

Report to the Cabinet, Thursday, 18 January 2018

Dedicated Schools Grant (DSG) School and Early Years Consultation responses 2018/19

i. Schools Block Budget 2018/19: Phase 2 Consultation Responses

Question 1: As there is no longer a Looked After Children (LAC) allocation in Lancashire's Dedicated Schools Grant (DSG) from April 2018 (as funding has been transferred to the pupil premium plus) it is proposed to omit the local LAC factor from all 2018/19 funding options. Do you agree?				
	Total Responses	Yes	No	Not sure
Primary School / Academy	115	82	10	23
		71%	9%	20%
Secondary School / Academy	31	26	2	3
		84%	6%	10%
All	146	108	12	26
		74%	8%	18%

Question 1 Comments

May be other issues in the future that may need that factor but not sure.
I genuinely don't understand this. Post LAC was always part of the PP funding by LAC has for some time been separately managed. It isn't clear to me what this change will mean.
This school will lose out financially with this method. Pupil Premium Plus funding is not all passported direct to schools, some is top-sliced at Virtual School level.
As long as allocation levels remain the same
As long as we get the allocations we are entitled and funding is transparent
Will we still submit the PEP form through the Virtual School

Question 2: Please let us know your preferred option for distributing the Lancashire Schools Block in 2018/19.

	Total Responses	Option 1 Passporting	Option 2 LCC Formula	Option 3 Hybrid
Primary School / Academy	115	50	31	34
		43%	27%	30%
Secondary School / Academy	31	19	8	4
		61%	26%	13%
All	146	69	39	38
		47%	27%	26%

Question 2 Comments (Favouring Option 1)

I feel it is most important that the formula is applied as per the illustrative NFF allocations. The decision on which model is used should not be based on the financial outcomes of individual schools, it should be moving to what is an equitable formula nationally. The addition of the £1.3billion to budgets over the 2 years will cushion some of the impact of turbulence.
As long as the processes are permitted by the ESFA, I believe that Lancashire should move as far as is reasonable towards implementation of the NFF to enable future decisions (2020 onward) to be better facilitated with reduced turbulence.
It seems sensible to make the changes now while there is a degree of stability for school budgets.
I favour this option on the assumption that Lancashire's requests to the DfE to 'disapply' certain regulations will be approved and that the modelling provided with this consultation remains reflective of actual funding
Thank you for the comprehensive information. This option positively affects the most schools
Passporting seems inevitable and moving sooner rather than later should cushion the impact as much as possible
It makes little difference to my school and if the new formula is inevitable it seems sensible to move on and focus attention on to the other many pressures.
If the funding is going to change anyway it would seem better to do it now so people know exactly what they have in the future. Better to get on with it.
This is our preferred option as it is as close as possible to the funding the school will receive under the NFF and therefore provides more stability in funding going forward.
This will provide clarity for forward financial planning
The quicker the County moves to the new NFF the better. This will be the fairest option for schools that have suffered under the existing LCC funding model. The Pupil Premium funding recognises schools in areas of deprivation. It does not justify further deprivation weighting applied by LCC. Children in Lytham St Annes should be funded at the same level as other English schools taking into account the NFF factors.
As we will all move to the NFF in two years time this option will help to prevent cliff edges for schools at that stage.
Who would not vote for the largest amount.....?
This is the clearest way for us to move forward, it also recognises that we have been low funded and gets us maximum return from year 1.
follow national to ensure consistency with schools
Financially this is by far the best option in the first year for our school.

Question 2 Comments (Favouring Option 2)

Better for my school and will allow for spending in the lead up to SNFF that may not otherwise be possible.
When discussed at Forum we were told that under the NFF passporting all schools would gain by at least 0.5%. The modelling shows this not to be true and there is a differential of £40000 between the formula amounts. My concern is that the formula where most people gain will be the one that is voted for most rather than the one that makes the most sense. Forum supported the NFF passporting under the belief that everyone would gain slightly and I feel that we have been misled.
I was given to understand from indirect feedback from the Schools Forum that all schools would benefit by 0.5% for the suggested 'Passporting' option. In my case, this is over £4k worse so the initial advice would seem to have been flawed?
I think that we may as well embrace the future and make plans for it.
best current financial option for school
3 is also PL...but not 1

Question 2 Comments (Favouring Option 3)

