
TITLE OF REPORT: Early Years National Funding Formula Consultation

Purpose of the Report

The purpose of this report is to bring to Schools Forum attention the Early Years National Funding Formula (EYNFF) consultation issued by the Department for Education (DfE) 11 August, and to ask if Schools Forum would like to respond to the consultation.

Background

The EYNFF was launched by the DfE on the 11 August 2016 and is open until 22 September 2016.

In order to incentivise providers to deliver enough free childcare places to secure an additional 15 hours of childcare entitlement for working parents from September 2017, the Government committed in the Autumn Statement to make changes to the way the 3 and 4 year old entitlements to childcare are funded.

The proposals include:

- introducing a new early years national funding formula for 3 and 4 year olds
- changing the way local authorities fund the early years providers in their area
- making sure that children with special educational needs or disabilities attract the extra funding they need

Proposals for an early year's national funding formula to allocate funding to LAs for 3 and 4 year-olds

The Local Authority (LA) is currently funded by the DfE for 3 and 4 year olds based on an early year's unit of funding £3882.71 multiplied by full time equivalent numbers of children. Initial funding allocations are based on estimated numbers and then updated during the year based on actual take up of provision. There are no supplements and each LA has a different unit of funding.

The proposed new national funding formula to allocate funding to LAs will be based on three elements;-

1. An hourly base rate for both the existing 15-hour entitlement for all three and four year-olds and the additional 15 hours for children of working parents from September 2017. The proposed allocation is £3.53.

2. Additional needs funding based on:-

- Free school meal (FSM) eligibility - the proposed national rate per eligible child is £2.13 (the number of children is based on the percentage of FSM children in KS1 & KS2 as at January 2016).
- English as an Additional Language (EAL) - the proposed national rate per eligible child is £0.29 (the number of children is based on the percentage of EAL children in KS1 and KS2 for whom English is not their first language).
- Disability Living Allowance (DLA) –the proposed national rate per eligible child £0.74 (based on data from the Department of Work and Pensions).

3. The above elements will then be multiplied by and An Area Cost Adjustment (ACA) factor based on:-

- General Labour Market (based on data provided by the Department for Communities and Local Government)
- Nursery Rates Cost Adjustment (Valuation Office Data)

Gateshead's rates are calculated by using the national funding rates multiplied by Gateshead's area cost adjustment of 1.14.

The hourly funding rates allocated to Gateshead as provided in the illustrated LA allocations are:-

National Funding Formula elements	National Funding Rate	Area Cost Adjustment	Gateshead's Funding Rate
Hourly Base rate	£3.53	1.14	£4.02
FSM (for each eligible child)	£2.13	1.14	£2.43
EAL (for each eligible child)	£0.29	1.14	£0.33
DLA (for each eligible child)	£0.74	1.14	£0.84

The resultant funding will then be subject to a proposed “floor” – where no LA can lose more than 10% of its early years funding and a “ceiling” so that no LA can gain more than 22.9% compared to 2016/17. These numbers have been proposed as the capping, at 22.9%, will fund losses above 10% at LA level. This does not apply to Gateshead.

The DfE have also acknowledged the higher costs and the dis-economies of scale that nursery schools have compared to other providers. To provide some transitional protection (initially proposed for 2 years), there will be a Maintained Nursery School supplementary rate. However at the time of writing we are waiting for clarification from the DfE on what figures were used to calculate this additional funding for Gateshead.

Proposals on how Local Authorities will fund the 3 and 4-year old free entitlement

Currently all LAs must have an Early Years Single Funding Formula that complies with the Schools and Early Years Finance Regulations. However there is much variation in how the different formula in each LA are designed with different supplements/factors.

