family in receipt of **Disability Living Allowance** for the child  
**PLUS IN ALL CASES**
- Specialist Assessment through Early Support/medical/other professional suggests that the child will need support to access a setting or at an existing setting



If **Early Help Assessment** already open send with **Additional Needs Funding** application directly to:  
[access@cambridgeshire.gov.uk](mailto:access@cambridgeshire.gov.uk)

Complete **Early Help Assessment (EHA)** with family and send to **Early Help Hub**  
[Early.helphub@cambridgeshire.gov.uk](mailto:Early.helphub@cambridgeshire.gov.uk)

Clearly state on **EHA for attention of SENIF Panel** and include ANF Application form



EHH completes safeguarding checks and standard hub process then sends EHA to SENIF panel and if requested Early Support within 48hours.



NB: Consider if child's needs meet Early Support criteria. If they do, mark **EHA for attention of Early Support** See Early Support criteria & guidance  
[www.cambridgeshire.gov.uk/early](http://www.cambridgeshire.gov.uk/early)



**SENIF Panel receives applications for**  
**0-3 Additional Needs Funding.** Contribution to support for child until they are entitled to SENIF funding.



**Agreed**

ANF to support child’s needs, subject to

**Not agreed**

Setting supports needs with

## 0-3 Additional Needs Funding Application

<b>1. About your setting:</b>							
<b>Name of Provision</b>							
<b>OFSTED Reg number</b>							
<b>Contact Person</b>							
<b>Telephone</b>							
<b>Email</b>							
<b>Date of last Ofsted visit</b>							
<b>Ofsted outcome</b>							
<div style="display: flex; justify-content: space-between; align-items: center;"> <span>Transition Funding <input type="checkbox"/></span> <span>Premium Funding <input type="checkbox"/> <i>(please tick)</i></span> </div>							
<b>About the Child</b>							
<b>Child's Name</b>							
<b>Child's DOB</b>							
<b>Child's Address &amp; Postcode</b>							
<b>Attendance Pattern</b>		Term Time only Yes/No      Funded Childcare hours only? Yes/No					
<b>Hours Attended</b> <i>Please indicate the number of hours child attends</i>		Mon	Tue	Wed	Thu	Fri	Total
<b>Early Support</b> Yes/No <b>Early Help Assessment</b> (or open CAF)    Yes/No  <b>Disability Living Allowance</b> Yes/No <b>2 year old Funding</b> Yes/No							
<b>2. About the early intervention/provision you wish to develop with funding</b> <i>(see ANF Threshold document)</i> . The Panel will use this information to make their decision so please provide all the relevant information - <i>the box will</i>							

*expand as you type.*

A large, empty rectangular box with a light gray border, intended for text input. The box is positioned below the header text and occupies most of the width of the container.

Please attach

- Early Help Assessment and any relevant evidence (ASQ Summary) of identified needs;
- available child plans(APDR),
- The advice or involvement of other services

Use the following tables to provide a detailed breakdown of how much money you are requesting to purchase **specialist resources, training or equipment for enhanced support**.

(Training, Equipment, Resource)	Cost (A)	VAT (B)	Total amount applied for (C)	Total cost to business (D)
	£	£	£	£
	£	£	£	£
	£	£	£	£
	£	£	£	£
<b>TOTAL</b>	£	£	£	£

*You will need to provide a costed recommendation from a health professional OR prices from 3 different suppliers for each equipment item requested. The list of 3 prices should be sent on a separate document to this application form but attached to the same email*

**Please note:** The funding may **only** be spent on items approved in your application and you must seek written permission **before** making a variation to your use of it.

### 3. Supporting Evidence

To support your application you are required to submit the following:

- ☐ Early Help Assessment and child plans which show identified areas of need, planning and outcomes (APDR)
- ☐ Available Early Years Foundation Stage ages and stages tracking to show development and learning.
- ☐ Any reports or advice from SEND Specialist Services (EPs, Teachers or Practitioners), Early Years Advisors, Early Support, Social Care professionals and/or Family Support Plans.
- ☐ Prices from three different suppliers, where equipment/resources are being requested
- ☐ Risk Reduction/De-escalation Plan, if appropriate

*Please check the boxes to confirm you have included these with your application. It is your responsibility to obtain, anonymise and send supporting information/evidence as needed*

#### Additional Information Contents Summary

Name	Date of Report	Personnel	Report Summary
All About Me		SC keyworker	
Family Support Plan			


#### 4. Expected Outcomes

In the sections below please indicate **the anticipated outcomes of receiving** funding by **checking** the relevant boxes and leave blank any boxes that are not applicable to you.

	<b>Children's communication and language development is enhanced</b>
	<b>Children's personal, social and emotional development is enhanced</b>
	<b>Children's physical development is enhanced</b>
	<b>Children's safety is improved</b>
	<b>Improved quality of care and staff interaction with children</b>
	<b>Improved ability to care for a child with a disability or additional needs</b>
	<b>Ability to employ additional staff</b>
	<b>Other outcomes. Please specify:</b>

**You may be required to evidence child outcomes and a child profile/passport at transition, prepared by your setting when the funding is finished or reviewed by the Local Authority.**

**Name of person submitting application:**

**Role:**

**Email:**

**Phone:**

**Signature:**

**Date:**

#### 5. Submitting your application

Please refer to the Early Years 0-3 ANF Guidance for full details of the application process. Panel will meet weekly and more information can be found on our website [CCC](#).

- **Incomplete applications will not be considered.** If you have not answered all of the questions or been able to confirm you have submitted all the information listed on the checklist by ticking the relevant box, your application will be delayed.

1. Once your application is fully complete, please send by email to:  
**start@cambridgeshire.gov.uk**  
(Should you have any difficulty sending your application by email, please call 01223 699 362)
2. Your application will be considered within a month of receipt.
3. You will receive written notice of the outcome of your application within five working days of the Panel meeting. Early Years & SEND SS staff will be unable to inform you of the outcome of

your application through any other means.

**Data Protection**

Cambridgeshire County Council will process personal information included in this document in accordance with the Data Protection Act 1998. The Council will not disclose such information to any unauthorised person or body and will only use such information for the purposes of administering your application. The information will be retained only for as long as necessary to do so and then securely destroyed. The Council may also use this data in connection with the prevention or detection of fraud or other crime.