

Submitted to Early years funding: changes to funding for 3 and 4 year olds
Submitted on 2016-09-20 17:00:20

Introduction

1 Welcome - would you like to provide your email address?

Email:
alison.manning@suffolk.gov.uk

2 Would you like to tell us the name of your organisation?

Organisation:
Suffolk County Council

About you

3 We'd like to know which area of the early years sector your answers represent. Which of these categories best describes your role in the sector?

This is a drop down menu of different categories of respondent - from nursery to local authority:
Local Authority

If you have answered 'other' please provide more details::

4 In which region do you work?

A drop-down menu of the 9 regions of England:
East of England

5 If you are not responding as a local authority, which local authority you work in?

A list of all the local authorities in England:

6 If you are a childcare provider, do you consider yourself to work in a:

7 If you are a childcare provider, how many children can your individual setting offer places to?

Not Answered

8 If you are a childcare provider, do you offer the free entitlement to:

Page 2 - Early Years National Funding Formula

9 Should there be an early years national funding formula (to distribute money from Government to each local authority)?

Yes

10 Considering a universal base rate of funding which does not vary by local area...

Base rate (EYNFF) - Should a universal base rate be included in the early years national funding formula?:
Yes

Base rate (EYNFF) - Is 89.5% of overall funding the right amount to channel through this factor?:
Unsure

11 Considering an additional needs factor...

Add needs - metrics - Should an additional needs factor be included in the early years national funding formula?:
Yes

Add needs - metrics - Do we propose the correct set of metrics?:
Unsure

Add needs - metrics - Do we propose the correct weightings for each metric?:
Unsure

12 Considering an area cost adjustment...

ACA - Should the early years national funding formula include an area cost adjustment?:

Yes

ACA - Should that adjustment be based on staff costs (based on the General Labour Market measure) and on nursery premises costs (based on rateable values)?:

No

13 If you have any comments or recommendations for alternative metrics or weightings to be used in the early years national funding formula, please explain here:

This box allows you to write an answer freely:

Difficult to provide an informed response as the rationale for the proposals isn't clear.

We don't think rateable values is a suitable measure.

This is generally a lower paid sector so the metrics need to reflect the pay costs of this particular sector as opposed to general labour market costs.

14 To what extent do you agree with the proposed funding floor limit, so that no local authority would face a reduction in its hourly funding rate of greater than 10%?

Strongly disagree

Page 3 - Two technical questions

15 To implement the increased hourly rate for the two-year old free entitlement...

2YO - Should we retain the current two-year-old funding formula?:

Yes

2YO - Should we use the additional funding secured at the spending review to uplift local authorities' allocations based upon this?:

Yes

16 Considering the Dedicated Schools Grant, should the free entitlement be capped at 30 hours for children of eligible working parents and 15 hours for all other children?

Yes

Page 4 - A high pass-through of local authority funding to providers

17 Should Government set the proportion of early years funding that must be passed on to providers?

Yes

18 Do you think that 95% is the correct minimum proportion of the money that should be passed from local authorities to providers?

No, 95% is too high

19 If you would like to explain a response you've submitted on this page in more detail, please do so here:

This box allows you to write an answer freely:

From an LA perspective there will be insufficient resource to provide a service that may or may not be bought back. So in a large shire county with many smaller providers (particularly in rural areas) they would be disadvantaged by a buy back approach.

Page 5 - How money is distributed from local authorities to childcare providers

20 Should local authorities be required to give the same universal hourly base rate to all childcare providers in their area?

Yes

21 Considering funding supplements that local authorities could choose to use (above the universal base rate)...

Supplements - Should local authorities be able to use funding supplements?:

Yes

Supplements - Should there be a cap on the proportion of funding that is channeled through supplements?:

Yes

22 If you agree that there should be cap on the proportion of funding that is channeled through supplements, should the cap be set at 10%?

No, the cap should be lower than 10%

23 Should the following supplements be permitted?

Basket of supplements - Deprivation:

Yes

Basket of supplements - Sparsity / rural areas:

Yes

Basket of supplements - Flexibility:

No

Basket of supplements - Efficiency:

No

Basket of supplements - Additional 15 hours of childcare:

No

24 When using funding supplements, should local authorities have discretion over the metrics they use and the amount of money channelled through each one?

Metrics & amount - supplements - Deprivation:

Yes - over the metric they use, Yes - over the amount of money

Metrics & amount - supplements - Sparsity / rural areas:

Yes - over the metric they use, Yes - over the amount of money

Metrics & amount - supplements - Flexibility:

Yes - over the metric they use, Yes - over the amount of money

Metrics & amount - supplements - Efficiency:

Yes - over the metric they use, Yes - over the amount of money

Metrics & amount - supplements - Additional 15 hours of childcare:

Yes - over the metric they use, Yes - over the amount of money

25 If you agree that efficiency (efficient business practices that provide excellent value for money) should be included in the set of supplements, do you have a suggestion of how should it be designed?

This box allows you to write an answer freely:

Unsure how efficiency is best measured. However, efficiency should reflect effectiveness and high quality and could therefore be linked to qualifications.

26 If you agree the delivery of the additional 15 hours of free childcare should be included in the set of supplements, do you have a suggestion of how should it be designed?

This box allows you to write an answer freely:

The funding formula should be sufficient for providers offering any free entitlement hours otherwise there is a danger of promoting quantity before quality. Given the proposals for funding allocations for Suffolk i.e. significantly reduced amounts we believe that it will be detrimental to the financial stability of providers for the universal 15 hours let alone the additional 15 hours.

This will be compounded by a further reduction in income if providers offer the additional 15 hours where currently parents pay a higher rate for those hours.

