

Early Years Funding – extension of the entitlements Consultation Questions & Feedback (Live 21/7/23 to 8/9/23)

Section 1: National funding distribution for entitlements for children aged 2-years-old and under

These questions relate to proposals regarding the national funding formula that will be used to distribute funding to local authorities for 2-year-olds and under from April 2024 in light of the new entitlements. There are also questions in this section relating to proposals to extend eligibility for the disability access fund (DAF) and early years pupil premium (EYPP) to all children accessing the entitlements from April 2024.

1. Do you agree that we should introduce IDACI as a new proxy, and use it alongside FSM as a basket of measures for deprivation in the additional needs factor in the new national funding formula for 9-month-olds to 2-year-olds?

Yes, No, unsure.

Any add'l comments.

Yes this is a fair proxy that will capture the disadvantaged families that fall under the just managing umbrella to maximise their chance of being included. IDACI proxy alone will not capture all disadvantaged families so FSM is relevant.

2. Do you agree that we should continue to use EAL and DLA as proxies in the additional needs factor in the new funding formula?

Yes, No, unsure.

Any add'l comments.

Yes.

3. Do you agree with our proposed approach to the area cost adjustment in the new national funding formula?

Yes, No, unsure.

Any add'l comments.

Yes for consistency between the funding formulae.

4. Overall, do you agree with our proposed approach of following the same structure and weightings for the new national funding formula as in the existing 3-and-4-year-old formula?

Yes, No, unsure.
Any add'l comments.

Yes for consistency.

5. Do you agree that we should extend DAF eligibility to all children accessing the entitlements from April 2024?

Yes, No, unsure.
Any add'l comments.

Yes but we anticipate the number of eligible pupils will be low and will be emerging.

6. Do you agree that we should extend EYPP eligibility to all children accessing a free childcare entitlement from April 2024?

Yes, No, unsure.
Any add'l comments.

Yes although this will mostly only affect disadvantaged 2yo's not children of working parents due to the minimum qualifying threshold. Government should consider raising the threshold as many disadvantaged children will not qualify. We suggest they consider implementing an "ever EYPP" measure to ensure that once eligible, children remain so. We ask you to consider if this is the best means of providing disadvantage funding due to the reported long-standing issue of providers not applying for EYPP funding due to the administrative processes that is disproportionate to the level of funding.

Section 2: Impact of proposals

Alongside the consultation document, we have published modelling which provides illustrative 2024-25 funding rates and allocations for the entitlements for 2-year-olds and under.

We propose to give each local authority rates in 2024-25 for the 2-year-old and 9-month-old up to 2-year-old entitlements calculated using the formula set out above. These funding rates are for a new working parent entitlement for under 2s, and for a new mixed cohort of the disadvantaged 2-year-old entitlement and the new working parent entitlement for 2-year-olds, and they will be calculated using a new funding formula. This means that there is no baseline against which they should be compared.

7. Year-to-year protections for these funding rates may be desirable in future years. We will keep this under review and consider whether any protections are appropriate when we are setting rates for 2025-26. Do you agree with this approach?

Yes, No, unsure.

Any add'l comments.

We understand that this is a starting point and welcome the fact that there are no protections as these usually work to the detriment of northern cities. We have concerns about the future growth of current 2yo funding rates as providers may expect these to remain at or increase at the same % level from 2023-24 rates going forwards.

Section 3: Local authority funding formulae for childcare entitlements

With the expansion of the entitlements, we are proposing to extend the current framework of rules for the distribution of entitlements funding by local authorities to the existing offer for disadvantaged 2-year-olds and to the new offers for working parents of children aged 2-years-old and under. The questions in this section focus on the key features of this framework as well as seek views on the current processes around SEND funding and options for change.

8. Do you agree a pass through rate of 95% should be applied to each funding stream in 2024-25: the 3-and-4-year-old universal and 30 hours offer; the two-year-old disadvantaged and working parent offers; and the 9 months to two year-old offer?

