

Northamptonshire Early Years Single Funding Formula Consultation

This consultation was open for one month from 16th November 2016 to 16th December 2016.

The purpose of this consultation was to seek opinions on the components of a revised early years funding formula for three and four year olds, and the timeline of the implementation of the formula, both within the parameters of the national policy.

Proposals were designed to fit with the proposals within the central government consultation. Responses will be reviewed and considered alongside any changes to the national proposals in order to develop more detailed proposals for consultation in January and February. A final decision will be made in March 2017. Changes resulting from this consultation will be implemented from April 2017 onwards.

The proposals are likely to mean significant changes to the current Early Years Funding arrangements in Northamptonshire.

66 responses were received to the consultation.

41 respondents indicated their interest in the consultation as follows –

Answer Options	Response Percent	Response Count
Child-minder	2.4%	1
Private childcare provider	14.6%	6
Voluntary maintained committee provider	12.2%	5
Independent school	0.0%	0
Primary school nursery unit	0.0%	0
Local authority maintained nursery school	34.1%	14
Parent	7.3%	3
Other (included Children's Centre staff and local councillors)	29.3%	12

32 respondents indicated their location within in the county.

Implementation Timeline

Government proposal allow Local Authorities some transition time to make the required changes to local formulas. As the current Northamptonshire funding formula is not significantly different to that proposed under the new national requirements, it was proposed that the existing funding formula be continued between April and August 2017. It was further proposed that a revised funding formula including the implementation of a single provider base rate should be introduced from September 2017 in line with the introduction of the extended entitlement scheme.

Question 1. Do you agree that the current funding formula should continue until August 2017?

Answer Options	Response Percent	Response Count
Yes	90.9%	60
No	9.1%	6

Question 2. Do you agree that a new funding formula, including the single provider base rate, should be implemented with effect from September 2017?

Answer Options	Response Percent	Response Count
Yes	75.8%	50
No	24.2%	16

The Local Authority will move forward with its proposals to maintain the current formula until August 2017 introducing a new formula from 1st September 2017

Supplementary Formula Factors

A number of additional supplements will be allowable within local formulae. The maximum amount of provider funding to be passed through supplementary factors is nationally proposed to be 10%.

- Deprivation is a factor that we currently use and will be the only mandatory factor required in the local formula under the new regulations. It is proposed to continue with the child led element of the existing deprivation supplement whilst ceasing the lump sum element of the funding.

Question 3. Do you agree that the continuation of the existing child attached supplement is appropriate? If not what else would you propose the local authority consider?

Answer Options	Response Percent	Response Count
Yes	81.1%	43
No	18.9%	10

4 respondent put forward proposals for consideration, three of whom said that the child attached supplement should be increased. One suggested that the government cuts should be opposed.

The Local Authority will consult further on these proposals in phase 2 of consultation in February/March 2017.

- Rurality / Sparsity supplement. It was suggested that Northamptonshire is not sufficiently rural to require this supplement.

Question 4. Do you agree that this supplementary factor should not be used within the revised local funding formula? If you believe it should please provide a rationale as to why?

Answer Options	Response Percent	Response Count
Yes	73.6%	39
No	26.4%	14

7 respondents gave reasons why they felt this supplement should be used in Northamptonshire, citing the rural parts of the county where isolation and lack of transport can make it difficult to attract staff and low numbers of children make it hard for small settings to remain sustainable.

- Flexibility. Northamptonshire is considering including a flexibility supplement within its future funding formula to incentivise the flexibility of offer to parents.

Question 5. Do you think that Northamptonshire should include a flexibility supplement within its new funding formula? If so what factors do you think it should consider?

Answer Options	Response Percent	Response Count
Yes	54.7%	29
No	45.3%	24

12 respondents provided a text response. Some made suggestions as to factors that should be considered including opening hours, weekend opening, opening more than 30 hours per week, staffing costs, taking local shift patterns in to account, local poverty rates. However a number of these 12 also took the opportunity to say that this would be an unfair supplement as it would penalise providers that were unable to offer flexibility due to factors such as constraints with their building.

