

Schools Forum

Meeting Date 6 March 2024

Subject: Early Years Funding Formula – 2024/25: Responses to Consultation

Cabinet Member: Cllr Abdullahi

Report Number: 28

Item: 5c

Purpose of Report

1. This report provides a summary of responses received for the proposed local early years funding formula for 2024/25.

Recommendations

2. The Schools Forum are asked to consider and confirm their agreement to the recommended changes to the local early years funding formula.

Relevance to the Council's Corporate Plan

3. The Council has an oversight of the DSG and is responsible for the management and allocation of the funding to all schools in their area. The Council has to ensure the local arrangements are in line with the regulations governing school funding and aim to meet the needs of Enfield's children and young people (CYP).

Main Consideration for the Schools Forum

4. BACKGROUND

At the last meeting, the Forum was asked to confirm their support for consulting on the local early years funding formula for two, three and four year olds.

This report provides a summary of responses received and seeks the Forum's views and agreement on the proposed changes for 2024/25.

5. SUMMARY OF RESPONSES

- 5.1 The consultation document was published on 24 January 2024. The deadline for submitting responses was Wednesday 21st January and by this date 51 responses had been received. This is approximately 33% of private, voluntary, independent providers, childminders, schools and academies delivering the early years offer in their settings.

5.2 Consultation Proposals

Schools were asked to respond on the proposal to include a quality supplement in the local early years funding formula. The proposal sought:

(a) The Inclusion Fund (SENIF)

- The Inclusion Fund for three and four year olds was introduced to support pupils to enable local authorities to work with providers to address the needs of individual children with SEND.
- From April 2024: Be extended to include 2 years olds
- From September 2024: Be extended to include babies aged 9 months and above.

(b) Introduction of monthly payments to support providers and childminders sustain their businesses

- (c) The Contingency Childcare Support Fund continues for children with family support, assigned social workers, on Child Protection plans and special needs as they benefit from accessing additional hours or other types of support not available from the Inclusion Fund.

5.3 **Consultation - Responses Received**

5.3.1 Appendix A summarises the responses to the consultation.

5.3.2 The majority of responses supported the proposals relating to:

- (i) The continuation and extension of the Inclusion Fund:
 - For three and four year olds to enable local authorities to work with providers to address the needs of individual children with SEND.
 - From April 2024: Be extended to include 2 years olds
 - From September 2024: Be extended to include babies aged 9 months and above.
- (ii) Maintaining the Contingency Childcare Support Fund for children with family support, assigned social workers, on Child Protection plans and special needs as they benefit from accessing additional hours or other types of support not available from the Inclusion Fund.

5.3.3 There were mixed views with regards the introduction of a monthly payment system with a majority of providers seeking to continue with the current arrangements of termly payments (6 payments a year, including adjustments payments throughout each term).

It is acknowledged that monthly payments will have some impact on providers' workload in terms of administration, as actuals will have to be submitted within the deadlines for the monthly headcount dates, even when it is a short month due to school holidays, e.g. this April is a 2-week month due to Easter holidays, so providers will claim a maximum amount of 15hrs/30hrs x 2 weeks.

Therefore, it is proposed to continue to submit 'Estimates' and 'Actuals, each term.

5.3.4 Table 1 details other comments that were received.

Any other comments	Response
Happy with all above	
Have never done funding	
I do feel 3/4 finding could be higher such as £7.80	The funding rate is set by the DfE including the formula the LA is required to passport to providers in line with the regulations.
We really need an increase in the hourly funding rate for 3+ funding like what happened with the two year funding rate in 2023.	
I think the funding rate for 3-4 yr olds is too low. I think Childminders are being overlooked in terms of funded levels. Childminders are a major and effective cog for the local and national economy as without their excellent provision most families would become single income families and experience high levels of financial short fall to meet everyday costs.	
This will help so many families and help more parents to return to work early if they have too	
We are happy for payments to continue to be made termly, however it would be more beneficial if the payment was received from the first week of term, to support the cash-flow of smaller settings.	Dates will be reviewed
Happy to see monthly payments in the proposal	
Monthly payments needed, especially for childminders receiving UC. Better computing system needed for Council to be able to deal with extra demand. At the moment the system is very slow and problems often occur when trying to enter data.	Please see responses detailed in paragraph 5.3.3.
Monthly payments needs to happen, as how are we meant to pay our staff and bills. The way the pay system works now if it continued I would not be able to accept many parents on funding as I need a monthly income.	