I am dismayed by the fact the xxx school is forecast receive significantly less funding if Option 1 is adopted.
xxx school is funded lower than our local schools due to the variations in additional grants such as Pupil Premium. In benchmarking exercises the school achieves good outcomes for some of the lowest funding rates in the area. Whilst I can accept that more schools will "gain" by Option 1 it is evident from the consultation modelling that xxxx Primary School will receive circa £11k less than if Option 3 is adopted. This is based on adjusting the baseline funding to reflect the additional £23.90/pupil.
I have made some difficult decisions this year; staffing hours and staff CPD have been cut and more importantly services for children have been withdrawn. The option that would see the school funded an additional £11k, which would provide the school with far greater stability and improve outcomes for the children, is the only choice I can make. If forced to I could support Option 2 as a half way compromise but from the evidence provided it is unlikely that this will be the preferred option.
we will be worse off passporting
I understand the principle that moving towards the Passporting option at the earliest opportunity means that the factors in the NFF can be applied to schools - which means more stability in future years. However, i think to aid the transition to the NFF the principle is that local councils can continue to implement local decisions to minimise impact on schools. I therefore believe that a hybrid option is the best option for schools to bridge the gap between now and a hard NFF in 2020-2021.

ii. **Consultation on the Lancashire 2018/19 Early Years National Funding Formula (EYNFF) Proposals**

1. Universal Base Rate

The Universal Base Rate must be fully implemented by 2019/20.

Proposed to incorporate one year of transitional protection in 2018/19:

- PVI - £4.08
- Nursery class - £4.08 plus £0.18 = £4.26
- Childminder - £4.08 plus £0.41 = £4.49
- Nursery School - £4.08 plus Ring-fenced Maintained Nursery School Grant (subject to confirmation by new government)

Q1. Do you agree with the proposal to move towards Universal Base Rate in 2018/19 incorporating one year of transitional funding?

	Responses	Yes	No	Not sure
Nursery School	15	12	2	1
Primary School with Nursery Class	8	5	3	0
Private, Voluntary and Independent	41	19	13	9
Eligible Child Minder	26	8	13	5
Total	90	44	31	15
%		48.9%	34.4%	16.7%

Q1 Comments

This is a big reduction from £4.48 for 17/18. That's a loss of £468 per 3/4 yr old child for academic year 17/18....not enough to staff my Nursery Class.
everyone should receive the same rate including maintained nursery schools
A transitional funding rate was applied in 2017/18 to 'soften' the blow for certain providers - but at the detriment to PVI who ARE NOT been treated equally. The funding rate therefore should now be the same moving forward for ALL providers; as it is for the vast majority of other local authorities. By continuing a 'two tier' system children within PVI & its providers are being disadvantaged and sustainability is being put at risk
This is not a sufficient increase compared to business costs increases in 2018/2019
That's is less than we are paid privately
Remove the transition payments and increase base rate for all providers
I think it should be more gradual.
Base Rate isn't sufficient for sustainability
I feel that a universal base rate is the correct way to go with EYNFF however I think that settings shouldn't be receiving anything less than they already receive (and in future it should rise in line with inflation) whilst the parents whose children are being looked after by the settings will be considerably better off.
More hassle for less money not fair. £4.05 under18 min pay, you are not paying the children you are paying for our services and I'm much older than 18
Do not believe the base rate level is sufficient to meet staffing and pay requirements at

current levels.
Unfair to childminders as we do not have as many children and after providing the provision we won't even be earning the minimum wage
This is not sustainable long term.
Nursery Schools need additional transitional funding to provide protection in light of the additional costs they incur due to statutory requirements.
Without transition Funding we will not survive as a Nursery School.
30 hours 'free' childcare for parents potentially earning up to £200.000. Last year after expenses & before tax I earned £16.000. I cannot charge parents for consumables etc as they provide their own. I pay for activities so that no child is excluded because a parent won't pay. As some children only come for one day and attend nursery too I cannot charge more for extra hours so would OPT OUT when the base rate is too close to my fee reducing options for parents & reducing 'free' places available.
Transitional Funding will be essential for the financial health of our school. We are already a school in difficulty and at risk.
Why is the transitional amount different for Lancashire schools?
I do not fully understand any of the funding as I have never had a child on it yet. I think if you cannot make it to a meeting then straight forward leaflets/booklets should be provided
The move to a universal base rate should be undertaken as soon as possible without any transitional funding arrangements.
I believe in a level playing field for all sectors (x4)
I believe in a level playing field for all sectors - especially with having the majority of rising threes poached from this setting by the maintained sector. How is the maintained sector covering the cost of the education of rising threes?
Reduction in pay for childminders
I disagree with the principle of a universal base rate especially for school based early education. However Transitional funding will be important and this will need to be thought about in detail if and when the ring fenced NS additional funding ceases
Once my expenses are taken out I'm left with less than minimum wage.
Base rate unfair for private sector v childminder as greater overheads
As a primary school we need to provide a teacher, but this is not covered by any funding - I do not feel this is fair.
We think it is important to put in transition rates for providers moving from a higher hourly rate to the universal rate. We think it is essential that the LA continues to put pressure on the DFE to properly fund all early years provision, including the supplementary ring fenced maintained nursery school grant and an increase in the base rate for ALL providers so that funding meets the cost of delivering FEYE 3 and 4.
Transitional funding is important for those settings moving from a higher hourly rate to the universal rate. It is important for the DFE to fund all early years provision appropriately and increase the base rate for all providers so that funding meets the cost of delivery and ensures that settings are sustainable.

