

West Northamptonshire Council

Schools Forum January 2022

Early Years Funding 2022-2023 Proposal Report

1. Introduction

1.1 West Northamptonshire Council (NNC) is required to consult with Schools Forum on the proposed arrangements for the Early Years Funding Formula. It is also best practice to consult with the sector before implementing any changes to base rates and supplements with PVI, Childminders and Maintained Nursery Sector funded providers.

1.2 WNC is committed to supporting and enabling the funded and non-funded Early Years sector to deliver sustainable and high quality provision within West Northamptonshire. The proposal available within this report has been based on a safe and sound balance of our commitment to passport as much DSG funding to providers, as well as being able to meet our statutory duties as a council in delivering a high quality service to the Early Years Sector.

2. Background

2.1 The Schools and Early Years Regulations 2018, (Regulation 22) requires local Authorities to ensure that from April 2018 at least 95% of the hourly funding rate for 3 and 4 year olds allocated by the Department for Education is passed on to providers through the formula, or other funding paid directly to providers. The DfE monitor this requirement through the WNC annual s251 budget returns.

2.2 Early Years Block DSG is calculated based on the number of hours children are taking up during census week, January 2022 (first 5 months of 2021-22) and January 2023 (for last 7 months of 2022-23). If a provider does not compete the census, the service does not receive funding for those children from 1st April 2022.

2.3 During normal circumstances, the DfE announce the base rate and budget allocations for the coming year after the Government Budget announcement in October each year. However, due to Covid 19, this was delayed by a month and this received 25th November 2021 followed by the DSG allocations in early January 2021.

3. Consultation with the sector

3.1 West Northamptonshire Council (NNC) is required to consult on the proposed arrangements for the Early Years Funding Formula for participating Early Years funded providers.

As part of this consultation process, a survey was issued to the Early Years Providers in West Northamptonshire to capture their views and ideas regarding the Early Years Funding for PVI and Childminders and the Maintained Nursery Sector for 2022-2023.

3.2 As part of this consultation process, the survey at the end of this document is provided to all Early Years Providers in West Northamptonshire to capture views regarding the Early Years Funding for PVI and Childminders and the Maintained Nursery Sector for 2022-2023.

3.3 Questions as follows:

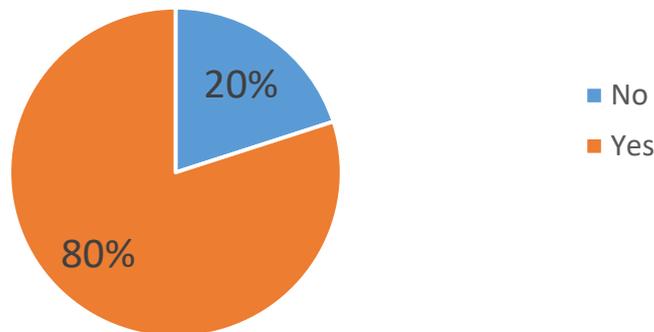
	Questions
1	<p>Do you support the LAs proposal to add:</p> <ul style="list-style-type: none"> • 60% of any increase available in 3 and 4 year old funding into the base rate • 25% of any increase available in 3 and 4 year old funding into the deprivation factor • 10% of any increase available in 3 and 4 year old funding into the inclusion fund • 5% of any increase available in 3 and 4 year old funding into the central funding for early years
2	If you do not agree with the proposals for 3 and 4 year olds, what would your proposal be?
3	Do you support the LA's proposal to add 100% of the available 2 year old funding into the base rate for 2 year olds?
4	If you do not agree with the proposals for 2 year olds, what would your proposal be?
5	Do you support the LA's proposal to distribute the Maintained Nursery Supplement according to the rate and hours that the funding is provided to NNC?
6	Do you support the LA's proposal to distribute the Maintained Nursery Supplement (the separate part of the Early Years Block funding received by WNC for the MNS) according to the rate and hours that the funding is provided to NNC?
7	If yes, would you like to see a staged approach to this, or a complete move to this distribution in 2022-23 budgets
8	Do you support the LAs proposal to distribute the funding brought forward from 2020-21 to settings? This would be based on a comparison of one funding block to another from 2019-20 to 2020-21
9	Would you prefer the creation of a "Financial Support" fund with the funding brought forward from 2020-2021 run by LAs that settings can apply for?

4. Consultation Outcomes

4.1 The survey was released on 24th December 2021 and closed 14th January 2022. There were 26 responses out of 506 childcare providers in West Northamptonshire.

