

## APPENDIX 3

### Department for Education - Early Years National Funding Formula

#### Policy Context

1. The key purpose of this report is to inform Cabinet Members of the responses to the Department for Education' consultation to the proposed Early Years National Funding Formula and changes to the way the three-and-four-year-old entitlements to childcare are funded.
2. The consultation response supports the Gateshead Council Plan 2015 – 2020, in particular Prosperous Gateshead and Live Well Gateshead. The long-term strategic outcomes of Vision 2030 are also supported, in particular Sustainable Gateshead and Active and Healthy Gateshead.

#### Background

3. The Government committed, in the Autumn Statement, to make changes to the way the three-and-four-year-old entitlements to childcare are funded. These changes are recognised as a way of incentivising providers to deliver enough free childcare places to secure an additional 15 hours of childcare entitlement for working parents, from September 2017.
4. 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.

#### Consultation

5. The Cabinet Members for Children and Young People have been consulted.

#### Alternative Options

6. There are no alternative options.

#### Implications of Recommended Option

#### 7. Resources:

- a) **Financial Implications** – Based on the information provided, it is estimated that there will be additional funding for Gateshead settings. However under the proposals the additional funding may not increase funding for all settings, and it is anticipated that 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 instigated there could be a threat to the viability of Gateshead's only nursery school, and put more financial pressure on primary schools with nursery classes.

b) **Human Resources Implications** – None

c) **Property Implications** - None

8. **Risk Management Implication** - None

9. **Equality and Diversity Implications** - None

10. **Crime and Disorder Implications** – None

11. **Health Implications** - None

12. **Sustainability Implications** - Should the illustrative funding amounts and proposals within the consultation be instigated there could be a threat to the viability of Gateshead's only nursery school.

13. **Human Rights Implications** - None

14. **Area and Ward Implications** - All wards

#### **Background Information**

15. Government Consultation – An early year's national funding formula and changes to the way three-and-four-year-old entitlements to childcare are funded.