2. Deprivation Supplement

Deprivation remains the only mandatory supplement in the EYNFF but discretion is available over level to be allocated, subject to a 10% cap. The current Deprivation supplement in Lancashire allocates about 2.5% of EYNFF expenditure.

Proposal for a continuation of the current arrangements is to minimise the disruption and maintain base rate increases

Q2. Do you agree that the existing funding level and methodology should be used in 2018/19 for the mandatory deprivation supplement?

Responses	Yes	No	Not sure
90	64.4%	6.7%	28.9%

Q2 Comments

we don't qualify
NEEDS TO REFLECT NURSERY FEES
Keep the childminders rate at £4.96 or increase not decrease. Good service deserves good pay
We need to funded at a level where we can continue to provide high quality education for young children with a specialist qualified workforce including trained SENCO, Headteacher and Graduate Teachers
Again not sure what any of this really is
Need to know figures to assess better - possibly unfair
We believe that the same methodology should be used for distributing deprivation funding to early years providers as is used for all Lancashire primary and secondary schools.

3. Rurality Supplement

Proposed to discontinue the Rurality Supplement, due to concerns over data used for calculation. Only small aggregate sum is allocated through this supplement (0.2%). However, there is concern about the impact on individual settings that currently qualify

Q3. Do you agree that the existing Rurality Supplement should be discontinued in 2018/19?

	Responses	Yes	No	Not sure
Nursery School	15	14	1	0
Primary School with Nursery Class	8	5	2	1
Private, Voluntary and Independent	41	22	13	6
Eligible Child Minder	26	8	6	12
Total	90	49	22	19
%		54.5%	24.4%	21.1%

Q3 Comments

We qualify for this supplement so wouldn't want to see it discontinued.
No alternative methodologies should be used to fund Rurality Supplement
Being a small setting it will be difficult to recoup lost funding from the low numbers of families using our service. A smaller rural supplement would be better than nothing.
If this is going to affect the base rate.

Settings that already receive this shouldn't lose out due to lack of government data.
Keep it the same or increase
The rurality supplement helps to ensure our sustainability during quiet years.
Lifestyle choice for some families rather than deprivation where money would be better spent - again relevant figures would provide better basis for judgement
It is difficult to sustain numbers when you are in a rural location.

4. Other Allowable Supplements

DfE Guidance allows other supplements, as follows:

- Flexibility
- Quality
- English as an additional language (EAL)

Proposal is not to use any further supplements, as some were used previously and discontinued as most settings qualified, plus there is a desire to maintain base rate increases.

Q4. Do you agree that none of the other allowable supplements should be included in the Lancashire EYNFF 2018/19?

	Responses	Yes	No	Not sure
Nursery School	15	6	7	2
Primary School with Nursery Class	8	5	1	2
Private, Voluntary and Independent	40	23	12	5
Eligible Child Minder	25	6	6	13
Total	88	40	26	22
%		45.5%	29.5%	25.0%

Q4 Comments

I agree most settings probably do meet the criteria therefore providing these supplements would only end up lowering the base rate
SHOULD BE GENERIC
Quality & EAL - we cannot continue to offer highly qualified staff EYTS, EYP etc if the funding provided does not cover the cost of the childcare. EAL is also another aspect that creates more drains on resources that needs more appropriate funding to support settings.
Additional supplement for flexibility and for hiring highly qualified staff
Quality should be recognised using Ofsted judgement
If affects base rate but if base rate stays the same then the additional supplements should be added.
Not sure what you mean
EAL - need additional speech and language support, wide variations between setting and level of need.
An additional supplement for EAL as this impacts on educational outcomes and requires settings to provide additional support.
The loss of the quality supplement is very concerning. This should be linked to having fully qualified QTS teachers in the setting.
Quality is a key factor in improving outcomes for children and the cost of providing this

