

## Response ID ANON-8PBM-MPR3-S

Submitted to **Early years funding: changes to funding for 3 and 4 year olds**

Submitted on **2016-09-21 16:53:26**

### Introduction

#### 1 Welcome - would you like to provide your email address?

**Email:**

schools.funding@cambridgeshire.gov.uk

#### 2 Would you like to tell us the name of your organisation?

**Organisation:**

Cambridgeshire County Council

### About you

#### 3 We'd like to know which area of the early years sector your answers represent. Which of these categories best describes your role in the sector?

This is a drop down menu of different categories of respondent - from nursery to local authority:

Local Authority

If you have answered 'other' please provide more details::

#### 4 In which region do you work?

A drop-down menu of the 9 regions of England:

East of England

#### 5 If you are not responding as a local authority, which local authority you work in?

A list of all the local authorities in England:

#### 6 If you are a childcare provider, do you consider yourself to work in a:

#### 7 If you are a childcare provider, how many children can your individual setting offer places to?

Not Answered

#### 8 If you are a childcare provider, do you offer the free entitlement to:

### Page 2 - Early Years National Funding Formula

#### 9 Should there be an early years national funding formula (to distribute money from Government to each local authority)?

Yes

#### 10 Considering a universal base rate of funding which does not vary by local area...

**Base rate (EYNFF) - Should a universal base rate be included in the early years national funding formula?:**

Yes

**Base rate (EYNFF) - Is 89.5% of overall funding the right amount to channel through this factor?:**

Yes

#### 11 Considering an additional needs factor...

**Add needs - metrics - Should an additional needs factor be included in the early years national funding formula?:**

Yes

**Add needs - metrics - Do we propose the correct set of metrics?:**

Unsure

**Add needs - metrics - Do we propose the correct weightings for each metric?:**

Yes

## 12 Considering an area cost adjustment...

**ACA - Should the early years national funding formula include an area cost adjustment?:**

Yes

**ACA - 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

**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:**

**This box allows you to write an answer freely:**

We agree that additional needs-led factors are required. However, there is no evidence provided to show that FSM and DLA are the most appropriate measures. Furthermore, there are inconsistencies in the data ranges being used in terms of age range e.g. the DLA is measured on the 0-5 age range whilst KS1 and KS2 data is used for other factors. We would also wish to ensure that the metrics are refreshed on a regular basis to ensure that changes in the need of different areas are then reflected within the funding formula.

Regarding the Area Cost Adjustment we would also argue that within an individual region (for example, Cambridge City and South Cambs) there can be a significant range of area costs which are not recognised by the national measures and, therefore, are not captured within the proposed formula. We would also wish to ensure that this measure is refreshed at regular intervals to reflect changing economic conditions and growth in particular areas which may impact on the costs faced.

Regarding the funding floor limit: Whilst we have no strong views regarding this question, if we understand the proposal correctly, this appears to perhaps be at odds with the first principle of a national funding formula. To make this commitment the government is essentially continuing to provide additional funding to local authorities who, under the revised formula, have been identified as previously overfunded. Provision of a funding floor limit may help to preserve some historical inequality, reducing the funding available to those authorities that have been historically underfunded.

**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%?**

Neither agree nor disagree

## Page 3 - Two technical questions

**15 To implement the increased hourly rate for the two-year old free entitlement...**

**2YO - Should we retain the current two-year-old funding formula?:**

Yes

**2YO - Should we use the additional funding secured at the spending review to uplift local authorities' allocations based upon this?:**

Yes

**16 Considering the Dedicated Schools Grant, should the free entitlement be capped at 30 hours for children of eligible working parents and 15 hours for all other children?**

Yes

## Page 4 - A high pass-through of local authority funding to providers

**17 Should Government set the proportion of early years funding that must be passed on to providers?**

Yes

**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

**19 If you would like to explain a response you've submitted on this page in more detail, please do so here:**

**This box allows you to write an answer freely:**

17) We agree with the requirement to pass on a high proportion of funding directly to providers. However, it must be borne in mind that local authorities have already taken on additional responsibilities (funded 2s) and it is essential, therefore, that they have sufficient funding to fulfil all of their duties with regard to the sufficiency and suitability of early years and childcare places. We agree that as this is a national policy and in the spirit of being transparent and fair, there needs to be commonality in distribution to providers and settings. We have many providers who operate settings in Cambridgeshire and neighbouring counties where funding rates differ. At least by ensuring the proportion of funding to be passed on is the same, whilst the hourly rate is likely to be different, there is a common understanding as to how this has been determined.

