

SCHOOLS' FUNDING FORUM

SUBJECT:	Early Years Funding Formula Survey Results
AUTHORS:	Simon Pleace, Revenue Finance Manager and Charlotte Landon, Schools and PVI Accountant
DATE:	10 February 2017
SUMMARY OF REPORT: To inform members of the Forum of the results of the Early Years Funding Formula Survey.	
FOR:	Information

1. Introduction

- 1.1 The Government is introducing changes to the way Early Years funding is calculated from 1 April 2017. The Department for Education consulted in August/ September 2016 and published the response in December 2016. These changes affect all Local Authority Early Years funding formula and as such we are required to consult with our providers prior to making such changes.
- 1.2 As part of KCC's consultation with the sector, a survey was issued to Early Years providers seeking their views on the discretionary supplements in the Early Years Funding Formula (EYFF) and also on the establishment of an SEN Inclusion Fund.
- 1.3 The survey was open from 10th - 30th January. We had 639 responses, a response rate of 51%.
- 1.4 This paper outlines the results of the survey and based on these results, recommendations for Kent's Early Years Funding Formula.

2. Breakdown of responses

- 2.1 The table below shows the breakdown of responses across District and Provider type.

District	Type of provider				Grand Total
	Child-minder	Day Nursery	Pre-School	School run provision	
Ashford	31	15	20	1	67
Canterbury	24	17	18		59
Dartford	14	4	14		32
Dover	11	12	10	1	34
Gravesham	19	6	9	1	35
Maidstone	34	7	27		68
Sevenoaks	15	7	26		48
Shepway	10	12	9		31
Swale	52	12	13		77
Thanet	22	21	8		51
Tonbridge & Malling	42	16	18	4	80
Tunbridge Wells	20	11	24	2	57
Grand Total	294	140	196	9	639

3. Discretionary Supplements

- 3.1 The survey asked providers whether they supported the inclusion of the following discretionary supplements:
- a) Rurality/Sparsity
 - b) Flexibility
 - c) Quality
 - Qualified Teacher Status (QTS)
 - Early Years Professional Status (EYPS)
 - System Leadership (Collaboration)
 - d) English as an additional language (EAL)
- 3.2 Providers were allowed to answer Yes/No/Unsure to all questions. A summary of the response results for each supplement are provided in the tables below.
- 3.3 The results show that there is fairly strong support for the Quality supplements but less support for Rurality/Sparsity, Flexibility and English as an additional language.

Rurality/Sparsity				
Type of provider	Yes	No	Unsure	Grand Total
Childminder	77	105	112	294
Day Nursery	21	86	33	140
Pre-School	63	86	47	196
School run provision	2	3	4	9
Grand Total	163	280	196	639
Percentage	26%	44%	31%	100%

Flexibility				
Type of provider	Yes	No	Unsure	Grand Total
Childminder	156	77	61	294
Day Nursery	52	74	14	140
Pre-School	41	134	21	196
School run provision	1	6	2	9
Grand Total	250	291	98	639
Percentage	39%	46%	15%	100%

Quality - Qualified Teacher Status				
Type of provider	Yes	No	Unsure	Grand Total
Childminder	120	118	56	294
Day Nursery	88	46	6	140
Pre-School	106	69	21	196
School run provision	7	2		9
Grand Total	321	235	83	639
Percentage	50%	37%	13%	100%

Quality - Early Years Professional Status				
Type of provider	Yes	No	Unsure	Grand Total
Childminder	157	74	63	294
Day Nursery	112	24	4	140
Pre-School	124	50	22	196
School run provision	6	2	1	9
Grand Total	399	150	90	639
Percentage	62%	23%	14%	100%

Quality - System Leadership (Collaborations)				
Type of provider	Yes	No	Unsure	Grand Total
Childminder	111	89	94	294
Day Nursery	72	43	25	140
Pre-School	113	46	37	196
School run provision	5	2	2	9
Grand Total	301	180	158	639
Percentage	47%	28%	25%	100%

