

Summary of Consultation Proposals - Early Years Single Funding Formula 2019/20

The Authority has developed the proposals for 2019/20 on the basis that:

- We will continue the policy of ring-fencing of the Early Years Block.
- We will continue our current termly headcount methodology (and 2nd headcount for the 2 year old offer). We do not currently plan to revisit our proposals that we made last year to move to a monthly counting methodology.
- We will continue our simplified processes for PVI providers, which include no longer publishing a 'hard copy' pre-calculated Confirmed Indicative Budget in March 2019. Instead, we will begin payments in April 2019 based on the latest confirmed position and we will enable providers to use a ready reckoner to estimate funding. The Authority will continue to develop the Bradford Provider Gateway and will continue to talk to PVI providers about how information submitted through the Gateway can feed into the payments system so that initial payments are made on the latest information.
- Our Early Years Single Funding Formula will continue to pass through to providers 100% of the DSG funding rate for the Early Years Pupil Premium (currently £0.53 per hour) and the Disability Access Fund (currently £615 per year).
- Settings will continue to be funded for the 2 year old entitlement on a single flat rate per hour with no additional supplements. In 2018/19 this rate was £5.20 and we expect this to be the rate funded in 2019/20.
- We have now established a 'universal base rate' for the 3 & 4 year old entitlement, as required by the DfE, with this overridden in 2019/20 for nursery schools via the allocation of the specific MNS factor. This means that the total funding rates for each nursery school (both base and deprivation rates) will continue to be retained at their 2016/17 values. We will also continue the nursery school lump sum sustainability supplement, using the current methodology, and continuing to bring in the 30 hours extended entitlement into the calculation. On current information, awaiting further announcement from the DfE, 2019/20 is the final year of this protection.
- 2019/20 is the third and final year of the strategy we set out in autumn 2016 for the protection of the value of base rates for PVI providers and nursery classes. We propose to complete this strategy. Meaning:
 - We will allocate one off reserve monies brought forward within the Early Years Block to uplift the universal base rate for 3 & 4 year olds in 2019/20 to £4.11 per hour. £4.11 is the value we set out in our autumn 2016 consultation. This will be the base rate for the 3 & 4 year old entitlement allocated in 2019/20 for all PVI providers as well as all nursery classes in primary schools and academies.
 - We will continue our current deprivation supplement within the 3&4 year old EYSFF in 2019/20, calculated at 9.5% of EYSFF (excluding one off monies). Deprivation rates will reduce slightly in 2019/20 on a general basis because the overall EYSFF funding envelope is reducing due to the impact of national reform (the DSG funded Early Years Block rate is reduced from £4.59 to £4.57).
 - We will not introduce any further supplements into the 3 & 4 year old EYSFF in 2019/20.
 - There is significant further discussion required, and development work to take place, on how our EYSFF, and the values of funding rates, adjust and develop from April 2020.
- Regarding SEND Inclusion:
 - SEND Early Years Inclusion monies will continue to be 100% funded from within the Early Years Block.

- We are seeking to implement during 2019/20 a more holistic SEND inclusion fund approach for 2, 3&4 year olds, which will apply to all providers. The holistic approach represents a change from what PVI providers have previously accessed (known as 'EYIP' funds).
- We are seeking to pilot the proposed new holistic model for schools and classes and, subject to the outcomes of this consultation, bring PVI providers, schools and classes together under the new model from either April 2019 or September 2019. We will continue to operate the existing 'EYIP' inclusion model for PVI providers until the new model is introduced. Any allocations that have been agreed under the current model that extend beyond the introduction of the new model would be funded until these expire.
- We will have more detailed conversations with the Schools Forum, leading up to final decisions to be taken in January 2019, about the Early Years Block increasing its contribution to the cost of support for high needs early years aged children. These conversations focus on the extent to which the costs of centrally managed SEND support services for early years aged children, currently funded by the High Needs Block, are charged to the Early Years Block going forward. Local authorities are required to 'pass through' to providers at least 95% of the 3&4 year old Early Years Block funding. Allowing for the impact of one off monies, our pass through rate in 2017/18 was 99%. Benchmarking based on 2017/18 indicates that the national average pass through rate was 96% and the average of our statistical neighbours was 97%. We know that other local authorities charge their Early Years Blocks for the cost of SEND support services for early years aged children. The outcomes of these conversations will not affect the proposals that are set out above for the values of provider funding rates in 2019/20. The outcomes however, may / are likely to / will directly affect how our EYSFF develops after 2019/20.