

Information

for County Councillors

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From: Charlotte Wilson, Service Manager Early Years Commissioning

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To: All County Councillors

Early Years National Funding Formula – 2017/18

On 1st December 2016 the Department for Education published the outcomes of the consultation it conducted over the summer on changes to early years funding. Local authorities will receive a new minimum rate of £4.30 per hour in the new formula which aims to end historic disparities in early years funding around the country, making the distribution of early years funding to providers fairer.

Somerset will now receive £4.30 per hour for three and four year olds in funded childcare places, an increase of £0.34 per hour from the indicative allocation. For eligible two year olds the rate will be £5.20 per hour. With the increased funding rates, the formula will need to be reviewed for 2017-18.

A consultation on the Early Year's formula with early years providers will need to be issued urgently and conclude in the New Year, in order to allow time for funding rates to be calculated and published in advance of April 2017.

The Local Authority allocates money to early years providers through the Early Years Single Funding Formula (EYSFF) which is made up of a base rate and a mandatory supplement for deprivation; any further supplements are at the local authority's discretion and should reflect the costs to providers in delivering the free entitlement. The current Somerset Early Years Single Funding Formula (EYSFF) is:

EYSFF factor	2016/17 values
Base rate	£3.67
Supplements:	
LA Maintained School and Academy Teacher	£0.50
Early Years Professional	£0.25
Childminder with an appropriate level 3 qualification	£0.60
Early Years Teacher	£0.25
Offering 40 or more hours per week	£0.07
Deprivation (value multiplied by % of deprivation)	£0.36

On 8th December 2016 School's Forum agreed that 97% of funding available should be passed directly onto early years providers.

We have opened an online consultation on Somerset Consults web page at <http://www.somersetconsults.org.uk/consult.ti/earlyyearsSFF2017>

to seek views from early years providers on the following options:

Option 1: Increase base rate to £3.87 and keep all current supplements

Option 2: Increase base rate to £3.91 by removing the flexibility supplement, keep the other supplements, and increase in deprivation value to £0.40 for 100% deprivation

Option 3: Increase base rate to £3.88 by removing flexibility supplement and keep the other supplements, and increase in deprivation value to £0.50 for 100% deprivation

Option 4: Increase base rate to £3.95, removal of flexibility supplement, increase in deprivation value to £0.50 for 100% deprivation, 40% reduction on all other supplements.

Option 5: Increase base rate to £4.04 and remove all supplements, increase in deprivation value to £0.50 for 100% deprivation

A briefing document that can be downloaded from the consultation page explains the impact each option will have on different provider types. The consultation closes at 23:59 on 9th January 2017.

The results of the consultation will be reported to the Early Years Sub group of Schools Forum on 11th January 2017.

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