Any other comments	Response
The funding for 3&4 year olds does not cover the cost of providing a place and is considerably lower than the funding for other age groups. This is leaving providers having to consider if they will provide care for this age group or concentrate on younger groups to avoid a huge drop in income when children turn 3. I think a monthly income is essential for small settings to maintain a viable business. The fact that funding only covers care and education needs to be more clearly communed to parents.	
Monthly payments would be more appropriate for funded children	
Due to lack of qualified level3 recruiting staff is becoming increasingly challenging. Portal submission is lengthy therefore monthly submission would be overloading of work.	
Monthly payment system will really help with cash flow for providers	
Keep Funding payments as it is please	
If we could have confirmation that if moving to monthly payments, these payments will be made in advance for the month? If payment will be in arrears i personally feel this could be have a huge impact on childminders as due to nearly all parents having some kind of support from funding - funding will now be the major part of our income and i cannot see that with the percentage left as our income from parents who pay in advance will not cover our out goings at the start of each month and could possible put is in a position of either taking out a loan to cover this at the start or consider closing the business as it will not be financially viable? Will we have the oppportunity to stay to termly or will it just be monthly moving forward? Also would like to of seen a more joint up view to funding across all age ranges so parents are not seeing a decrease in funding across parents leading to questions over top up/sustainability fees. I understand its to do with ratio's in larger setting but feel we now will all be looking to take the younger children due to the higher funding rates and look to move on the older children who then will not get the continuity of care they deserve.	
Monthly submission would be a very difficult task for a day care nursery who have a high number of children enrolled.	
I do not agree with changing to a monthly payment system, as this only creates more work, when the current system already works.	
No change in payment method please	
No Monthly payments	
No monthly payments please	
no to monthly payments	
no to monthly payments	
Payments ideally to be made by the 1st of the month how I am normally paid from parents.	
Thank you for supporting us	
The monthly payment system will put additional administrative pressure on an already stretched workforce.	
They do need to start paying childminders monthly has every 3 months is going to make it hard for us to manage & they should look at help for the holidays to has most parents still work & it's then a lot for them to find.	

6. It is recommended that the proposed changes as detailed in paragraph 5 inform the local early years funding formula.¹

¹ Information published by the DfE has informed the local arrangements. Further information can be found at [Early years funding: 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policies/early-years-funding) .

Table 2: 3 & 4 Year olds unit rates for the local funding formula

3& 4 Year old Factors & Funding Rates From April 2024	2023/24 Rate per hour £	Rate per hour %	2024/25 Rate per hour £	Rate per hour %
Basic hourly rate per child	£5.44	88.9%	£6.03	89.87%
Deprivation (Mandatory)	£0.12	1.8%	£0.12	1.8%
Quality (TPG)	£0.13	2.1%	£0.13	1.93%
Inclusion Fund	£0.12	1.8%	£0.12	1.78%
Inclusion Fund Plus	£0.01	0.2%	£0.01	0.15%
Central Support	£0.30	4.9%	£0.30	4.47%
Total Rate	£6.12	100%	£6.71	100%
3& 4 Year Old Rate	£6.12	100%	£6.71	100%

Table 3: 2 Year olds: Unit rates for the local funding formula

2 Year old Factors & Funding Rates From April 2024	2023/24 Rate per hour £	Rate per hour %	2024/25 Rate per hour £	Rate per hour %
Basic hourly rate per child	£9.00	100%	£9.10	93%
Deprivation	£0.00	£0.00	0.19p	2%
Inclusion Fund	-	-	0.19p	2%
Central Support	-	-	0.29p	3%
Total Rate	£9.00	100%	£9.77	100%
2 Year Old Rate	£9.00	100%	£9.77	100%

Table 4: Under 1s: Unit rates for the local funding formula

9 months olds Factors & Funding Rates From September 2024	2023/24 Rate per hour £	Rate per hour %	2024/25 Rate per hour £	Rate per hour %
Basic hourly rate per child	-	-	£12.67	95%
Inclusion Fund	-	-	0.27p	2%
Central Support	-	-	0.40p	3%
Total Rate	-	-	13.34	100%
9 Month Old Rate	-	-	£13.34	100%

Financial Implications

7. The recommendations in this report will be subject to the resources available.

Conclusions and Recommendations

8. The Forum is asked to consider and confirm its agreement to the local early years formula and funding arrangements.

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Date of report: March 2024

Appendices: None

Background Papers:

Early Years funding regulations and DfE operational and guidance documents

Early Years funding consultation document and responses

Schools Forum and Education Resources Group reports from previous meetings