In order to overcome this inconsistency the DfE have made several proposals to standardise local formulas:-

- LAs must pass at least 93% of funding to providers in 2017/18 rising to 95% in 2018/19.
- There must be a universal base rate of funding to all providers no later than 2019/20 which would equate to at least 89.5% of available funding
- There will be supplementary funding for Nursery Schools to enable the transition to the universal base rate.
- The additional factors/supplements that the DfE are proposing that LAs may have as part of their formula are:
 - Deprivation - already in our current formula and will probably be mandatory as it is now.
 - Rurality / Sparsity – for small settings in rural areas that are unavoidable in sparsely populated rural areas.
 - Flexibility – to encourage providers to provide childcare that fits with parents working patterns
 - Efficiency – to encourage providers to be more efficient by sharing back office facilities and ensuring they maximise their adult to child ratios.
 - Delivery of additional 15 hours – to encourage childcare providers to offer the additional 15 hours of free childcare.
- The DfE are also proposing that funding channelled through the additional factors/supplements should be limited to 10% of the total funding allocated to settings.
- The DfE are proposing that DLA funding be ring-fenced and fully pass-ported to providers who have children in receipt of DLA as an annual amount to the setting. This funding can be used to either:-
 - Help children access their free entitlement, by supporting providers to make initial adjustments
 - Build capacity of the setting to support more disabled children.
 - Target one specific child's needs
 - Improve the setting for a cohort of children

Currently there is no Special Educational Needs (SEN) funding in Gateshead's current EYSFF, and all additional support is provided either from Contingency funding or the High Needs block of the Dedicated Schools Grant (DSG) after children have been assessed.

The consultation proposes that all LAs should set up an Inclusion Fund to:

- Support LAs to work with individual providers to resource support for the needs of individual children with SEN.
- Enable LAs to carry out an effective strategic role in their local area to increase the capacity of their childcare market so that it appropriately supports and develops children with SEN in the early years.
- Help LAs in developing their plans for strategically commissioning services as required under the Children and Families Act 2014.

To establish an inclusion fund it is proposed that LAs should pool an amount of funding from either one or both of their early years and high needs allocations from the DSG.

Over the course of the financial year LAs would use the fund to facilitate discussions with their providers about the needs of children with SEN taking up the free entitlements and pass the majority of the funding through to providers in the form of 'top ups' on a case by case basis.

Where LAs wish to use part of their inclusion fund to support local services, for example specialist services, they must continue to be able to do so. Some of these services may be delivered by LAs to providers free at the point of use. Where this is the case the DfE are minded that such services not be considered as part of the 95% of funding which must be passed through to providers, although the DfE welcomes views on this. LAs may wish to move to offering more of these specialist services with a charge to providers ('buy-back' models).

If LAs did set up an inclusion fund the amount and the process for allocating funding could be at local discretion.

Currently there is no inclusion funding within the Early Years funding Block of the DSG. All SEN funding in Gateshead is contained within the High Needs Block of the DSG, and is free at the point of service.

To ensure transparency there is an expectation by the DfE that the inclusion fund is linked directly to the LAs published 'Local Offer' and be allocated clearly and transparently so it is easily understood by parents and providers.

Conclusion

Based on the information provided, it is estimated that there will be additional funding in total for Gateshead settings. However under the proposals the additional funding will not increase funding for all settings, and it is anticipated that the maintained nursery classes and nursery schools will see a decrease in funding. At present the extent of the decreased funding is not known as no detailed financial modelling is possible, however, if the illustrative funding amounts and proposals within the consultation are implemented there could be a threat to the viability of Gateshead's only nursery school, putting more financial pressure on primary schools with nursery classes.

Attached in appendix 1 is a draft of the Gateshead's proposed response to the consultation questions. The DfE no longer provide a downloadable document to respond to the consultation, and therefore the questions have been copied from the DfE's website which has resulted in the formatting of the draft response. To aid clarity multiple choice answers have also been highlighted in yellow.

Proposal

It is proposed that Schools Forum notes the contents of the report and the draft LA response at appendix 1 and consideration be given to Schools Forum submitting a consultation response in their name.

