

Response ID ANON-S3AV-RHB3-C

Submitted to Early years funding - extension of the entitlements
Submitted on 2023-08-23 09:31:43

Introduction

What is your name?

Name::

Andrew Redding

What is your email address?

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Are you responding as an individual or on behalf of an organisation?

Organisation

Which of these options best describes you or your organisation?

Type of Organisation::

Local Authority

If 'Other', please provide further detail::

If you are responding on behalf of an organisation, what is the name of your organisation?

Name of Organisation::

City of Bradford MDC

What local authority area are you or your organisation based in? (If you do not wish to provide this information, please select 'prefer not to say')

Local Authority Area::

Bradford

Would you like your responses to remain confidential?

No

Reason for Confidentiality (Optional)::

Section 1: National funding distribution for entitlements for children aged 2-years-old and under

1 Do you agree that we should introduce IDACI as a new proxy, and use it alongside FSM as a basket of measures for deprivation in the additional needs factor in the new national funding formula for 9-month-olds to 2-year-olds?

Yes

Do you have any additional comments? (Please limit responses to 200 words):

We agree that using an area based measure alongside FSM will strengthen the additional education needs element of the national funding formula.

2 Do you agree that we should continue to use EAL and DLA as proxies in the additional needs factor in the new funding formula?

Yes

Do you have any additional comments? (Please limit responses to 200 words):

3 Do you agree with our proposed approach to the area cost adjustment in the new national funding formula?

Unsure

Do you have any additional comments? (Please limit responses to 200 words):

We do not have any views about this proposal

4 Overall, do you agree with our proposed approach of following the same structure and weightings for the new national funding formula as in the existing 3-and-4-year-old formula?

Yes

Do you have any additional comments? (Please limit responses to 200 words):

5 Do you agree that we should extend DAF eligibility to all children accessing the entitlements from April 2024?

Yes

Do you have any additional comments? (Please limit responses to 200 words):

we agree provided that DAF funding is allocated by the DfE into the Early Years Block additionally to the per hour entitlement rates of funding that are published (and is not 'top-sliced' from this).

6 Do you agree that we should extend EYPP eligibility to all children accessing a free childcare entitlement from April 2024?

Yes

Do you have any additional comments? (Please limit responses to 200 words):

we agree provided that EYPP funding is allocated by the DfE into the Early Years Block additionally to the per hour entitlement rates of funding that are published (and is not 'top-sliced' from this).

Section 2: Impact of proposals

7 Do you agree with this approach?

Yes

Do you have any additional comments? (Please limit responses to 200 words):

To provide essential stability, we think that it will be important to establish year on year turbulence protection mechanisms after the initial implementation.

Section 3: Local authority funding formulae for childcare entitlements

8 Do you agree a pass through rate of 95% should be applied to each funding stream in 2024-25: the 3-and-4-year-old universal and 30 hours offer; the two-year-old disadvantaged and working parent offers; and the 9 months to two year-old offer?

Yes

Do you have any additional comments? (Please limit responses to 200 words):

Whilst 97% is the stated aim, it is important to provide local authorities with flexibility to manage change over the next couple of financial years as the entitlements are established. Most local authorities may look to increase the cash value of budgets for support capacities in response to increased workload and provider support requirements, and, in practical terms, will then apportion the cost of these capacities across the 3 entitlement streams e.g. on the proportion of child numbers by stream.

9 Do you agree that the same list of allowable supplements should be applied to every entitlement funding stream, capped at a maximum 12 percent of planned funding for that entitlement?

Yes

Do you have any additional comments? (Please limit responses to 200 words):

Essentially local authorities will have the flexibility to establish 3 discrete early years entitlement funding approaches for providers that can "mirror" each other. This feels to make sense. We agree to this proposal, so long as authorities continue to have adequate flexibility to take decisions on supplements. Given the pressure on the funding of the new entitlements, and provider expectations about funding rates, it is likely that the value of supplementary funding for the under 2s and 2 year old entitlements will need to be somewhat restricted (in favour of setting a higher base rate for all providers). So authorities need flexibility.

