

Wiltshire Council

Schools Forum

6 October 2016

EARLY YEARS BLOCK 2017-18

Purpose of the Paper

1. To update Schools Forum on DfE proposals for changes to the funding for the free entitlement to childcare for 3 & 4 year olds and the extension to 30 hours of free childcare for children of eligible working parents.
2. To consider the implications of the proposed changes for the Wiltshire Early Years Single Funding Formula (EYSFF).

Main Considerations

3. In August the DfE issued a consultation document on an Early Years National Funding Formula and changes to the way the 3 and 4 year old entitlements to free childcare are funded.
4. The attached fact sheet (Appendix 1) drafted for providers summarises the main proposals which are split in to 3 main areas:
 - How the funding is allocated to Local Authorities
 - How LAs distribute funding to early years providers
 - How funding for children with SEN and Disabilities is allocated
5. Responses to the consultation were due on 22nd September and the Early Years Reference Group met on 16th September to consider Schools Forum's response, which was submitted on 19th September. The response agreed by the group is attached as Appendix 2 to this report. In general the response supports the implementation of a national funding formula and details some concerns about the specific proposals for the distribution of funding to providers and the principles for the extended entitlement.
6. The key implications for the Wiltshire EYSFF include:
 - a) There is a requirement for a universal base rate per hour for all provider types. Local formulae will no longer be able to allocate different hourly rates for PVI, maintained nurseries and child minders. Wiltshire has already implemented a universal base rate.

- b) There will be a requirement to passport at least 95% of the early years block to providers to support the free entitlement. This is referred to as 95% pass-through in the consultation document. Wiltshire has 100% pass-through of the early years block. However, Schools Forum will need to consider the continued sustainability of this in relation to any increases required to the Inclusion Support Fund and the increased administration costs of implementing the extended entitlement to children of working parents.
 - c) A number of new supplements have been identified for potential inclusion in local formulae. In addition to Deprivation and Rurality/Sustainability LAs will also be able to include supplements for Flexibility, Efficiency and to support the provision of the extended entitlement. It will be necessary to review the Wiltshire EYSFF to look at the impact of including such supplements.
7. It is anticipated that Wiltshire will receive an increase in funding per pupil per hour and this will need to be taken in to account in the review of the formula.
 8. It will also be necessary to review the operation of the inclusion support fund in terms of how funding is allocated and the affordability of the fund. Currently the Wiltshire inclusion fund is funded from the High Needs Block which continues to be under pressure. There is an option to fund all or part of the inclusion fund from the Early Years block and this will need to be considered.
 9. The DfE consultation document acknowledges that local authorities will need to administer the extended entitlement and this is referred to as a legitimate call on the Early Years block. As part of the review of the EYSFF the costs of administering the entitlement will be calculated.
 10. It is proposed that options will be brought to the December meeting of Schools Forum so that changes to the formula can be agreed. Hourly rates can then be finalised at the January meeting following the announcement of the funding settlement.
 11. In reviewing the local EYSFF it will be necessary to look at the advantages that might be gained from including additional supplements to target funding against the current approach of maximising the funding that is distributed through the basic hourly rate.

Proposal

12. Schools Forum is asked to note the report and the response to the DfE consultation.
13. Schools Forum is asked to agree that the Wiltshire EYSFF should be reviewed in the context of the DfE consultation and that proposals will be brought to the December meeting. The outcome of the review will include options for changes to the EYSFF and in relation to the % pass-through of funding.

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