18) This appears a reasonable amount to pass on to enable local authorities to continue to fulfil their responsibilities whilst ensuring that providers receive as

much funding as possible. However, if any additional responsibilities are given to local authorities then this figure should be adjusted accordingly to enable local authorities to fulfil their duties.

## Page 5 - How money is distributed from local authorities to childcare providers

**20 Should local authorities be required to give the same universal hourly base rate to all childcare providers in their area?**

Yes

**21 Considering funding supplements that local authorities could choose to use (above the universal base rate)...**

**Supplements - Should local authorities be able to use funding supplements?:**

Yes

**Supplements - Should there be a cap on the proportion of funding that is channeled through supplements?:**

Yes

**22 If you agree that there should be cap on the proportion of funding that is channeled through supplements, should the cap be set at 10%?**

Yes, I agree with a 10% cap

**23 Should the following supplements be permitted?**

**Basket of supplements - Deprivation:**

Yes

**Basket of supplements - Sparsity / rural areas:**

Yes

**Basket of supplements - Flexibility:**

No

**Basket of supplements - Efficiency:**

No

**Basket of supplements - Additional 15 hours of childcare:**

No

**24 When using funding supplements, should local authorities have discretion over the metrics they use and the amount of money channeled through each one?**

**Metrics & amount - supplements - Deprivation:**

Yes - over the metric they use, Yes - over the amount of money

**Metrics & amount - supplements - Sparsity / rural areas:**

Yes - over the metric they use, Yes - over the amount of money

**Metrics & amount - supplements - Flexibility:**

**Metrics & amount - supplements - Efficiency:**

**Metrics & amount - supplements - Additional 15 hours of childcare:**

**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?**

**This box allows you to write an answer freely:**

Supplements for flexibility, efficiency and additional hours are, in our view, not necessary. They are incentives not supplements to support what should be "business as usual" for providers within a market driven model. Payment of these supplements further reduces the hourly rate at a time when all providers have already identified financial concerns not just linked to the delivery of the extended entitlement but to staffing costs generally as a result of government policy.

**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?**

**This box allows you to write an answer freely:**

See Q25.

**27 If you think that any additional supplements should be permitted which are not mentioned here, please set out what they are and why you believe they should be included:**

**This box allows you to write an answer freely:**

Other than the recognition of the additional costs incurred by maintained nursery schools we have no suggestions regarding additional supplements as we would wish to see the maximum amount of funding distributed to all providers as they are all required to deliver the same outcomes to the same standards under the Early Years Foundation Stage Framework.

**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:**

**This box allows you to write an answer freely:**

20) In principle we agree as all providers are required to deliver the same levels and outcomes for all children no matter the status of the setting. However, we have serious concerns about the impact upon maintained nursery schools and do need to be mindful of the legislative requirements for maintained nursery schools with regards to staffing structures, staffing levels and infrastructures, which a common hourly rate does not recognise, support or facilitate. The consultation suggests that the government will "consult on further detail in due course" with regards to nursery schools, we would ask that this happens quickly to enable nursery schools sufficient time to plan and to ensure that the transitional funding is used effectively to support any changes that need to be made. At present it is unclear what alternative arrangements or regulations for nursery schools might be and until that is clear full transitional funding must be provided to enable nursery schools to continue to operate.

21) local authorities should have the flexibility to determine and use funding supplements to support the needs of particular children, settings in their area where there is an identified need to do so to ensure quality of education and outcomes for children and sustainability for providers.

22) Yes, otherwise the principle of a fair national formula and a single funding rate for providers could be negated through the use of supplements to give tiered rates linked to setting types. However, unless there is clear guidance in respect of the future arrangements for the maintained nursery schools it may be appropriate to have additional supplements and/or lump sums to recognise differences in staffing requirements.

25) We would welcome some shared information about how other LAs are allocating their supplements or some guidance as to the metrics the government would suggest for all available supplements.

## **Page 6 - Funding for disabled children**

**29 Should there be a Disability Access Fund to support disabled children to access their free entitlement?**

Yes

**30 Should eligibility for the Disability Access Fund be children aged 3 or 4 which are a) taking up their free entitlement and b) in receipt of Disability Living Allowance?**

No

**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?**

Unsure

**32 If you want to explain a response you've submitted on this page in more detail, please do so here:**

**This box allows you to write your answer freely:**

30) We feel that the proposed eligibility requirement is too limited. It does not take account of those children whose needs would not meet criteria for DLA, EHC, or Early Years Support Needs within SEND code of practice descriptors, but for whom additional support and resource would be required to settle and manage behaviour but whose needs might reduce over time. Failure to support these children adequately or appropriately as they enter early years education may lead to greater need for support and intervention as the child ages, which could have been prevented and which will not allow the child to achieve their full potential.