Below responses taken from 'Appendix 1 – Consultation Spreadsheet 220114'

Do you support the LAs proposal to add: 13p to the base rate for 3 and 4 year olds for Universal and extended provision and 4p to the deprivation rate for 3 and 4 year olds for Universal and extended provision



Comments:

The rise in funding should be in line with the rise in minimum wage. By not providing sufficient funding you are forcing settings to raise the cost of childcare and putting more pressure on families to fit the bill.

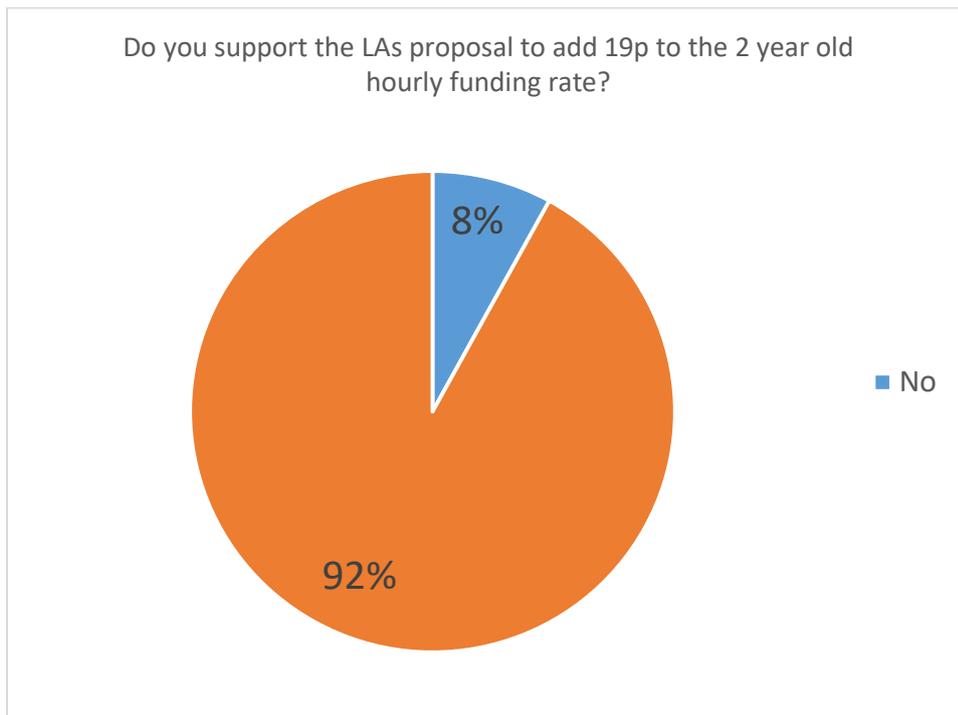
A higher funding rate passed on to providers

Pay the going rate as we think £5.60 per hour is perfectly reasonable as the Minimum Wage rate will be rising to £9.50 per hour from April and this will put more pressure on our finances.

It is not enough especially with the increase to minimum wage in April. I would propose the full amount of £4.66. £4.18 does not even match what we potentially could have had in year 2021-22

I would rather have DAF remain at £615 per year and see an increase in the universal funding rate for 3 & 4 year olds. This funding is Early years bread & butter and quite frankly we are on our knees with the current funding and the proposed increase of 13p is not enough.

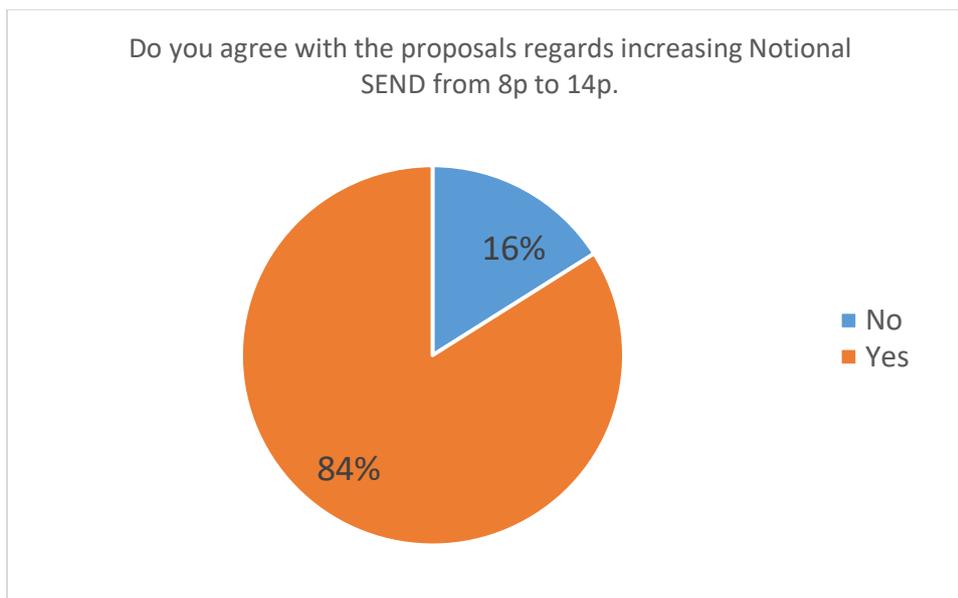
I would propose an increase of 15p per hour to the base rate to take it to £4.20 per hour as this would take us back to the rate we were being paid before the Ofsted grading and staff quality payments were removed from the funding and may help to offset the rises in the minimum wage that have taken place and will take place in April 2022.