Schools Forum will also need to give consideration to the forming of a subgroup of Schools Forum to review Gateshead's Early Years Single Funding Formula. Although the outcome of the consultation is not yet known, due to the short time span between now and March, it is proposed that work on a new EYSFF should start in the immediately.

Recommendations

It is recommended that School Forum considers making a response to the Early Years National Funding Formula proposals, and sets up a subgroup of Schools Forum to review the Early Years Single Funding Formula.

For the following reasons:

- To provide Schools Forum with information to enable a consultation response to be submitted in their name if requested.
- To form a subgroup to start work on the need of a new EYSFF for Gateshead.

CONTACT: Carole Smith

Appendix 1

About you

Progress

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We would like to know a little about you. This will help us understand, overall, whether certain parts of the sector or areas of the country have certain views about what we propose.

Please note, your responses on this page will only be saved when you click Next or Submit.

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

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

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:

Please tick as many boxes as apply to you.

Multiple choice checkboxes

- chain of providers?
- single setting?
- rural, or sparsely populated community?
- inner city area?
- area of deprivation?

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

Single choice radio buttons

- 10 or fewer children
- 11-30
- 31-60
- 61-90
- Over 91 children

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

Multiple choice checkboxes

- three-and four-year olds?
- two-year olds?

On this page, we ask your views on our proposals for the way money is distributed from Government to local authorities. That's the Early Years National Funding Formula and its component parts.

Please note, your responses on this page will only be saved when you click Next or Submit.

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

Please see paragraphs 89-96 in the Consultation Document.

Single choice radio buttons

- Yes
- No
- Unsure

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

Please see paragraphs 98-101 in the Consultation Document.

	Yes	No	Unsure
Should a universal base rate be included in the early years national funding formula?	Yes <input checked="" type="radio"/>	No <input type="radio"/>	Unsure <input type="radio"/>
Is 89.5% of overall funding the right amount to channel through this factor?	Yes <input type="radio"/>	No <input checked="" type="radio"/>	Unsure <input type="radio"/>

11 Considering an additional needs factor...

Please see paragraphs 102-112 in the Consultation Document.

	Yes	No	Unsure
Should an additional needs factor be included in the early years national funding formula?	Yes <input checked="" type="radio"/>	No <input type="radio"/>	Unsure <input type="radio"/>
Do we propose the correct set of metrics?	Yes <input type="radio"/>	No <input checked="" type="radio"/>	Unsure <input type="radio"/>
Do we propose the correct weightings for each metric?	Yes <input type="radio"/>	No <input checked="" type="radio"/>	Unsure <input type="radio"/>

12 Considering an area cost adjustment...

Please see paragraphs 113-119 in the Consultation Document.

Yes	No	Unsure
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	Yes	No	Unsure
Should the early years national funding formula include an area cost adjustment?	Yes <input checked="" type="radio"/>	No <input type="radio"/>	Unsure <input type="radio"/>
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 <input type="radio"/>	No <input checked="" type="radio"/>	Unsure <input type="radio"/>

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

Q10 For Gateshead in the illustrative funding allocations, the universal base rate after ACA equates to 88.73% of total funding. Therefore to enable 89.5% of total funding to be allocated via a base rate to providers would mean reducing either the FSM or EAL funding as the DLA fund is proposed as a ring fenced grant.

Q11 We agree with an additional needs factor, however we do not agree with using DLA as the metric as we consider the level of SEN required to access DLA is too high a threshold, and application and assessment process can be a lengthy process when children would benefit from support earlier. There is also some concern that this metric is not suitable for very young children who may not yet have been assessed.

Q12 We agree that there should be some form of ACA, however the use of the general labour market rate does not take into account that nursery classes and nursery schools must employ qualified teachers. The other issue is ratable value of nursery premises. Does this include schools? Also settings that are in rented accommodation, run out of church halls, community centers or their own homes will not have the same premises costs as other providers. It would not be equitable to have a metric that does not include the schools sector. For Gateshead the split in pupils attending settings is 51.6% in the schools sector and 48.4% in PVI settings.

