

## Schools Forum

31<sup>st</sup> October 2017

### Early Years Single Funding Formula (EYSFF) Update / Proposals

#### 1. Introduction

The purpose of this report is to consider:-

- The introduction of funding for three and four year-old additional hours for working parents from September 2017.
- The Early Years Module (ONE System) and early year's data collection.
- Proposals regarding retrospective EYSFF adjustments and basis of annual budget from 2018-19 onwards.

#### 2. Background / Update

2.1 Significant changes to the way Early Years provision is funded were formally implemented from 1<sup>st</sup> April 2017. These were that:

- Local Authorities must pass 93% in 2017-18 then 95% from 2018-19 onwards of early years funding to providers. SBC moved straight to 95% from 1<sup>st</sup> April 2017.
- Local Authorities must move to a universal base rate to fund providers for each hour of the free entitlement, by no later than 2019-20. SBC implemented this at a rate of £4 per hour from 1<sup>st</sup> April 2017.
- Local Authorities have a limited set of funding supplements, with a total value capped at 10% of allocated budget to providers. The permitted supplements are for deprivation (mandatory, but for authorities to decide locally the measures they use); discretionary supplements for rurality / sparsity; flexibility; quality (to support workforce qualifications and system leadership); and a supplement for English as an additional language.

SBC agreed to implement a Rurality / Sparsity supplement only.

- Local Authorities must set-up an Inclusion Fund for children with special educational needs to support providers in driving outcomes for these children.

A £120k Inclusion Fund was set-up for Financial Year 2017-18.

- There is a new Disability Access Fund (DAF) of £12.5m, equivalent to £615 per child per year to support access to the free entitlements. This Fund is for three- and four-year olds who are taking up their free entitlement and are in receipt of Disability Living Allowance.

SBC was initially allocated £55,350.

### **3. Three and four year-old additional hours for working parents from September 2017.**

- 3.1 From September 2017, the Government extended the free entitlement to childcare from 15 to 30 hours a week for working parents. This will be funded at £4 per hour in line with the existing 15 hour provision.
- 3.2 Funding for the 2017-18 financial year will be provided to schools based on actual take-up recorded via the Early Years Provider Portal/ONE System (see also paragraph 4 below). Funding for the Autumn Term and Spring Terms will be provided towards the end of each term once the data has been collected and checked. This will ensure that schools have funding this financial year for the additional hours.

### **4. The Early Years Module (ONE System) and early year's data collection.**

- 4.1. On a termly basis Schools will provide the Early Years Team with details of eligible children, hours and weeks to be claimed by completing accurate headcount tasks through the Early Years Provider Portal/One System. Adjustments will then be made termly in arrears based on actual take-up. This will bring Schools in line with PVI's and Academies.

### **5. Retrospective Formula Adjustments and Basis of Annual Budget**

- 5.1. The 2017-18 financial year EYSFF budgets were set using recorded hours from the previous calendar year (spring 2016, summer 2016 and autumn 2016) plus some adjustments relating to financial years 2015-16 and 2016-17.
- 5.2 As the Early Years Team is now able to collect data more accurately via the Early Years Module, we intend, from April 2018, to calculate EYSFF budgets for 2018-19 based on the previous financial year (summer 2017, autumn 2017 and spring 2018). Adjustments will then be made termly in arrears when the data for the actual hours is available. This will ensure that all settings (maintained, academies and PVI's) are funded for actual take-up in the financial year.
- 5.3 In order to ensure schools are accurately funded in year, it will be necessary to take account of all outstanding adjustments from financial years 2016-17 and 2017-18 in the calculation of the EYSFF budgets for 2018-19. However, if there are any significant reductions in funding as a result of this exercise, some transitional support may be provided in individual cases to smooth out this reduction but it must be noted that early years funding from the EFSA to the Local Authority is based on actual take-up.

### **6. Recommendations**

- 6.1 That the Forum notes the contents of this report and gives its view on these financial arrangements concerning changes to Early Years funding.

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