The Local Authority does not propose to introduce this supplement in its 2017/18 funding rate and will consult further in 2017/18 on proposals for subsequent years.

- Efficiency. Northamptonshire County Council is considering the use of an efficiency supplement to encourage sector led improvement activity in the county and to recognise high quality provision.

Question 6. Do you agree that an efficiency supplement would be appropriate in Northamptonshire? If so what should it consider?

Answer Options	Response Percent	Response Count
Yes	60.4%	32
No	39.6%	21

14 respondents provided a text response. There were some suggestions that sector-led improvement should be rewarded, also working well with external agencies, Ofsted grading and staff qualifications. However a number questioned how this could be measured and monitored.

The supplement has subsequently been withdrawn by central government.

- Delivery of the additional 15 hours free childcare. Northamptonshire is considering the option of this supplement which could include either an hourly supplement or a lump sum payment for providers providing the full 30 hour provision.

Question 7. Do you agree that Northamptonshire should include a supplement within its formula reflecting the offer of the extended provision.

Answer Options	Response Percent	Response Count
Yes	64.2%	34
No	35.8%	19

18 respondents provided a text response. Whilst some were supportive of the idea of a supplement to help with the additional costs of establishing 30 hour provision, others were concerned that it was unfair to those who were not able to provide the extended offer.

The supplement has subsequently been withdrawn by central government.

Question 8. The Government allows up to 10% of the EYSFF to be retained for supplements. Do you agree that the total funding for supplements should be 10% rather than say 5%?

Answer Options	Response Percent	Response Count
Yes - I agree that the total funding for supplements should be 10%	79.2%	42
No - I think the funding for supplements should be less than 10%	20.8%	11

The local authority will consult on proposals to bring its ratio within the 10% requirement from September 2017 in February/March 2017.

Central Expenditure

Under new proposals Local Authorities will be allowed to retain up to 5% of funding as central expenditure each year (7% in the first financial year). This is intended to ensure that the significant majority of funding will be passed onto providers. Northamptonshire currently retains 9.5% of funding centrally.

Question 9. Do you agree that it is reasonable for the local authority to retain the maximum allowable funding for central expenditure in order to fulfil their statutory functions?

Answer Options	Response Percent
Yes	75.5%
No	24.5%

The local authority has sought approval from Schools Forum to retain a maximum of 7% of funding for central expenditure.

SEND Inclusion Fund

The DFE are proposing to introduce a requirement for Local Authorities to set up an Inclusion Fund within their local funding systems.

Northamptonshire are proposing to create a pooled fund between early years block and high needs block, allocating a proportion of funding from each block. It is then proposed to develop a tiered funding approach for SEND funded through this pooled funding, building on the current funding elements. Developments will include a review of the current funding rates for the SEND supplement and high needs top up funding.

Question 10. Do you agree that the local authority should implement its proposals for the SEND Inclusion Fund? Is there any other options the Local Authority should consider?

Answer Options	Response Percent	Response Count
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Yes	75.0%	39
No	25.0%	13

8 respondents provided a text response. One person suggested that SEND funding should come wholly from the High Needs block. Another said that it is important that children are properly assessed to ensure providers get the support they need. There were concerns about the inadequacy of the level of funding.

The local authority will consult further on its proposals for the SEND inclusion fund.

General comments

Question 11. Are there any further comments you would wish to be considered by the local authority in the development of the Early Years Funding Formula (EYFF) for 2017/18?

21 comments were made. The majority expressed concerns about the long-term sustainability of maintained nursery schools. There were also requests to keep the formula as simple as possible and concerns raised about increasing costs to settings from the living wage and new pension regulations. A number of respondents felt the quality supplement should not be removed. Supporting the additional needs of children with EAL was also mentioned. One specific query related to traveller children crossing county boundaries.