



# ISLINGTON SCHOOLS FORUM

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## SCHOOLS FORUM

<b>MEETING DATE</b>	<b>Thursday 17 January 2019</b>
<b>AGENDA ITEM 7</b>	<b>2019-20 Islington Early Years Funding Consultation responses</b>
<b>RECOMMENDATIONS</b>	That the Schools Forum:  a) Notes the recommendations presented to and agreed by the Early Years Sub Group

*The following report was circulated to the Early Years Sub Group on 10<sup>th</sup> January and all recommendations were agreed by the members*

### 1 Background

- 1.1. A consultation relating to the 2019-20 funding proposals of 2, 3 and 4 year olds in Islington ran with all early years' providers from 13<sup>th</sup> December – 21<sup>st</sup> December (inclusive).
- 1.2. The consultation addresses the annual DfE changes, which, for 2019-20 sees a final reduction in funding that Islington Local Authority received with the loss of transitional protection.
- 1.3. The consultation set out our proposals for the disapplication process, providing detailed explanations of where the funding would be directed and the funding rates that providers could expect to receive should the disapplication process be successful.
- 1.4. Furthermore, we asked questions in relation to the SEN Inclusion Fund, which is outside of the central retention funding, and whether this was set at an appropriate level.
- 1.5. Where there were multiple responses from the same provider, only one has been counted in the final responses.
- 1.6. There were only 5 respondents (2018-19 - 72 respondents) to the consultation and these are broken down as follows:
  - 4 – Schools and/or Academy
  - 1 – Children's Centre
- 1.7. Although there were a small number of respondents to the consultation, which may be as a result of the short timescale, the content of the consultation is largely as in previous years with the move towards the EYNFF and the principles adopted being the same as in previous years.
- 1.8. The responses have been collated and the results are shown at Appendix A.
- 1.9. Appendix B in this report show the individual comments made within the consultation.

## **2. Consultation section responses**

### **SEN Inclusion Fund & High Needs Block Funding**

- 2.1. We asked whether we should continue with a SEN Inclusion Fund at the increased level; £1,081k. Of the 5 responses, 4 were in favour. The one negative response wanted more information before making a decision in regards to the increase and the use of the funds in the prior year.
- 2.2. All 3 responses were in agreement with the SEND funding in the High Needs block and one respondent referred to the SEND review which will improve understanding of rational for SEND places.

### **Central Retention & Contingency**

- 2.3. Comments in relation to the 5% central retention were supportive from 4 of the respondents 1 respondent did not respond. There were 2 comments one in relation to supporting schools for saved places and one to ask for monitoring and ensuring value for money of central services
- 2.4. In regards to the contingency fund all three responses agreed with the funds held but request more information on the actual spend and use of unspent funds. There is some confusion as what the demographic growth results from as we have a surplus of nursery places.

### **Disapplication Proposals**

- 2.5. These are the key questions to determine whether the Local Authority can go ahead with applying for a disapplication of funding regulations to the DfE. This will enable Islington to reduce the pass-through rate from 95% to 91.4% but it should be noted that the difference is fully pass ported to qualifying early years' settings and is not used for central service spend.
- 2.6. The consultation illustrated the hourly rates that providers were expected to receive from April 2019 and these were explicitly highlighted as being based on the disapplication being successful. Therefore, these were the minimum levels.
- 2.7. In relation to the EYPR disapplication, we asked whether providers agreed that these most disadvantaged children should benefit from the full 30 hours' early education. Of the 4 responses to this question, all 4 were in favour. More information about the panel dates and spend of the budget is requested.
- 2.8. The second part of the disapplication heading asked whether funding for 2, 3 and 4 year olds should better reflect the staffing ratios required. By doing so, Islington would be able to provide a small increase to the 2 year old quality supplement. 4 responses were received for this question, 4 of which were in agreement.

