

## Stage 1 Consultation Report Early Years Education in Haringey: Providers' Response

<p><b>Purpose</b></p>	<p>The government is proposing changes to the way early years education for all 3&amp;4 year old children is funded from April 2017 and has asked all local authorities and childcare providers for their views on the proposal to have a national funding formula for the Early Years Block of the dedicated School Grant (DSG).</p> <p>In light of this, Haringey Council launched a full 8 week consultation (from October 20th to December 18th, 2016) with all local residents and early <b>years'</b> education providers.</p> <p><b>The stage 1 consultation for the early years' sector</b> sought to gather views of providers on aspects of change that will have an impact on the delivery of the free early education offer and the childcare business as a whole.</p>
<p><b>Summary of responses</b></p>	<p><b>Providers' Responses</b></p> <p>The consultation asked providers their views on the council's preferred option for introducing a universal base rate paid to all providers from the financial year 2017/18 (Option 1) and their views on two alternative options:</p> <ul style="list-style-type: none"> <li>• Option 2 - to defer the payment of a universal base rate until 2019/20 when it will become mandatory or</li> <li>• Option 3 - to phase the implementation of universal base rate by increasing the current rates by 5% year on year until 2019/20.</li> </ul> <p>➤ Option 1;</p> <ul style="list-style-type: none"> <li>- <b>70% agreed with the council's preferred option;</b></li> <li>- 18% disagreed</li> <li>- 12% were not sure</li> </ul> <p>➤ Option 2;</p> <ul style="list-style-type: none"> <li>- 35% agreed with the second option,</li> <li>- 53% disagreed</li> <li>- 12% were not sure</li> </ul> <p>➤ Option 3</p> <ul style="list-style-type: none"> <li>- 24% agreed with the third option</li> <li>- 47% disagreed</li> <li>- 29% were not sure</li> </ul>
	<p>The consultation also asked providers their views about the council's preferred option for paying out the mandatory deprivation supplement of £0.40 per hour per child out of the Department for Education (DfE) allocation of £0.52 per hour per child, from April 2017 and asked for alternative suggestions for the deprivation</p>

	<p>supplement funding rate.</p> <ul style="list-style-type: none"> <li>➤ <b>59% agreed with the council's proposed rate</b></li> <li>➤ 29% were not sure</li> <li>➤ 6% disagreed</li> <li>➤ 6% did not answer</li> </ul> <p>Of those who answered most stated that the deprivation supplement was to be prioritised in order to provide good services for children. Two respondents indicated that the whole £0.52 per hour/per child available for supplements should be used for deprivation.</p>
	<p>The consultation asked providers their <b>views on the council's proposal to introduce</b> a £0.12 per hour per child discretionary supplement to support the delivery of the additional 15 hours free entitlement.</p> <ul style="list-style-type: none"> <li>➤ 76% agreed</li> <li>➤ 18% disagreed</li> <li>➤ 6% were not sure</li> </ul> <p>The providers were also asked whether they agreed, disagreed or were not sure about the proposal to limit the payment of such supplement to one year recognising the initial challenges of introducing this new 30 hours provision.</p> <ul style="list-style-type: none"> <li>➤ 18% agreed</li> <li>➤ 35% disagreed</li> <li>➤ 41% were not sure</li> <li>➤ 6% did not answer</li> </ul>
	<p>Finally the consultation asked providers about the funding for eligible 2 year olds receiving 15 hours free early learning. The allocation Haringey receives from the DfE will increase from the current rate per hour per child of £5.28 to £5.66 from 2017/18. This new rate will, however, be lower than the £6.00 agreed with School Forum and currently paid to providers.</p> <p>The council presented the providers with 3 options:</p> <ul style="list-style-type: none"> <li>• Option 1 - Introduce the government proposed funding rate of £5.66 from April 2017</li> <li>• Option 2 - Taper the funding rate from the current £6.00 to £5.66 in 3 years from 2017/18</li> <li>• Option 3 - Taper the funding rate from the current £6.00 to £5.66 from 2019/20</li> </ul> <ul style="list-style-type: none"> <li>➤ 70% selected the Option 3</li> <li>➤ 12% selected the Option 2</li> <li>➤ Nobody selected the Option 1</li> <li>➤ 18% did not answer this question</li> </ul>

