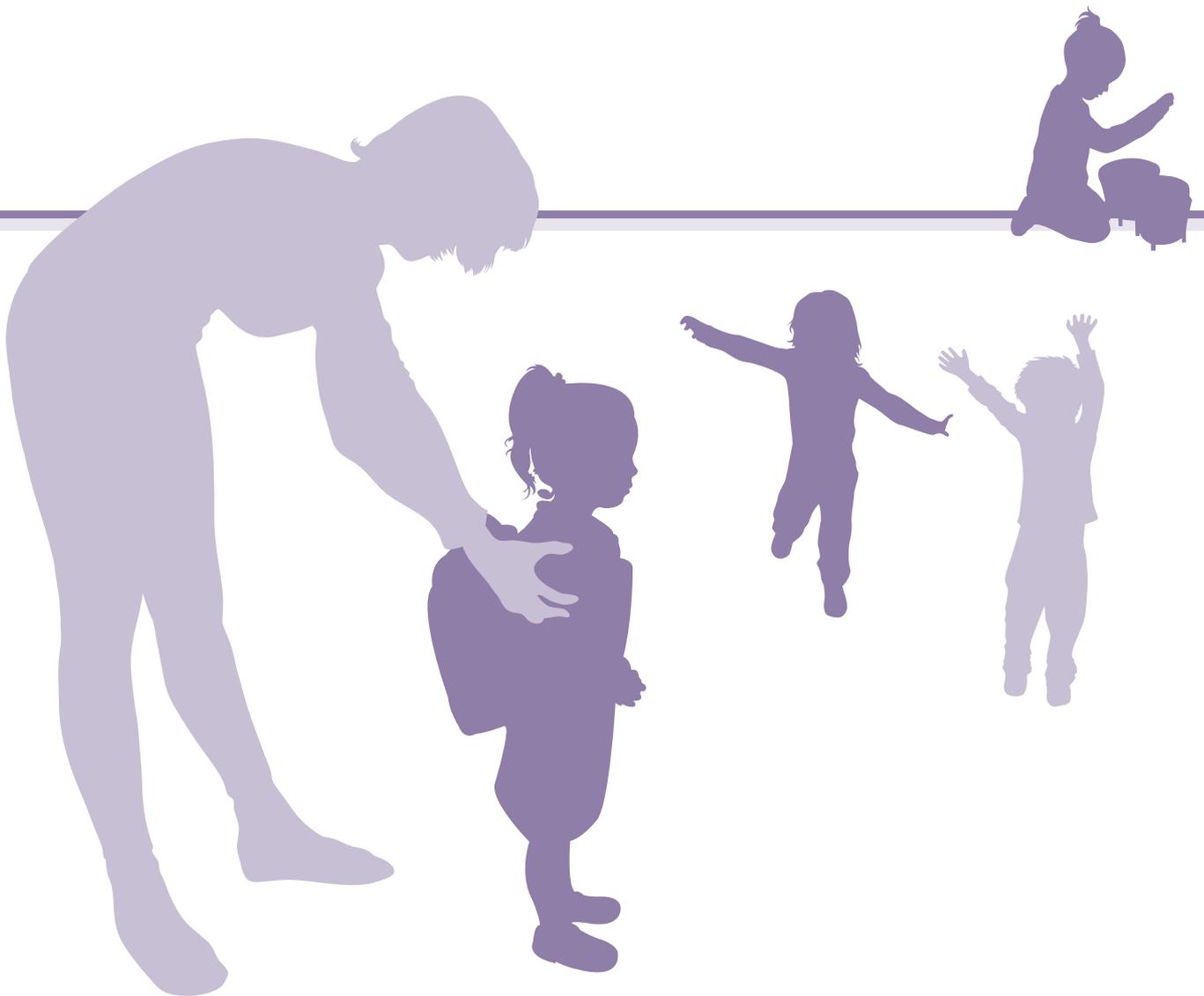


New funding arrangements for early education and childcare places in Camden



Consultation on new arrangements for the funding of our early education and childcare places

Introduction

Camden has a proud history of investment in early years because the evidence shows that high quality early education and childcare are fundamental to supporting success and building resilience through childhood, and on to later life.

Our commitment to supporting children and families through the early years has been demonstrated by the delivery of a unique offer of holistic provision for children under five and their families in Camden:

- affordable childcare, universal access to services and targeted support for those with additional needs
- family interventions, health and wellbeing programmes and early parenting support
- delivery of the Early Years Foundation Stage curriculum.

Camden has invested significantly in our early education offer, providing an additional 15 hours for three and four year olds in school and Council-run nurseries in recognition of the important role early education plays in giving every child the best start in life. Recent test results for Camden primary pupils at Key Stage Two (11 year olds) show a marked narrowing of the gap in achievement between our disadvantaged children and their peers.

The Government is keen to ensure that all nursery age children across England have access to high quality early education, and to support parents to take up paid work. It is therefore introducing changes to:

- the number of hours of early education that children are entitled to
- the way that early education places are funded.