English as an additional language				
Type of provider	Yes	No	Unsure	Grand Total
Childminder	129	121	44	294
Day Nursery	51	72	17	140
Pre-School	84	91	21	196
School run provision	4	4	1	9
Grand Total	268	288	83	639
Percentage	42%	45%	13%	100%

4. Base Rate vs Supplements

- 4.1 The survey then asked providers whether we should aim to maximise the amount of funding distributed to providers through the base rate, or target the maximum available funding through the use of supplements (subject to complying with the 10% threshold). Providers had the choice of maximise the base rate, maximise the use of supplements or unsure.
- 4.2 The table below shows that there is strong support for maximising the base rate compared with maximising the use of supplements.

Base Rate vs Supplements					
Type of provider	Maximise the base rate	Maximise the use of supplements	Unsure	No Answer	Grand Total
Childminder	228	21	38	7	294
Day Nursery	104	26	8	2	140
Pre-School	165	14	14	3	196
School run provision	5	3	1		9
Grand Total	502	64	61	12	639
Percentage	79%	10%	10%	2%	100%

5. Supplement Ranking

- 5.1 The survey also asked providers to rank the supplements in their considered order of importance. Based on the results an average score was calculated for each supplement. The following shows them in ranked order. The lower the score the more important the supplement to respondents.

Rank	Supplement	Average Score
1	Quality - EYPS	2.76
2	Flexibility	3.03
3	Quality - QTS	3.32
4	Quality - System Leadership	3.52
5	EAL	3.90
6	Rurality/Sparsity	4.41

6. SEN Inclusion Fund

- 6.1 The survey asked providers to rank 3 methods of distributing funding from the SEN Inclusion fund based on what method they felt would have the most impact on the learning and development of children with SEN. The 3 options were as follows:

- Centralised, funded training for settings
- Specialist support e.g. funded speech and language therapists
- Top-up funding to meet individual children's additional needs

- 6.2 Similar to the supplement ranking, an average score was calculated based on the responses. The table below shows the options in ranked order of preference. It is clear from the results that top-up funding is the preferred method of distribution.

Rank	Method	Average Score
1	Top up funding	1.74
2	Specialist support	2.02
3	Centralised funded training	2.17

- 6.3 Settings were also asked whether they would support a reduction in the base rate in order to increase the funding available for the Early Years SEN Inclusion Fund. Settings were able to respond Yes/No/Unsure. The table below shows there is little support for this proposal.

Reduction in base rate to increase SEN Inclusion Fund				
Type of provider	Yes	No	Unsure	Grand Total
Childminder	32	203	59	294
Day Nursery	7	111	22	140
Pre-School	12	156	28	196
School run provision	1	6	2	9
Grand Total	52	476	111	639
Percentage	8%	74%	17%	100%

7. Conclusion

- 7.1 We can conclude from the survey results that there is strong support for maximising the base rate.
- 7.2 The supplements that are considered the most important to providers and have the most support are the Quality supplements (Qualified Teacher, Early Years Professional and System Leadership).
- 7.3 There is little support for the English as an additional language (EAL) and Rural/Sparsity supplements.
- 7.4 Whilst the flexibility supplement scored quite highly in the ranking there was not a high level of support for the supplement overall. The flexibility supplement was originally included in Kent's Early Years Formula to encourage settings to provide more flexible childcare. Settings are now providing flexible childcare without the need for a supplement to incentivise them to do so.
- 7.5 The most favoured method of distributing funding from the SEN Inclusion Fund is top-up funding to meet individual children's additional needs. There was little support to increase the SEN Inclusion Fund by reducing the base rate.

8. Recommendations

- 8.1 Members of the Forum are asked to note the information in this paper when making recommendations on the mix of factors and funding rates in the Early Years funding Formula for 2017-18.