31) We feel this is a blunt tool. It is not reflective of the needs of all children with entitlement being determined by how well someone can complete a form, rather than the needs of the child.

The proposals are not clear as to what would happen when funding is paid from this fund to a setting for a child who then moves to another setting, or who is unable to attend due to illness. This needs to be clarified nationally to avoid a "postcode lottery" as there are many children who access provision in more than one local authority area.

## **Page 7 - Funding for children with special educational needs**

**33 To 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)**

Agree

**34 When it comes to establishing an inclusion fund...**

**SEN - inclusion fund - Should local authorities be required to establish an inclusion fund?:**

Agree

**SEN - inclusion fund - Would an inclusion fund help improve the supply of appropriate support children receive when in an early years setting?:**

Agree

**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:**

**This box allows you to write an answer freely:**

High Needs Budgets are already severely overstretched and as such it would be difficult to use funding from the High Needs Block to create an inclusion fund. Therefore, any funding for such a fund would most likely need to come from the Early Years block which would reduce the hourly rates paid to all providers.

We are concerned that there will be no possibility of moving funding between blocks within the DSG in the future. It would be preferable for the LA to determine DSG in totality and to move funding to meet pressure areas. This is especially important in a county such as Cambridgeshire, which is experiencing unprecedented economic and population growth.

Additionally, funding pressures on LA's as a whole are leading to constant restructuring and re-organisation, which in turn lead to loss of expertise and resource to support these children and families.

**36 When it comes to the SEN inclusion fund, should local authorities be responsible for deciding...**

**SEN - local authority role - The children for which the inclusion fund is used?:**

Yes

**SEN - local authority role - The value of the fund?:**

Yes

**SEN - local authority role - The process of allocating the funding?:**

Yes

**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

**38 If you want to explain a response you've submitted on this page in more detail, please do so here:**

**This box allows you to write an answer freely:**

33) There is a lack of clarity nationally, leading to confusion and issues for parents who may move from one LA area to another, or who access early years provision in more than one LA area. We do not understand why the proposals within the Early Years National Funding Formula have not been linked to the proposed school funding reforms.

We would welcome proposals for consistency across national and local boundaries to make it easier for parents to be able to understand and access.

34) We agree with the establishment of an inclusion fund but with the caveat that at a national level High Needs Block funding is adequate to meet the needs of the children who are identified with additional needs, which is not the current position.

An inclusion fund would contribute to improvements but funding is not the only factor to consider here. Among the factors to be considered and addressed are; skill sets, knowledge, staff, staffing levels, early identification and timely response to identification of needs. Access to appropriate support would also be improved with the introduction of processes which meet the needs of the children and of the provider, not processes designed from an administrative perspective.

It is necessary to make sure that the introduction of an inclusion fund does not lead to settings only taking children who meet the levels of need identified because of the funding which would follow the child.

37) Yes there would be more flexibility for the LA and providers to work together to agree the best way for providers to access resources - to agree whether services should be free at point of delivery or bought back, or if providers working with SEN/SEND children should just be able to access additional funding. This is the best way to support children with additional needs, especially in Cambridgeshire where we do not currently centrally retain 5% of allocated funding.

## **Page 8 - Transitions 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

**40 To what extent do you agree with the transition approach proposed for the high pass-through of early years funding from local authorities to providers?**

Disagree

**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?**

Disagree

**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?**

Disagree

**43 If you want to explain a response you've submitted on this page in more detail, please do so here:**

**This box allows you to write an answer freely:**

40) This does not allow sufficient time for any HR implications to be worked through. Funding is likely to be retained to fund services which are undertaken by people. To reduce people requires consultation and restructure and an implementation timescale for the first changes to be made by April 2017 does not really allow sufficient time to make that sort of transformation.

41) We have major concerns regarding the impact the removal of the minimum funding guarantee would have on our nursery schools who would see very large reductions to their budgets.

42) There is insufficient information related to nursery schools and no certainty as to government thinking regarding their future to allow us to be able to respond to this question effectively. Whilst the transition funding for nursery schools would be welcome, the lack of certainty about what happens after 2018/19 means the funding may not end up being used effectively. Maintained Nursery Schools operate under different regulations which require them to have a more expensive model. This should be allowed for in the formula or through interim transition funding until it is clear what the alternative arrangements/regulation might be and the impact on current provision.

## **Page 9 - Equality Assessment**

**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.**

**This box allows you to write your answer freely:**

N/A