

<b>Date:</b> 29 January 2015	<b>Item</b> 7	<b>Type of report:</b> Consultation
<b>Report title:</b>	Early years funding rates – 2015-16	
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## Executive Summary

This report provides the Schools Forum with the proposed Early Years funding rates to Southwark providers for 2015-16.

## Schools Forum Actions

To note and agree the Local Authority's proposed rates for the 2015-16 Early Years Single Funding Formula.

### 1.0 Background

- 1.1 The Southwark Early Years Single Funding Formula (EYSFF) funds Southwark's Early Years providers for meeting the entitlement by three and four year olds to 570 hours of free early education or childcare. The current formula was introduced in April 2010. The Local Authority (LA) in consultation with a working group of the Schools Forum conducted a review of the current EYSFF during 2014-15.
- 1.2 Updated proposals for consultation were considered at the December 2014 Schools Forum meeting, which are included as Appendix A.
- 1.3 It should be noted, as previously reported, that the funding rates are the same as last year, except for those where consultation is being undertaken. This is set out in section 2.0.

### 2.0 Funding factor overview

- 2.1 A summary of the arrangements for each formula factor is outlined below:

	Maintained nursery schools	Nursery class in maintained primary school	PVI	Academies
Base rate - 3 year olds	✓	✓	✓	✗
Base rate - 2 year olds	✓	✓	✓	✓
Supplement: deprivation	✓	✓	✗	✗
Other formula: lump sum	✓	N/A	N/A	N/A
Other formula: EAL (per eligible child)	✓	N/A	N/A	N/A
Other formula: NNDR/rates	✓	N/A	N/A	N/A

✓ = no change to 2014-15 rate

✗ = factor is subject to consultation

2.2 The values of the proposed 2015-16 rates are outlined in the table below:

	<b>Maintained nursery schools</b>	<b>Nursery class in maintained primary school</b>	<b>PVI</b>	<b>Academies</b>
Base rate - 3 year olds	£6.43	£4.95	£4.10	*
Base rate - 2 year olds	£6.00	£6.00	£6.00	£6.00
Supplement – deprivation hourly rate:				
IDACI band 1	£0.65	£0.39	*	*
IDACI band 2	£1.29	£0.78	*	*
IDACI band 3	£1.94	£1.17	*	*
IDACI band 4	£2.59	£1.56	*	*
Other formula: lump sum	£200,000	N/A	N/A	N/A
Other formula: EAL (per eligible child)	£299.72	N/A	N/A	N/A
Other formula: NNDR/rates	Actual cost	N/A	N/A	N/A

*\* = factor is subject to consultation*

2.3 At the December 2014 Schools Forum meeting it was agreed to distribute to schools the additional one-off funding. As with mainstream schools, this funding will be also be allocated to early years providers.

### 3.0 Consultation

3.1 The LA is consulting on changes to the following funding factors for 2015-16:

- Deprivation - move PVI providers from IMD deprivation indicator to IDACI from September 2015 or April 2016;
- Academy funding – implementation of a new funding formula, consistent with primary schools.

3.2 The LA will consider the views from responses to the consultation before proposing any changes to the current funding formula. Updated proposals will be presented to the March 2015 Schools Forum meeting.

### 4.0 Schools Forum Actions

4.1 The Schools Forum is asked to:

- Give their views on the proposed 2015-16 EYSFF rates (section 2.0);
- Note the areas being consulted on which will be presented to the March 2015 meeting (section 3.0).

Table A – Proposals for consultation

Element of formula	Background	Original Proposal	Proposed approach for consultation	Possible implementation dates	Details
Base rates	<p>There is significant difference between the hourly base funding rates for the different types of providers:</p> <ul style="list-style-type: none"> <li>• Primary schools - £4.95;</li> <li>• Nursery Schools - £6.43;</li> <li>• PVI - £4.10.</li> </ul>	<p>To move towards an “aspirational” funding formula in future based on a single base funding rate across all providers so that all pupils receive same base level of funding</p>	<p>No change proposed for 2015-16, awaiting outcome of national review.</p>	<p>Not set, dependent on outcome of national review</p>	<p>N/A</p>
Deprivation – move to consistent approach for all providers using IDACI	<p>Two different deprivation indicators are currently used to target deprivation funding to early years providers:</p> <ul style="list-style-type: none"> <li>• Primary and nursery schools – IDACI, based on 4 different bandings with all children attracting funding;</li> <li>• PVI – IMD with funding allocated to 30% most deprived (nationally).</li> </ul>	<p>Application of a consistent methodology for the allocation of deprivation funding from April 2015.</p>	<p>Move incrementally to a consistent methodology for all providers.</p> <p>Steps needed:</p> <ul style="list-style-type: none"> <li>• Move PVI from IMD to IDACI;</li> <li>• Move PVI to 6 IDACI bandings;</li> <li>• Move primary and nursery schools to 6 IDACI bandings.</li> </ul>	<p>Responsive to consultation feedback, options include:</p> <ul style="list-style-type: none"> <li>• Sept 2015/April 2016</li> <li>• Sept 2015/April 2016</li> <li>• April 2016</li> </ul>	<p>Appendix C</p>
Deprivation – move to a consistent banding system and review funding rates	<p>There is significant difference between the funding levels for the different types of providers, for example the 30% least deprived children attract the following hourly rates:</p> <ul style="list-style-type: none"> <li>• Primary schools - £0.39;</li> <li>• Nursery schools - £0.65;</li> <li>• PVI - £0.00</li> </ul>	<p>Application of consistent rates for all providers across the 6 IDACI rates.</p>	<p>Review funding levels as part of the incremental changes using transitional arrangements; reflecting the base rate funding levels in deprivation.</p>	<p>April 2016</p>	<p>Appendix C</p>

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Funding to academy providers	Academies are funded as PVI's, however the operating model is the same as maintained schools.	Introduce an academy funding factor that is consistent with maintained primary schools.	Go ahead with proposals to consult on the implementation of a new funding formula, consistent with schools with effect from 1 April 2015 (backdated to April 2014).	1 April 2015	N/A
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