10 Do you agree that the deprivation supplement should be mandatory for every entitlement funding stream?

Yes

Do you have any additional comments? (Please limit responses to 200 words):

Please see the comments to question 9 - authorities do need to continue to have flexibility. Given the pressure on the funding of the new entitlements, and provider expectations about funding rates, it is likely that the value of deprivation supplementary funding for the under 2s and 2 year old

entitlements will need to be somewhat restricted (in favour of setting a higher base rate for all providers). We are modelling an approach that will need to set a much lower % of spend on deprivation for the 2 year old and under 2s entitlements than we have for the 3&4 year old entitlement because of this.

11 Do you agree with our proposal that local authorities should establish a special educational needs inclusion fund for children aged 9 months to 2-years-old who are taking up the entitlements?

Yes

Do you have any additional comments? (Please limit responses to 200 words):

It feels to make sense to extend EYIF arrangements in support of both children and providers. We already extend EYIF to the current 2 year old entitlement. However, we do have some concerns about affordability, again in the context of providers having expectations about higher funding rates for the new extended entitlements. EYIF would likely need to be afforded (wholly or in part) by top-slicing these rates, so a balance needs to be struck.

12 What more can be done to support local authorities and providers to reduce bureaucracy and streamline SENIF processes whilst also ensuring the system remains fair and financially sustainable?

Please provide your answer below: (Please limit responses to 200 words):

We would appreciate some further guidance about the values of EYIF funding that are reasonable to allocate per child, seeking to improve impact of EYIF monies, supporting providers with higher levels of SEND, but also seeking to improve consistency of approach between local authorities. We would also welcome some guidance about minimum levels of assessment that should be in place before EYIF funding is allocated. Some of our providers complain about the paperwork and assessment time and cost that is needed to apply for EYIF funding currently. It would be helpful to have some guidance that would enable us to assess whether our approach is overly burdensome and could be streamlined.

13 Would local authorities and providers find it helpful for the Department to be more prescriptive about the operation of local SENIFs?

Yes

Do you have any additional comments? (Please limit responses to 200 words):

Yes, this would help to improve consistency and would fit with the direction of travel of the national SEND reviews, where the stated intention is to bring early years SEND into the national SEND systems.

Section 4: Equalities Impact Assessment

14 Do you have any comments about the potential impact, both positive and negative, of our proposals on individuals on the basis of their protected characteristics? Where any negative impacts have been identified, do you know how these might be mitigated?

Please provide comments below. Please limit responses to 200 words.:

no comments

Any Other Comments

15 Are there any other comments that you would like to make about our proposals set out in this consultation?

Please provide comments below. Please limit responses to 200 words.:

We fund our entitlements on a termly basis, based on a 12 (summer) /14 (autumn) / 12 (spring) weeks profile. We generally understand that, other than for slight variation in the number of weeks, many local authorities do the same. Our issue is that, when the new under 2s old entitlement for working parents begins at September 2024, for the period September 2024 to March 2025, we will fund providers for 26 weeks, but will only receive Early Years Block funding for 22 weeks. When the under 2s entitlement is extended to 30 hours at September 2025, and the 2 year old entitlement is also extended to 30 hours for working parents at September 2025, we also will fund 26 weeks but receive funding for 22 weeks for these for the period September 2025 to March 2026. In total, across 2024/25 and 2025/26, we estimate that we will have £3.2m of unfunded cost. This is very significant and goes beyond 'normal business' in terms of managing fluctuations in numbers, albeit that this issue will not be present when the entitlements are fully extended for a full financial year.

In terms of mitigation, it does not feel to make sense for us to re-profile our way of funding providers in order to manage this short term situation to remove the cost. For example, this would require us to fund 16 weeks in summer, which is not realistically practical to deliver due to the summer holidays (especially in providers that more generally deliver on a term time only basis), and would require providers to adjust their delivery models.

We ask that the DfE specifically considers this issue and adjusts the funding profile of the Early Years Block specifically for the new and extended entitlements in 2024/25 and 2025/26 to remove this unfunded cost.