

## Summary of Consultation Proposals - Early Years Single Funding Formula 2018/19

The Authority has developed the proposals for 2018/19 on the basis that:

- We will continue the policy of ring-fencing of the Early Years Block.
- We will move to monthly starters and leavers counting at April 2018, which will replace the termly headcount count methodology (and 2nd headcount for the 2 year old offer).
- We will seek to simplify the processes for PVI providers, which will include no longer publishing a 'hard copy' pre-calculated Confirmed Indicative Budget for PVI providers in March. Instead, we will begin monthly payments based on the latest confirmed position and we will enable providers to use a ready reckoner to estimate funding.
- Our Early Years Single Funding Formula will continue to 100% pass through the DSG funding rate for:
  - The 2 year old free entitlement
  - The Early Years Pupil Premium (required)
  - The Disability Access Fund (required)
- We will continue & increase the Early Years Block's contribution to EY SEN Inclusion funds, which is proposed to be managed through a new SEND EY Centres of Excellence structure. Early Years Inclusion monies will be 100% funded from within the Early Years Block from 1 April 2018.
- We will establish a Universal Base Rate for the 3 & 4 year old offer, as required by the DfE, with this overridden in 2018/19 for:
  - Nursery Schools – with the allocation of the specific MNS factor, meaning that the funding rates for each nursery school (base and deprivation) will continue to be retained at their 2016/17 values, as we have done in 2017/18.
  - PVI providers and nursery classes – through the allocation of additional one off monies on a transitional / temporary basis. The aim will be to set a base rate at £4.12 per hour, as set out in the autumn 2016 consultation.
- We will continue the nursery school sustainability supplement using the current methodology but bringing the 30 hours extended entitlement into the calculation (which will reduce the cost of the sustainability supplement).
- We will continue our current deprivation supplement within the 3&4 year old EYSFF in 2018/19, calculated at 9.5% of EYSFF, and will keep this under review. Deprivation rates will reduce in 2018/19 because the overall EYSFF funding envelope is reducing due to the impact of national reform.
- We will not introduce any further supplements in 2018/19 and will keep this position under review, noting that any additional supplements would erode the value of the deprivation supplement as the maximum spend on all supplements set by the DfE is 10% of EYSFF.
- We will aim to hold one off monies within the Early Years Block so that a minimum 3 & 4 year old base rate of £4.11 can be afforded in 2019/20, as set out in the autumn 2016 consultation. This will be subject to the value of one off monies available.