It is difficult to comment on other metrics or weightings until they are fully understood. However if other metrics are considered, were possible they should already be easily available to settings, LA's or central government and be an additional admin burden. The ACA metric that is proposed is also different to that used for mainstream school funding which is also part of the Dedicated Schools Grant.

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%?

Please see paragraphs 91-93 in the Consultation Document.

Single choice radio buttons

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

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

Please see paragraphs 122-123 in the Consultation Document.

	Yes	No	Unsure
Should we retain the current two-year-old funding formula?	<input checked="" type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Unsure
Should we use the additional funding secured at the spending review to uplift local authorities' allocations based upon this?	<input checked="" type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Unsure

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?

Please see paragraphs 124-126 in the Consultation Document.

Single choice radio buttons

- Yes
- No
- Unsure

On this page, we can assume that money from Government has now been distributed fairly to local authorities. Here, we ask your views on the proposed high pass-through of local authority funding to childcare providers in their area.

Please note, your responses on this page will only be saved when you click Next or Submit.

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

Please see paragraphs 132-140 in the Consultation Document.

Single choice radio buttons

- Yes
- No
- Unsure

18 Do you think that 95% is the correct minimum proportion of the money that should be passed from local authorities to providers?

Single choice radio buttons

- Yes, I agree
- No, 95% is too high
- No, 95% is too low
- Unsure

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

Q19 Whilst recognising the importance of passing on very high proportion of early years funding to providers, as Gateshead has always done, the DfE need to recognise that LA's officers workload has increased significantly in recent years during times of significant budget reductions. LA's have implemented the 2 year old offer and the distribution of EYPP which has created considerable amounts of additional work. The extended entitlement and the DLA proposals will significantly add to workloads.

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

Please see paragraphs 141-146 in the Consultation Document.

Single choice radio buttons

- Yes
- No
- Unsure**

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

Please see paragraphs 150-156 in the Consultation Document.

	Yes	No	Unsure
Should local authorities be able to use funding supplements?	Yes <input checked="" type="radio"/>	No <input type="radio"/>	Unsure <input type="radio"/>
Should there be a cap on the proportion of funding that is channelled through supplements?	Yes <input checked="" type="radio"/>	No <input type="radio"/>	Unsure <input type="radio"/>

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%?

Please see paragraphs 157-158 in the Consultation Document.

Single choice radio buttons

- Yes, I agree with a 10% cap
- No, the cap should be higher than 10%**
- No, the cap should be lower than 10%
- I'm unsure

23 Should the following supplements be permitted?

Please see paragraphs 159-182 in the Consultation Document.

	Yes	No	Unsure
Deprivation	Yes <input checked="" type="radio"/>	No <input type="radio"/>	Unsure <input type="radio"/>
Sparsity / rural areas	Yes <input checked="" type="radio"/>	No <input type="radio"/>	Unsure <input type="radio"/>
Flexibility	Yes <input type="radio"/>	No <input type="radio"/>	Unsure <input checked="" type="radio"/>

		Yes		No		Unsure
Efficiency	Yes <input type="radio"/>			No <input type="radio"/>		Unsure <input type="radio"/>
Additional 15 hours of childcare	Yes <input type="radio"/>			No <input type="radio"/>		Unsure <input type="radio"/>