### **3 & 4 Year old EYNFF**

- 2.9. The next section of questions relates specifically to the 3 and 4 year old Early Years National Funding Formula (EYNFF) and focuses on the base hourly rate and which other factors should be used.
- 2.10. The Base Rate within the consultation has been indicated as £5.67 and this is on the assumption that our disapplication of funding is successful. This higher rate represents a 2% increase compared to 2018-19.
- 2.11. Question 7 then asks whether the only other factor to be used in the EYSFF is the mandatory deprivation factor and the flexibility factor for childminders. Of the 4 responses 4 were in agreement.

- 2.12. The supplementary question asked if the Early Years Pupil Premium indicator continues to be the measure of deprivation. 4 responses were received to this question, 4 of which were in agreement.

### **2 Year old EYNFF**

- 2.13. The 2 year old rate was the focus of the next section of the consultation. Islington remain committed to fund 2 year olds at an appropriate rate according to staffing ratios which means the hourly rate continues to be higher than that received from the DfE. The base rate remains at £6.00 per hour for all settings and the following questions ask about additional supplements.
- 2.14. The next question asked whether we should continue to use the quality factor as the only other additional factor in the formula. Out of the 4 responses, 4 were positive.
- 2.15. To ensure that Childminders also benefit from additional funds we asked whether the small setting factor be used. 4 responded to this question and 3 were in favour.
- 2.16. The supplementary question asked whether the formula protects the 2 year old hourly rate in 2019-20. 4 responses were received, 4 were in agreement.

### **General**

- 2.17. As a general question we asked whether providers would continue to offer funded early education for 2, 3 and 4 year olds at the proposed rates set out within the consultation. Of the 4 responses to this question, 4 providers were committed to offer the service.
- 2.18. Respondents agreed that the local authority should continue to pay PVI settings on a six week basis.
- 2.19. A final comment in regards to the EYPR process and funding was received. This is provided in appendix B.

## **3. Recommendations**

- 3.1. The following recommendations were agreed by the Early Years Sub Group and we ask Forum to note all items:
- Continue with the SEN Inclusion Fund at the level stated in the consultation; £1,081k
  - [To proceed with the disapplication process to the DfE – discussed in Item 5 on the agenda](#)
  - 3 & 4 yr old EYNFF - To use the deprivation and flexibility factor within the EYSFF
  - 3 & 4 yr old EYNFF - To continue to use EYPP as the measure of deprivation
  - 2 yr old EYNFF - To continue to use the quality factor for the settings listed
  - 2 yr old EYNFF - To continue to use the small setting factor for childminders
  - 2 yr old EYNFF - To protect the 2 year old hourly rate for 2019-20
  - To continue six weekly payments to PVI providers
  - To update on the SEND Review and its findings
  - Continue to review the EYPR process and funding in the coming year

## Contact

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## Appendix A - Summary of consultation Responses

	Question No.	Question	Number of Settings			Recommendations
			TOTAL	Number of yes's	Number of no's	
SEN INCLUSION FUND	1	Do you agree that we should provide an SEN Inclusion Fund at the level as set out above to support pupils with SEND	5	4	1	Continue with SEN Inclusion at £1,081k
		Please provide any comments	See Appendix B			
CENTRAL RETENTION & 3&4 YEAR OLD CONTINGENCY	2	Do you have any comments about central retention?	See Appendix B			
	3	Do you have any comments about retaining a 3.7% contingency for demographic growth in line with the DfE's changes?	See Appendix B			
HIGH NEEDS BLOCK FUNDING	4	Do you have any comments about SEND funding for early years in the High Needs block?	See Appendix B			
DISAPPLICATION	5	Do you agree that the most disadvantaged children should be able to benefit from 30 hours early education?	4	4	0	To proceed with the disapplication process to the DfE
		Please provide any comments	See Appendix B			
	6	Do you agree that funding for 2,3 and 4 year olds should better reflect the staffing ratios required?	4	4	0	To proceed with the disapplication process to the DfE
		Please provide any comments	See Appendix B			

