

14 March 2024

Item 3

TITLE OF REPORT: Proposed Under 2-Year-Old Formula and Consultation Results

Purpose of the Report

1. To bring to Schools Forum the results of the Early Years Under 2-Year-Old funding consultation and proposals for the funding of under 2-year-olds from September 2024.

Background

2. This report builds on a report brought to Schools Forum in February 2024. Following the approval of the Under 2-year-old funding proposals and consultation documents at February's 2024 Schools Forum, the Under 2-year-old consultation document was sent to all early years settings on 16 February 2024, with a closing date for the consultation of 1 March 2024.

A total of 18 responses have been received.

There was a mixture of respondents as per the below table.

Setting Type	Number
Childminder	6
Day Nursery	6
Maintained School	4
Pre School	1
Primary Academy	0
Nursery School	1

3. There was an overall positive response to the proposals in the consultation, with 77.78% agreeing with proposal 1 and 94.44% agreeing with proposal 2. 22.22% disagreed with proposal 1 and 5.56% (one respondent) did not know about proposal 2.

The results to the individual questions are in appendix 1 and comments made by respondents in appendix 2.

Proposal

4. Following the consultation results it is proposed that:-
 - The under 2-year-old funding will be top-sliced at 5%, with a proportion of this funding being allocated to the funding of the early years funding team, and the remainder to be held in the Inclusion Fund for allocation to settings (together with proposed allocations from 3- & 4-year-old funding and 2 year old early years funding).
 - There will be one single funding rate to all settings for all children of £9.937 per hour.

It is recognised that as this is a new formula, with limited actual data on children that will attend the individual settings and therefore it is also proposed that this formula will be reviewed during 2024/25 financial year.

Recommendations

5. It is recommended that Schools Forum notes the consultation responses and comments, and approves:-
 - 5% top-slice to contribute to the early years funding team and the remainder to be added to the inclusion fund.
 - A single funding rate for all settings of £9.937 per hour

For the following reasons:

6. To enable early years settings to receive funding under 2-year-olds of working parents from September 2024.

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Appendix 1

	Questions	Yes	Don't Know	No
Q1	Do you accept the proposal to top-slice funding by 5% to fund the early years funding team and the special educational needs and disabilities inclusion fund?	77.78%	0%	22.22%
Q2	Do you accept the proposal of a single funding/base rate for all children with no supplements?	94.44%	5.56%	0%

Appendix 2

Setting	Question	
3	1	Early years team and inclusion fund already get 5% from 3 & 4 year old funding and will soon be getting an extra 5% from new 2 year old funding. I think the entire £10.46 should be passed through to providers especially as the Under 2's are very costly for providers to care for eg. Higher ratio's of staff needed. Also it is very unlikely that any under 2's will benefit from anything in inclusion fund.
5	1	Early years team and inclusion fund already get 5% from 3 & 4 year old funding. They will also be getting an extra 5% from new 2 year old funding. I think the entire £10.46 should be passed through to providers especially as the Under 2's are very costly for providers to care for. For example we have higher ratio's of staff needed to care for under 2's and it is very unlikely that any under 2's will benefit from anything in the inclusion fund.
8	2	I appreciate that pupils with additional needs will need extra support, but imagine that this could be provided by inclusion fund.
9	Other	Propaganda to parents should NOT claim they get FREE childcare, as they don't understand it as "free no-frills childcare" and wonder why they cannot get the times and terms they choose from my general offering. It is undermining to the council and government for me to have to explain it out. I'm not sure what terminology would work better, perhaps "get 15 funded hours" and write on any handouts that terms and conditions apply!
10	1	The EY funding team and inclusion fund already receive 5% from existing 3&4yr old funding and will also be receiving an additional 5% from 2yo funding from April. The Inclusion fund will not be allocated to children of this age group and with higher staff:child ratios settings should receive the maximum rate possible to cover these higher costs
17	1	I disagree with the 5% being taken for under 2-s due to having qualified and experienced Senco-s on site who are able to support staff with identifying and responding to development concerns/delays. They are able to put in the required early years intervention needed before the child has statutory assessment at 2 years of age and work closely with the health visiting team. As our younger children are on a lower ratio, we are able to meet the required developmental stages with next steps confidently. Experiences taught us in the past that involvement from Sen inclusion team is higher once the child is over 2.
18	1	I feel that there should be some monies put towards children being able to access some 1;1 funding prior to an EHC being finalised
	2	Unsure as to how the supplements would then affect the rate. Don't know enough information about what having supplements would add