Yes, No, unsure.

Any add'l comments.

Yes, we agree with the principle of applying the same pass through rate to all funding streams as we do anticipate LA's will incur additional costs whilst promoting and assisting parents and providers in this implementation.

9. Do you agree that the same list of allowable supplements should be applied to every entitlement funding stream, capped at a maximum 12 percent of planned funding for that entitlement?

Yes, No, unsure.

Any add'l comments.

Yes

10. Do you agree that the deprivation supplement should be mandatory for every entitlement funding stream?

Yes, No, unsure.

Any add'l comments.

Yes, for consistency.

11. Do you agree with our proposal that local authorities should establish a special educational needs inclusion fund for children aged 9 months to 2-years-old who are taking up the entitlements?

Yes, No, unsure.
Any add'l comments.

Yes this is vital and is an important opportunity to identify emerging needs and intervene early to support children and families. Many needs which may be "emerging" may not be low level and SENIF funding alone may not be enough. Access to High Needs funding may also be required not only for children with an EHCP of which there will be few in this age group.

12. What more can be done to support local authorities and providers to reduce bureaucracy and streamline SENIF processes whilst also ensuring the system remains fair and financially sustainable?
Response text box limited to 200 words.

A consistent national approach to SENIF funding, learning from best practice at local level would be fairer than the current postcode lottery. Providers report that SENIF application procedures are increasingly bureaucratic and restrictive. There is a tension between the EYFS reforms pushing for a reduction in data tracking of children and the SEND system which frequently requires this evidence. The system must be financially sustainable for providers as the core funding does not include any top up for SEN funding over and above the notional SEN. Current levels of SEND and SENIF funding is not sufficient to cover the full costs of support and is frequently received too late in a child's attendance in a setting. When providers are struggling to support these families, as funding is insufficient they are turning them away. Often 30 hour children only receive SENIF support for 15 hours; if they are to take up their 30 hours entitlement at any age, additional funding will be required for all the hours.

13. Would local authorities and providers find it helpful for the Department to be more prescriptive about the operation of local SENIFs?
Yes, No, unsure.
Any add'l comments.

We would welcome clear prescriptive guidance on SENIF for fairness.

Section 4: Equalities Impact Assessment

The Public Sector Equality Duty requires public authorities to have due regard to the need to:

- eliminate discrimination, harassment and victimisation;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

- foster good relations between persons who share a relevant protected characteristic and persons who do not share it

Public authorities include the Department for Education, local authorities, governing bodies.

The protected characteristics are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual Orientation

14. Do you have any comments about the potential impact, both positive and negative, of our proposals on individuals on the basis of their protected characteristics? Where any negative impacts have been identified, do you know how these might be mitigated?

Response text box limited to 200 words.

The targeting of the new entitlements at working parents disadvantages parents who are unable to work because of a disability or because of caring responsibilities for a family member. SEND is more prevalent in economically disadvantaged households, who are less likely to work or likely to work fewer hours.

Any Other Comments

This section allows for any additional comments to be made.

15. Are there any other comments that you would like to make about our proposals set out in this consultation?

Response text box limited to 200 words.

Providers feel that funding as a whole is insufficient due to the cost pressures faced daily due to business rates, energy cost increases and staff wages that have resulted in a significant negative financial impact. They are struggling to recruit staff due to low paid wages & more responsibility than other careers. The EYNFF has been devalued over time by the small base rate funding increases LA's have received. They want the word "free" removed from all statutory guidance.

Will providers be able to charge for consumables and “optional” extras on a similar basis to the existing 30 hours? The system is widely used as a way of topping up the inadequate hourly rates. With the rates for under 3s being higher, government must ensure the new entitlements are delivered free at point of delivery and that any additional charges are transparent and voluntary.

Link to the live consultation: [Early years funding – extension of the entitlements - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/early-years-funding-extension-of-the-entitlements)