New national early years policy

Extended free entitlements

From September 2017 the three and four year old children of working parents will be entitled to an additional 15 hours (30 in total) of free early education and childcare in any registered childcare setting.

To be eligible for the additional 15 hours:

- both parents, or the sole parent in a one parent family, must be working
- each parent must have a weekly minimum income equivalent to 16 hours at the national minimum wage or living wage, and
- neither parent must have income of more than £100,000 per year.

The Department for Education estimates that 850 three and four year olds in Camden will meet the eligibility criteria.

New national funding formula

The current funding arrangements for early education and childcare are based on historical local authority funding priorities. Camden currently has the highest hourly rate of early years funding in the country because we have long recognised the importance of early years and invested accordingly.

The introduction of a national funding formula from April 2017 is intended to achieve a fairer allocation of funding across the country, and Camden is therefore one of the few authorities whose funding will decrease. The national funding formula also sets out how local authorities must allocate funds to providers of early education and childcare.

The main features of the new national funding formula are:

- More equitable allocation of funding across local authorities. This will mean a decrease in the amount of funding for each child's place in

Camden from £9.17 to £8.51 per hour

- Local authorities (LAs) will have to pass through 95% of early years funding to providers by 2019
- The same rate must be paid to all providers
- 10% of the LA allocation can be retained and allocated as supplements to the hourly rate
- There is a small increase in allocation for two year olds but the new rate for three and four year olds will be higher than that for two year olds. The Department for Education recommends making local adjustments to manage this differential
- LAs will have to set up a local inclusion fund to support settings to include children with special educational needs and disabilities (SEND)
- A new disability access fund, with additional funding to enable settings to make adjustments to increase accessibility.

A revised early years offer for Camden

If Camden continues to fund additional hours for all three and four year olds in the maintained sector (what we call our 'enhanced offer'), while introducing the new national policies, a funding gap of £5.1 million will result. In the current climate of reducing public sector spending it will be impossible to sustain this level of subsidy. We therefore need to make changes to our early education offer to create sustainable early education and childcare provision for the future.

Currently Camden receives the highest hourly rate for early years places in the country. The difference between the hourly rate that Camden receives from the Government and passes on to providers is used to fund Camden's enhanced offer. The requirement to 'pass through' 93% of the rate received to providers in 2017/18 and 95% thereafter means that this will no longer be possible.

Our proposed new offer and a questionnaire for you to have you say is on pages four to seven of this document.

As providers of Camden's current early years offer, we would like to know what you think. By answering the questions at the end of each section below you will help us to shape a new early years offer that delivers the best possible early education and childcare for Camden families within our financial constraints.

We will also be asking parents in Camden for their views about our new proposed offer.

A revised offer of 30 hours for disadvantaged three and four year olds who do not meet the criteria for the national working families entitlement

Camden proposes to withdraw its current enhanced offer (the additional 15 hours for all three and four year olds in school and Council-run nurseries). We propose to replace it with a new targeted offer of an additional 15 hours for the most disadvantaged three and four year old children in whichever sector of provision they choose. This approach targets the Council's limited resources towards those we believe will benefit most.

Q1. Do you agree with Camden's proposal to adjust our current enhancement of early years provision to focus on the most disadvantaged children?

Yes No

If no, could you suggest an alternative option that would enable Camden to continue to prioritise early years provision but in a financially sustainable model?

Do you have any other comments?

Our proposed offer of additional hours to disadvantaged families will need to be met from the Council's decreasing financial resources. This will inevitably put pressure on other areas of Council provision. At the same time, some early years providers will benefit financially from the Government's 30 hour offer for working families, as a high proportion of their children will be eligible for this new offer.

Q2. Would you be prepared to participate in further conversations about whether the cost of any additional hours could, in some cases, be met from the budgets of schools or other early years settings?

Yes No

Do you have any other comments?

New hourly rate for three and four year olds

Applying the new funding principles in Camden will result in an hourly funding rate for statutory provision for three and four year olds of about £6.50 per hour. (The exact figure is still contingent on the application of certain elements of the funding formula). If Camden decides to offer additional hours as described above, these would be at the current hourly rate (average £4.80 per hour) not the new rate.

This represents a considerable increase in funding for private, voluntary and independent providers but, because of the loss of the local 30 hour enhanced offer, presents some financial and organisational challenges for schools and our own Council-run nurseries.

Continuing to support providers to offer places for disadvantaged two year olds

Although Camden will only receive £6.50 per hour from the government for two year old provision, we propose to keep the rate we pay providers as close to the current rate as possible in recognition of the higher cost of providing for these children. We are currently discussing how to address this with the Department for Education.

Q3. Do you agree with our proposal to maintain the current rate paid for two year olds by using a small subsidy from the three and four year old allocation (if permissible within the funding formula)?

Yes No

Do you have any other comments?

Local inclusion fund

We propose to replace our current sustainability fund for private, voluntary and independent (PVI) providers with a new local inclusion fund. This fund will be available for all settings to apply to for funding to support them in meeting the needs of children with special educational needs or disabilities. We propose to allocate in the region of £350,000 each year to this fund.