should be taken into account with the provision of funding. Unless we provide outstanding/good quality of early education, we will not close the gap to ensure young children have the best start to their education and have better long term outcomes.
Rurality should be maintained.
Quality and EAL supplement should be retained. We need quality to remain and then needs of all EAL learners to be met at a higher level and the supplement will allow that.
The quality supplement should be maintained as it encourages settings to recruit the best trained staff available, and removing this may lead to an increase in less qualified staff being employed with a subsequent drop in teaching quality for children.
I believe there should be funding related to quality. If all settings are meeting this requirement it will therefore be shared equally however it will also ensure that settings still strive to provide high quality early education.
Deprivation should be included
Nursery Schools offer high quality education with teachers and additional costs - a quality supplement should be available I think.
Flexibility
A quality supplement should be developed in order to ensure that children. This should reflect the importance and value of QTS in Early Education. This should only be received where the QTS works directly with the children and whose qualification is Early Years Specialism.
EAL, SEN, Quality these are areas which dramatically influence the financial stability of a private childcare setting and if being delivered to a high quality should be reimbursed
In order to plan and retain staff we would like the funding to stay as stable as possible. Fluctuation from year to year and term to term is difficult to manage and can impact on quality of staffing. I do feel there should possibly be some supplement which rewards quality, but defining quality is difficult. Research as evidenced quality often comes with QTS teachers and fully trained SENCOs.
If one of the supplements includes support to provide a teacher, that should be included.

5. SEN Inclusion Fund (Additional Inclusion Support)

SEN Inclusion Funds are a requirement of the EYNFF. It is proposed to continue current £150k level of funding in 2017/18.

Q5. Do you agree that the SEN Inclusion Fund (known as Additional Inclusion Support in Lancashire) should remain at £150,000 in 2018/19?

Responses	Yes	No	Not sure
88	57.9%	11.4%	30.7%

Q5 Comments

Currently have no children that qualify
I know LCC give us what they can, but it is not enough if a child needs 1:1 for their safety (e.g. They can't communicate)
More transparency regarding how much of the funding is spent on the children and the outcomes this achieves. Nursery Schools must also be considered as centres of excellence in supporting children with SEN and as such be rewarded for it.
Under the present arrangements, we are finding an increasing number of children coming

into the school at 2 via funded sessions through low income or Portage/SEND needs. These children often require additional support and identification and there is no funding or support for this. This puts an already extremely stretched system at breaking point.

Or increase. It certainly should not decrease.

The SEN team needs to review it's structure. Nursery Schools in particular are struggling to meet all the costs. We always have children moving to us mid term because other settings have not been able to meet the children's requirements. The amount of time SENCOs spend to complete paperwork which is more often than not repetitive is causing a strain on the staffing budget. Additional staff needed to support children with complex educational and health needs is also a drain on the budget.

Actual funding should come in to settings alongside specialist support. Maintained Nursery Schools often do not receive finance to support SEND children as we work very hard to provide a high quality service even with low budgets - this puts a great deal of pressure on staff.

No idea if this is sufficient or not.

We have a significant number of children on roll for whom this additional funding is very important.

I don't think this should be reduced and I would like to stress that the DAFF funding remains totally separate as there has been some speculation that AIS may be reduced due to the existence of DAFF

Again to enable a judgement supportive statistics are needed to assess better - SEN funding remains extremely difficult to access in my own personal experience

There is a large gap in the complex needs of the SEND children who access our provision and the amount of funding we receive for them. Some nurseries (both of mine) have a very high number of children with complex needs the AIS funding does not come close to meeting these needs. I think the impact of this AIS money needs evaluating, is it being used effectively for the right children and making a difference?

As always, more money for SEN is needed in school - the earlier the support is given, the more chance they can catch up.

AIS funding does not work in meeting the needs of children with SEN. Insufficient funding is being passed through to providers for us to support children effectively. Additional funding should be requested from the High Needs block as our work with children with SEN is early intervention and prevention. A mapping exercise would need to be undertaken to assess how much funding is needed for early years providers to support children with SEN.

AIS funding does not meet the needs of supporting children with SEN. A mapping exercise would be beneficial to assess the funding needed for early years settings to support children with SEN.

6. Two Year Old Funding

When Two Year Old funding was introduced, allocations were split into two elements:

- Base Rate Funding (£4.64 in 2017/18)
- Targeted Support Funding (£0.36 in 2017/18)

This split of funding is no longer necessary and it is proposed to remove the separate identification giving a revised base rate of £5.00, at 2017/18 levels

Q6. Do you agree with the proposal to combine both elements of two year old funding into a single rate?

Responses	Yes	No	Not sure
89	76.4%	6.7%	16.9%

Q6 Comments

Don't take 2 year old funded children
As long as this does not reduce the actual amount being paid
Would make it easier
Again 2year funded children should be able to access Quality funding as an additional supplement where an Early Years QTS is employed in Nursery School / Class provision