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

	Yes - over the metric they use	Yes - over the amount of money	No - over the metric they use	No - over the amount of money	Unsure when it comes to metrics	Unsure when it comes to the amount of money
Deprivation	Yes - over the metric they use <input checked="" type="checkbox"/>	Yes - over the amount of money <input checked="" type="checkbox"/>	No - over the metric they use <input type="checkbox"/>	No - over the amount of money <input type="checkbox"/>	Unsure when it comes to metrics <input type="checkbox"/>	Unsure when it comes to the amount of money <input type="checkbox"/>
Sparsity / rural areas	Yes - over the metric they use <input type="checkbox"/>	Yes - over the amount of money <input checked="" type="checkbox"/>	No - over the metric they use <input type="checkbox"/>	No - over the amount of money <input type="checkbox"/>	Unsure when it comes to metrics <input checked="" type="checkbox"/>	Unsure when it comes to the amount of money <input type="checkbox"/>
Flexibility	Yes - over the metric they use <input type="checkbox"/>	Yes - over the amount of money <input type="checkbox"/>	No - over the metric they use <input type="checkbox"/>	No - over the amount of money <input type="checkbox"/>	Unsure when it comes to metrics <input checked="" type="checkbox"/>	Unsure when it comes to the amount of money <input checked="" type="checkbox"/>
Efficiency	Yes - over the metric they use <input type="checkbox"/>	Yes - over the amount of money <input type="checkbox"/>	No - over the metric they use <input type="checkbox"/>	No - over the amount of money <input type="checkbox"/>	Unsure when it comes to metrics <input checked="" type="checkbox"/>	Unsure when it comes to the amount of money <input checked="" type="checkbox"/>
Additional 15 hours of childcare	Yes - over the metric they use <input type="checkbox"/>	Yes - over the amount of money <input type="checkbox"/>	No - over the metric they use <input checked="" type="checkbox"/>	No - over the amount of money <input checked="" type="checkbox"/>	Unsure when it comes to metrics <input type="checkbox"/>	Unsure when it comes to the amount of money <input type="checkbox"/>

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?

Please see paragraphs 175-178 in the Consultation Document.

This box allows you to write an

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?

Please see paragraphs 179-182 in the Consultation Document.

This box allows you to write an answer

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:

The consultation document explains the importance of efficient allocation of resources that offer value for money. Early years funding must be used wisely, for the benefit of childcare sufficiency, quality and value for money. A key part of this is for us to be clear about what our funding is for so please, wherever possible, provide evidence to support your recommendation.

This box allows you to write an answer

Q27 We believe that there should be a qualification supplement. All settings should be encouraged to employ staff with higher skill levels irrespective of setting. In general individuals with higher levels of qualifications will require a higher rate of pay, and therefore to remove the barrier to employee more skilled staff, LA's should be able to have a qualification supplement.

Funding is also being allocated for EAL children, however EAL is not a supplement that is proposed for allocating funding to settings.

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

Q20 If the base rate is set too high and there is no scope for additional supplements, this will be a significant disadvantage to the schools sector that have to employ qualified teachers on teachers terms and conditions and therefore in general have higher staffing costs. All schools must also have a headteacher, again this is not a requirement for non-school settings.

Q21 We agreed with the supplements, however the 10% cap would not work in Gateshead as actual supplementary funding is 11.27% of the illustrative total funding, this could disadvantage settings with higher levels of FSM and EAL children as the proposal is for DLA funding to be ring-fenced.

Q23 After exploring a flexibility supplement when we designed our current EYSFF we found that it would be too complex to design and administer a system that could be applied consistently and accurately without very resource intensive processes.

After considering an efficiency supplement we felt that this would be very subjective and it would be very difficult to design and monitor any efficiency metric.

All free hours should be funded at the same level. If a child attended multiple settings for their 30 hour entitlement how could it be determined which hours were which?

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

Please see paragraphs 191-197 in the Consultation Document.

Single choice radio buttons

Yes

No

Unsure

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?

Single choice radio buttons

- Yes
- No
- Unsure

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?

Single choice radio buttons

- Yes
- No
- 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 free

Q29 We do believe there should be a disability access fund.

Q30 We agree that the supplement should only be available to children accessing their free entitlement, however we consider the condition that they are in receipt of DLA too high a threshold, as children with lower levels of need or currently undergoing the application process will benefit from additional funding.

Q31 We were unsure. We agreed that the funding should be ring-fenced, but disagreed with the annual allocation as children can move settings. Another concern is how the data would be gathered, and how would the individual children be identified to the different settings.