27 If you think that any additional supplements should be permitted which are not mentioned here, please set out what they are and why you believe they should be included:

This box allows you to write an answer freely:

Supplements to recognise:

- a) the costs incurred by different types of premises that providers use e.g. schools, PVI (ref The Cost of Childcare Review).
- b) qualifications - higher qualifications should be rewarded as our experience demonstrates that this impacts positively on the quality of provision and therefore children's outcomes.

Not recognising qualifications in relation to the funding would undermine our Raising the Bar priorities as it is key to improving attainment levels for all children in Suffolk.

28 Finally, for this page, if you want to explain a response you've submitted on this page in more detail, please do so here:

This box allows you to write an answer freely:

The detail about supplements and caps seems irrelevant in the context of a LA receiving huge reductions in funding with such short timescales for implementation and also when the authority has already reduced centrally retained funding by reducing the service in order to pass more funding to providers. Currently centrally retained funds stand at 6.4%. Our concern is how providers will remain financially viable following the proposed cuts particularly given the associated costs of the living wage, pensions and the potential loss of income from parental fees when 30 hours is available to them.

The local authority's concern is that all these factors will impact on a providers financial sustainability and therefore compromise our ability to secure sufficient

places for parents. There is the possibility that some providers will only offer funded 2 year old places and other places for parents willing to pay.

Page 6 - Funding for disabled children

29 Should there be a Disability Access Fund to support disabled children to access their free entitlement?

Yes

30 Should eligibility for the Disability Access Fund be children aged 3 or 4 which are a) taking up their free entitlement and b) in receipt of Disability Living Allowance?

Yes

31 When it comes to delivering the funding for the Disability Access Fund, is the most appropriate way the existing framework of the Early Years Pupil Premium?

Not Answered

32 If you want to explain a response you've submitted on this page in more detail, please do so here:

This box allows you to write your answer freely:

Our only concern is that some families may not claim DLA and so therefore not be eligible to access this fund.

Page 7 - Funding for children with special educational needs

33 To what extent do you agree that a lack of clarity on how parents / childcare providers can access financial support results in children with special educational needs not receiving appropriate support? (We mean children who do not already have an Education, Health and Care Plan)

Agree

34 When it comes to establishing an inclusion fund...

SEN - inclusion fund - Should local authorities be required to establish an inclusion fund?:

Neither agree nor disagree

SEN - inclusion fund - Would an inclusion fund help improve the supply of appropriate support children receive when in an early years setting?:

Neither agree nor disagree

35 If you envisage any barriers, arising from existing practice or future proposals, to introducing a new requirement on local authorities to establish an inclusion fund, please tell us what they are and how they might be overcome:

This box allows you to write an answer freely:

Concern that this will require a process of claiming for providers and payments from the LA which is costly.

Suffolk has recently moved away from this approach in order to be more efficient and timely in providing a notional amount within the base rate so that the majority of children's needs can be met by providers and where there is high need they can make a claim.

Also, it is also unclear how this links to the proposals for supplements for deprivation/SEN.

36 When it comes to the SEN inclusion fund, should local authorities be responsible for deciding...

SEN - local authority role - The children for which the inclusion fund is used?:

Yes

SEN - local authority role - The value of the fund?:

Yes

SEN - local authority role - The process of allocating the funding?:

Yes

37 Where specialist SEN or SEND services are delivered free at the point of use, should they be considered as funding passed directly to providers for the purposes of the 95% high pass-through?

Agree

38 If you want to explain a response you've submitted on this page in more detail, please do so here:

This box allows you to write an answer freely:

Suffolk already has a fund for EY children with high needs so we would want to continue this approach. However, we're concerned that High Needs Block which provides the funding is under extreme pressure so it's unlikely to be available going forward. A reduction in funding to the EY Block will mean it won't be available through this route and the DfE will need to resource the Inclusion Fund.

Page 8 - Transitions to a new funding system

39 To what extent do you agree with the transition approach proposed for the Early Years National Funding Formula (money distributed from Government to local authorities)?

Strongly disagree

40 To what extent do you agree with the transition approach proposed for the high pass-through of early years funding from local authorities to providers?

Disagree

41 To what extent do you agree that our proposals on the high pass-through of funding from local authorities to childcare providers makes the existing Minimum Funding Guarantee for the early years unnecessary?

Disagree

42 To what extent do you agree with the transition approach proposed for introducing the universal base rate for all providers in a local authority area?

Strongly disagree

43 If you want to explain a response you've submitted on this page in more detail, please do so here:

This box allows you to write an answer freely:

As a LA that is likely to receive less funding we have serious concerns that:

the proposals to cut the funding will be too much, too quickly. It's worth noting that individual providers may lose more than 5% p.a.

The MFG offers a more manageable level of protection to providers, if set at a similar level to that used in schools (1.5%) and therefore likely to result in less turbulence and potential decline in the market.

Page 9 - Equality Assessment

44 Please provide any representations and/or evidence on the impact of our proposals for the purposes of the Public Sector Equality Duty (Equality Act 2010).The protected characteristics are: age; disability; gender reassignment; pregnancy and maternity; race (including ethnicity); religion or belief; sex and sexual orientation.

This box allows you to write your answer freely:

Age - as previously explained, the potential for places to be at risk due to financial viability at provider level, means that children eligible for the free entitlement will be disadvantaged if places are not available.

Disability - children with disabilities could be disadvantaged if an application process is needed to release funds to enable providers to meet their needs. A process implies a delay in getting funds to the child.

Minority groups - language barriers may mean some families don't understand the need to be claiming DLA (where they're eligible to do so) so restricting their access to Disability Access Fund.