Q4. Do you agree with the sum set aside for allocation as a local inclusion fund?

Yes No

If not, how much should this be?

Do you have any other comments?

Q5. Do you think that Camden should target all supplementary funding on supporting the most disadvantaged children?

Yes No

If no, which of the other permissible supplements listed above should be used?

Supplementary funding

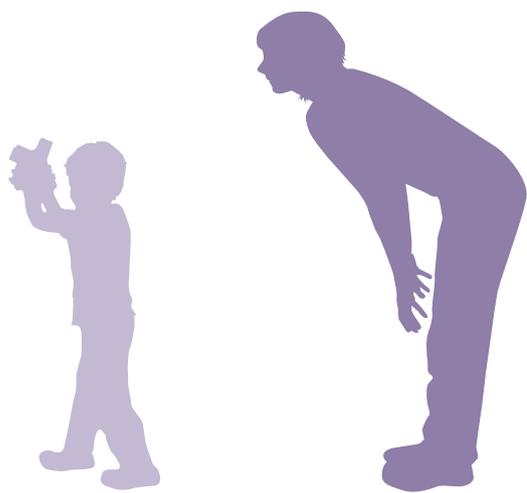
The new funding formula allows local authorities to allocate up to 10% of their total funding through supplements. There are only a few supplements allowed within the national funding formula. A higher hourly rate can be paid for:

- Children from deprived households
- Children who have English as an additional language
- Children who live in rural areas where there is a sparsity of childcare
- Places that are offered flexibly across a longer day or throughout the year
- Supporting the development of higher quality providers.

The Camden Plan has at its heart the ambition that Camden should be a place where everyone has a chance to succeed and where nobody gets left behind.

We therefore propose to allocate all of our permissible supplementary funding to support the most disadvantaged children.

Do you have any other comments?



Quality support and training

Camden is very proud of the high quality early education it provides for local families. At the time of writing 99% of our private, voluntary and independent sector and 91% of childminders were rated 'good' or 'outstanding' by Ofsted.

The national funding formula only allows local authorities to retain 5% of their total early years funding for central service costs such as training and advice. Currently, Camden centrally funds a team of quality support advisors and provides training to the sector free at the point of delivery through its quality partnership model. The new funding formula will not allow this arrangement to continue.

We are determined to maintain our high quality provision and propose that we develop a subscription model whereby settings are asked to pay a percentage of their increased hourly rate to maintain their membership of our quality partnership. A detailed proposal for a traded quality support offer will be developed with the sector early in the new year.

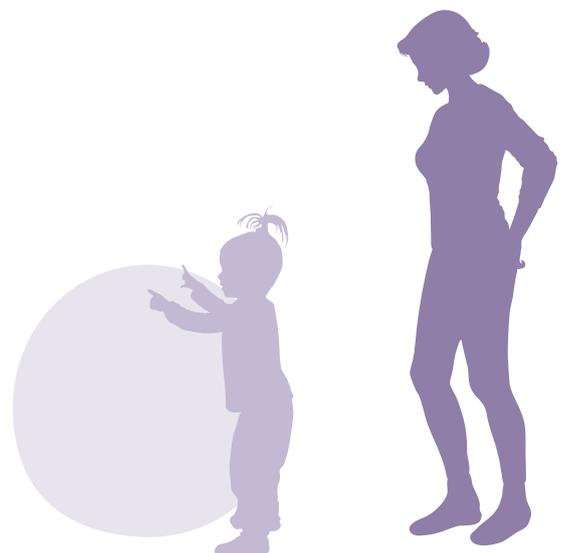
For information: data collection

Camden currently uses the Servelec system for data collection outside of schools and is purchasing an extension that will enable batch checking for 30 hour eligibility and auditing. Providers will also be able to check eligibility through the provider portal. All providers of the new 30 hour places (including schools) will be required to submit their children's data through the provider portal.

Q6. Do you support our proposal to develop, with input from providers, a paid membership model for quality support and training?

Yes No

Do you have any other comments?



How to respond

This consultation runs from Monday 13 February until **midnight on Sunday 5 March**.

You can respond to our questions online at **camden.gov.uk/earlyyearsfunding** or post your completed questionnaire in an envelope to the following freepost address (no stamp needed):

**Integrated Early Years Service, Floor 4, 5PS
Freepost RSLT-RJBR-TXAA
London Borough of Camden
Town Hall
London
WC1H 9JE**

If you have any queries about these proposals or the consultation, you can email your questions to **earlyyearsfunding@camden.gov.uk**



About you

Finally, it would really help us to know if we are hearing from a broad range of providers. So we can see if we are gathering views from as wide a group as possible. Please answer the following few questions below.

What kind of provision are you?

- Childminder
- Private sector nursery
- Voluntary sector nursery
- Independent sector nursery
- School
- Council-run nursery.

Which elements of the current free offer do you deliver?

- Two year olds
- Three and four year olds

Do you intend to deliver the new entitlement for an additional 15 hours?

- Yes
- No

If no, why not?

Do you have any further comments on these Government proposals or our local proposals?

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