	Question No.	Question	Number of Settings			Recommendations
			TOTAL	Number of yes's	Number of no's	
<b>EYNFF 3 &amp; 4 AND 2 YEAR OLD'S</b>	7	Do you agree that the deprivation and flexibility factors are used in the formula?	4	4	0	To use the deprivation and flexibility factor
		Please provide any comments	See Appendix B			
	8	Do you agree we should continue to use EYPP as the measure of deprivation?	4	4	0	To continue to use EYPP as the measure of deprivation
		Please provide any comments	See Appendix B			
	9	Do you agree that we continue to use a quality factor in the 2 year old funding formula for nursery schools, primary schools, children's centres and PVI settings?	4	4	0	To continue to use the quality factor within the 2 year old EYNFF
		Please provide any comments	See Appendix B			
	10	Do you agree that we continue to use a small setting factor in the funding formula for childminders?	4	3	1	To continue to use the small setting factor within the 2 year old EYNFF for childminders
		Please provide any comments	See Appendix B			
	11	Do you agree with protecting the 2 year old funding rate to providers during 2019-20?	4	4	0	To protect the 2 year old hourly rate for 2019-20
	Please provide any comments	No Comments Received				
<b>ADDITIONAL QUESTIONS</b>	12	Given all the information provided, will you continue to provide funded early education for 2, 3 and 4 year olds (as appropriate to your setting) at the proposed rates set out above?	4	4	0	
	13	Do you agree that we continue to pay PVI settings on a six-weekly basis?	4	4	0	To continue to pay PVI providers on a six weekly basis
	14	Please provide any final comments	See Appendix B			

## Appendix B – 2019-20 - Early Years Funding Consultation Responses – Comments

Question	Comment
<p><b>Q1.</b> Do you agree that we should provide an SEN Inclusion Fund at the level as set out above to support pupils with SEND?</p>	<ul style="list-style-type: none"> <li>• As a nursery school with no AEN money we rely on the funding from the inclusion fund to ensure early identification, appropriate interventions and timely EHCP submissions where appropriate.</li> <li>• I think it is important to retain this fund- in the past we have benefited from funding and it has ensured those children with the greatest level of need can be effectively supported within our school.</li> <li>• We cannot make an informed decision without knowing (a) the level of increase between 1819 and 1920 (b) the % breakdown of SEN and EYPR (Children's Centres) and (c) whether the fund was used up last year, including the allocation of funds to SEN and EYPR.</li> </ul>
<p><b>Q2.</b> Do you have any comments about central retention?</p>	<ul style="list-style-type: none"> <li>• The proportion of the central retention funding which targets the most disadvantaged is crucial in ensuring that these children receive the support needed to diminish the difference</li> <li>• I agree with the principle of central retention to add capacity for timely responses to need within schools and EY settings. However, I firmly believe that the SAVED places, particularly in the Autumn term, for EY settings need to be protected to the average level of occupancy calculated on the basis of the two other terms, or on the basis of two January census years.</li> <li>• I agree with the LA's view</li> <li>• We agree with the central retention rate of 5%, provided that costs are monitored and impact is evaluated, assuring value for money for these central services.</li> </ul>
<p><b>Q3.</b> Do you have any comments about retaining a 3.7% contingency for demographic growth in line with the DFE's changes?</p>	<ul style="list-style-type: none"> <li>• We understand the purpose of the contingency but the future demography is unlikely to grow. What will it be used for if the population does not increase</li> <li>• Yes, I would like to understand why we are retaining funding for growth, when we also, at the same time, have more than enough spaces for a few years to come and we are also discussing low take up?</li> <li>• I agree with the LA's view</li> <li>• How does this contingency reconcile with a surplus of nursery places in Islington? What proportion of the fund has been spent / will be spent in 1819? What happens to the surplus of the fund?</li> </ul>
<p><b>Q4.</b> Do you have any comments about SEND funding for early years in the High Needs Block?</p>	<ul style="list-style-type: none"> <li>• This funding is essential to ensure that these children get appropriate support particularly as many spend a very short time in nursery and depend on established expertise within the school. This can only be achieved with appropriate funding as part of the schools designated budget. Spend to save!</li> <li>• I feel that our upcoming review of this should help us make rational and robust arguments for a design that suits early years funding for SEND places. I feel that this is a discussion that needs to be had and finalized with primary schools fully able to understand the rationale and an agreement that this is then only reviewed on a timetabled /scheduled manner.</li> <li>• I agree with the LA's recommendation.</li> </ul>
<p><b>Q5.</b> Do you agree that the most disadvantaged children should be able to benefit from 30 hours early education?</p>	<ul style="list-style-type: none"> <li>• WE have seen first hand where children who would otherwise not benefit from the consistency of attending high quality provision which matches their needs</li> <li>• I would like to know that all the dis-application is fully spent. perhaps a report on what was achieved in the bid and how much was used?</li> <li>• I also think that it would be very helpful having someone in school who can guide and advise parents effectively so that all those who are potentially entitled to the 30 hrs early education</li> </ul>