Comments

A higher funding rate passed on to providers!

Pay the going rate as with 3-4 year funding.



Comments

Maybe notional SEND should be withdrawn and settings could apply for a lump sum to cover additional costs whilst awaiting referral.

Maybe notional SEND should be withdrawn and settings could apply for a lump sum to cover additional costs whilst awaiting referral.

A significantly higher rate is required to even begin to cover the costs involved with provide sen support to the increasing numbers of children who are requiring it.

Keep Notional Send at the current rate of 8p. Early years are struggling to make ends meet as it is, if we then have to keep back 14p per funded child for notional send we have a total of £4.04 per hour to cover their care with staffing costs and their snacks for snack times (as we are no longer able to charge for these – only voluntary which brings in nothing when you are in a deprived area and families are struggling with financial hardship)

5. Summary of Consultation

5.1 The response rate for the survey was poor with only 26 settings responding out of a possible 506. This will be due to several factors, timing of the consultation and short deadline being the immediate two.

The survey reveals that the sector who responded are in favour of an increase in the hourly rates but feel that with the cost of living rising this does not cover inflation

There are several comments regarding the amounts for the base rate for 3 and 4 year olds as well as the Notional SEND. The sector who responded suggest that the base rate and Notional SEND rates be higher than the proposed increases.

6. The Proposed Early Years Funding rates for West Northamptonshire

Table 1: proposed rates to providers for 2022-23

Funded Entitlements	2021-22 rates	Change	2022-23 proposed*
2 year old funding	£5.23 per hour	19p increase	£5.42 per hour
Universal and Extended Entitlement for 3 and 4 year olds	£4.05 per hour	13p increase	£4.18 per hour
Notional SEND	£0.08 per hour (included within the above base rate)	6p increase	£0.14 per hour (included in the above base rate)
Deprivation for 3 and 4 year olds 30% SOA	£0.28 per hour	4p increase	£0.32 per hour

**Inclusion Fund –Early Years High Needs	£8.00 per hour	Changes to be proposed in a January 2022 consultation specifically on additional support for SEND children	To be confirmed March 2022
Centrally retained budget –	5%	£41,250	£1.13m
Early Years Funding and Business Compliance			
Early Years and Childcare Advisory and Training Service			
Early Years Pupil Premium (EYPP)	£0.53 per hour	7p increase	£0.60 per hour
Disability Access Fund (DAF)	£615 per child per year	£185 per child per year increase	£800 per child per year
Maintained Nursery Sector Supplementary Funding (MNS)	Following feedback from the December Schools Forum meeting, the consultation for this supplement will be held directly with the 5 West Northants Maintained Nurseries to be confirmed February 2022 at the latest.		

*** The non-statutory Early Years High Needs (EYHNF) Funding process and rates will be reviewed and discussed in February 2022.*

Table 2: proposed rates to providers for 2022-23

Funding provided to WNC	2021-2022	2022-2023	Change £	Change %
2 Year old base rate per hour	£5.41	£5.62	£0.21	3.9%
Universal and Extended Entitlement for 3 and 4 year olds per hour	£4.49	£4.66	£0.17	3.8%
Early Years Pupil Premium (EYPP) per hour	£0.53p**	£0.60p**	£0.07	13.2%
Disability Access Fund (DAF)	£615**	£800**	£185	30%
Maintained Nursery Settings protection per hour	£4.57	£4.73	£0.16	3.47%

*** per eligible child, per child's year*

Next Steps

Forum to vote on the following points:

1. Increase base rates at suggested amounts provided in tables 1 and 2
2. Dissemination to the Sector

West Northamptonshire Council Early Years Funding Proposal Report 2022-2023

17th January 2022

Kelly Mills – Early Years’ Business Compliance and Funding Support Service Manager