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)

Single choice radio buttons

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

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

Please see paragraphs 198-210 in the Consultation Document.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Should local authorities be required to establish an inclusion fund?	Strongly agree <input type="radio"/>	Agree <input type="radio"/>	Neither agree nor disagree <input checked="" type="radio"/>	Disagree <input type="radio"/>	Strongly disagree <input type="radio"/>
Would an inclusion fund help improve the supply of appropriate support children receive when in an	Strongly agree <input type="radio"/>	Agree <input checked="" type="radio"/>	Neither agree nor disagree <input type="radio"/>	Disagree <input type="radio"/>	Strongly disagree <input type="radio"/>

Strongly agree Agree Neither agree nor disagree Disagree Strongly disagree

early years setting?

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

We think having an inclusion fund is a good idea, however it until detailed modeling of the proposals can be undertaken it is difficult to ascertain where funding for this fund would come from as our High Needs Block of the DSG is fully utilized and there has to be an at least 95% pass through to settings.

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

	Yes	No	Unsure
The children for which the inclusion fund is used?	Yes <input checked="" type="radio"/>	No <input type="radio"/>	Unsure <input type="radio"/>
The value of the fund?	Yes <input checked="" type="radio"/>	No <input type="radio"/>	Unsure <input type="radio"/>
The process of allocating the funding?	Yes <input checked="" type="radio"/>	No <input type="radio"/>	Unsure <input type="radio"/>

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?

Please see paragraphs 132-140 in the Consultation Document.

Part 2 of our proposals explores whether local authorities should be required to pass through a minimum of 95% of their early years funding to childcare providers. This question explores whether SEN or SEND services for childcare providers (free at the point of delivery) should be included in that 95% pass-through rule.

Single choice radio buttons

- Agree
- Disagree
- Unsure**

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

We were unsure about this proposal as detailed modeling and consideration of the services provided need to be carefully considered. If funding was delegated to providers, they may not buyback the high quality specialist services provided by the LA.

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)?

Please see paragraphs 213-216 in the Consultation Document.

We propose to cap local authority reductions in hourly rates to 5% in 2017-18 and 5% 2018-19.

Single choice radio buttons

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

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?

Please see paragraphs 217-218 in the Consultation Document.

Our proposal is that, once fully implemented, 95% of early years funding allocated to local authorities will be passed directly to childcare providers. We recognise however that moving directly to 95% may be challenging for some areas. We therefore propose to transition the policy, starting at 93% in 2017-18 and moving to 95% by 2018-19.

Single choice radio buttons

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly 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?

Please see paragraph 219 in the Consultation Document.

The high pass-through of funding from local authorities to childcare providers (proposed as 95% once implemented) would provide a firm guarantee of funding to the front line. As such, we propose it should replace the minimum funding guarantee for the early years, as it becomes unnecessary.

Single choice radio buttons

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly 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?

Please see paragraph 220 in the Consultation Document.

We recognise that, for some local authorities, moving to a universal 'per child' base rate of funding to providers will be a significant change. We therefore propose to allow local authorities until 2019-20 to implement this while encouraging them to do so sooner if possible and monitoring their progress.

Single choice radio buttons

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

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

Q40 Agree with this proposal as detailed modeling has not yet been undertaken to review the turbulence the proposals will cause Gateshead settings.

Q41 MFG still needs to exist to protect settings that will lose funding under the new proposals. The high % pass through will not protect all settings, and they need time to adapt to the funding changes in an already very difficult financial environment where staff costs have continued to rise and funding has remained stagnant.

Q42 The universal base rate does not take into account the different cost drivers that different settings have, e.g. having to pay staff on different terms and conditions. Also Gateshead's universal base rate is below the 89.5% pass level proposed in the consultation as is actually 88.73 of Gateshead's total funding before any admin top-slice. If the full 89.5% was to be passed through then this could disadvantage settings with high levels of deprivation.