

**TITLE OF REPORT: Early Years Consultation Response and Funding Formula 2017/18**


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**Purpose of the Report**

1. The purpose of this report is to bring to Schools Forum the results of the Early Years Funding consultation and to update Schools Forum on the progress made by the Early Years Formula Schools Forum sub group. This report also proposes the new Early Years Single Funding Formula (EYSFF) for implementation April 2017.

**Background**

2. This report builds on Items 3 and 4 brought to Schools Forum in February 2017. The approved consultation documentation was sent out to all settings on 10 February 2017 with a response date of 24 February 2017.
3. In total 14 responses were received, however two consultation response forms were blank, and another setting returned the consultation document without any indication of their response to the questions.
4. Responses were received from 12 private voluntary and independent (PVI) settings including two childminders, and two from schools.
5. The table below is a summary of responses and comments received.

	Question	Yes	Don't Know	No	Comment
<b>Q1</b>	Do you accept a flat rate funding rate for two year old funding?	10	1	0	
<b>Q2</b>	Do you accept the increase in funding rate to settings for eligible 2 year olds from £4.85 to £5.20?	10	0	0	
<b>Q3</b>	Do you accept the use of a universal base rate from 2017/18?	11	0	0	
<b>Q4</b>	Do you accept the universal base rate of £3.85 per hour for all settings?	11	0	0	This is very low but I am not sure there is scope for more
<b>Q5</b>	Do you accept the proposal to use a settings Acorn score to distribute deprivation funding?	11	0	0	
<b>Q6</b>	Do you accept the proposal to use a quality supplement in EYSFF?	11	0	0	
<b>Q7</b>	Do you accept the proposal not to include rurality/sparsity, flexibility and EAL in the EYSFF	9	2	0	

<b>Q8</b>	Do you accept the proposal to distribute quality funding on the basis of qualification weighted hours?	10	1	0	
<b>Q9</b>	Do you accept the proposal that deprivation and quality supplements should both distribute 5% of available funding?	9	1	0	5% as a maximum
<b>Q10</b>	Do you accept that the funding should be based on the total hours/weeks per term a child attends and that funding should follow the child when they move settings at any time?	9	0	1	But with calendar months' notice, to 6 weeks preferably to meet legal commitments made to contracted hours

6. The Early Years Funding Sub Group met 28 February 2017 to discuss the consultation response and results and the final EYSFF proposals. The group noted the responses, and the support for the proposals. Final modelling was undertaken based on 2016 calendar data, and as a result of modelling the new data there is a proposed slight amendment to the quality rate reported in February's Schools Forum report.
7. The proposed rates for 2017/18 new Early Years Single Funding Formula are:

Base Rate                                      £3.849 – 90% of available funding, per child attendance hour

Quality Supplement                      £0.500 – a reduction of £0.007 from the funding rate reported in February, 5% of available funding, per quality weighted hour

Deprivation Supplement      £0.006 – no change, 5% of available funding, per deprivation weighted hour

The new flat funding rate for two year olds is proposed at £5.20 per child attendance hour.

## Proposal

8. It is proposed that Schools Forum notes the outcome of the consultation in terms of the responses and comments received and approves the new funding rates for the new EYSFF.

## Recommendations

9. It is recommended that Schools Forum notes the consultation responses and comments and approves the proposed EYSFF and the new two year old funding rate.

## For the following reasons:

- To comply with the Early Years National Funding Formula Operational Guidance
- To comply with DfE timescales
- To comply with Schools and Early Years (England) Regulations 2017
- To enable early years budgets to be set for 2017/18