	<p>actually receive it. Does the LA provide this guidance for school office staff and EY leaders so that they can signpost the best action for parents to take?</p> <ul style="list-style-type: none"> <li>Schools need more information about EYPR applications (dates for panel meetings / deadlines for submission).</li> </ul>
<b>Q6.</b> Do you agree that funding for 2,3 and 4 year olds should better reflect the staffing ratios required?	<ul style="list-style-type: none"> <li>EPPE research highlighted this</li> <li>I thought this was already the case and that this was a statutory requirement?</li> </ul>
<b>Q7.</b> Do you agree that the deprivation and flexibility factors are used in the formula?	<ul style="list-style-type: none"> <li>Evidence shows that children need consistency to consolidate learning and need to come to school 5 days per week, flexibility should build on this core provision</li> </ul>
<b>Q8.</b> Do you agree we should continue to use EYPP as the measure of deprivation?	<ul style="list-style-type: none"> <li>Until a better measure is available and as yet we do not know enough about universal credit</li> </ul>
<b>Q9.</b> Do you agree that we continue to use a quality factor in the 2 year old funding formula for nursery schools, primary schools, children's centres and PVI settings?	<ul style="list-style-type: none"> <li>Evidence supports this</li> </ul>
<b>Q10.</b> Do you agree that we continue to use a small setting factor in the funding formula for childminders?	<ul style="list-style-type: none"> <li>They are not settings with overheads</li> </ul>
<b>Q11.</b> Do you agree with protecting the 2 year old funding rate during 2018/19?	<ul style="list-style-type: none"> <li>None</li> </ul>
<b>Q12.</b> Given all the information provided, will you continue to provide funded early education for 2, 3 and 4 year olds (as appropriate to your setting) at the proposed rates set out above?	<ul style="list-style-type: none"> <li>None</li> </ul>
<b>Q13.</b> Do you agree that we continue to pay PVI settings on a six-weekly basis?	<ul style="list-style-type: none"> <li>None</li> </ul>
<b>Q14.</b> Please provide any final comments	<ul style="list-style-type: none"> <li>No experience in this so difficult to comment</li> <li>I would like to see the following happen in order to enable settings to be as sustainable as possible; That all settings with EYPR places are reminded to review EYPR children and placements and MOVE them to vacant community places when appropriate, especially prior to headcount/census dates. This means we have less vacancies as settings as the EYPR places are funded even if vacant. If the LA feels that there are then too many vacant EYPR places, which they have a local agreement to fund even when vacant, then this may need a review (i.e. do we need them all?) This would go some way to helping settings to guard against the huge impact of saved places. In addition, some consideration has to be given to the AUTUMN term funding. This term is always an issue and I would like to see the LA take this into full consideration with regard to saved places. if places are VACANT, this is the responsibility of the setting, but if places are saved, and therefore we are unable to allocate the places, we have to have some stabilization to the funding</li> </ul>