<p><b>Council's response</b></p>	<p>In light of the responses received in stage 1 consultation, Haringey Council's Officers recommend:</p> <ul style="list-style-type: none"> <li>• Universal base rate - Introduce a universal base rate payable to all providers in 2017/18 (See Stage 2 Consultation).</li> <li>• Mandatory deprivation supplement - Further consideration has been given to the level of the deprivation supplement and we are now considering a range of options namely 30p, 35p and 40p of the 52p available for supplements (See Stage 2 Consultation).</li> <li>• Discretionary supplements - Introduce only a quality discretionary supplement as a fixed separate pot of £76,000 to be allocated amongst high quality providers to support system leadership. We believe that continuing to improve the quality of early years providers will have the biggest impact on outcomes for children (See Stage 2 Consultation).</li> <li>• Free entitlement for two year olds - Reviewing the response and after considering the funding available to support the current enhanced rate, Officers are recommending the introduction of a the £5.66 funding rate from April 2019.</li> </ul> <p>Following the publication of the final <b>government's response to its consultation</b> and the associated operational guidance, Haringey Council will be launching a stage 2 consultation with providers gathering their views on the following areas:</p> <ul style="list-style-type: none"> <li>• The proposal for introduction of an improved universal base rate</li> <li>• Options for the levels of funding for the mandatory deprivation supplement</li> <li>• The proposal for introducing a discretionary supplement for quality</li> </ul>

## Appendix 1 – Stage 1 Providers Consultation Conclusion

Who was consulted	All Early Years Education providers Governors and Haringey Local Residents
Methodology	Online survey, internet, websites, emails, paper copy survey and engagement sessions
Engagement sessions	<p>We worked with the Early Years Quality Team to plan and deliver five sector specific sessions in November and December 2016, attending many of the pre-arranged sector meetings.</p> <p>During these sessions we spoke to 34 governors: 25 present at the Haringey <b>Governors’ Association Meeting and 9 at a specific consultation meeting</b> organised for Governors; 48 early years sector representatives at the PVI Forum and the Foundation stage Coordinator meeting; and 12 childminders at the <b>Childminders’ Forum</b>.</p> <p>During the session we received feedback in relation to the online questionnaire not functioning for some providers; therefore we distributed paper and electronic copies of the questionnaire and arranged for two specific and convenient collection points to be set up: one at the professional development centre and one at River park House. No questionnaires were returned using this method.</p>
Conclusion	<p><b>The majority of respondents agreed with the council’s preferred option (Option 1)</b> of paying a universal base rate to all providers from April 2017. In general respondents felt that this was the fairer option and would give providers a better rate.</p> <p><b>Almost three fifths of all respondents agreed with the council’s preferred option of a £0.40 deprivation supplement out of £0.52;</b> however over one quarter of respondents was unsure that it was the correct level of funding.</p> <p><b>Just over three quarters of respondents agreed with the council’s proposal for the discretionary supplement for the delivery of additional 30 hours free entitlement.</b> Generally the respondents that agreed recognised that this was a transitional funding arrangement, However the majority of respondents were unsure about this proposal and a few did not understand why it was necessary.</p> <p>When considering the funding rate for eligible two year olds, the majority of respondents would want to maintain the current funding rate of £6.00 over the next two financial years and introduce a taper from 2019/20. The respondents felt that this was the best option in a time of so many other changes and would</p>

	guarantee a level of stability.
<b>What happens next</b>	<p>6/01/2017 – Schools Forum Early Years Working group Meeting</p> <p>9/01/2017 - Stage 2 Consultation launches</p> <p>16/01/2017 – School Forum Meeting</p> <p>20/01/2017 – Stage 2 Consultation closes</p> <p>14/02/2017 – Cabinet meeting</p> <p>Your feedback and the results of the survey will be submitted to the Cabinet. The Cabinet will make a final decision on how to move forward with the new government changes. We will inform you of the final decision in March 2017</p>
<b>Dates of consultation:</b>	<p>Stage 1 - 20th Oct - 18th Dec 2016</p> <p>Stage 2 – 9th to 20th January 2017</p>

Appendix 1b

Stage 1 Consultation – Funding Early Years Education in Haringey  
**Provider’s online comments**

Universal Base Rate

Proposal:

To introduce a universal base rate from April 2017:

**Q1b – Please provide reasons for your answer:**

Seems fair option
Why is other part of London are getting a higher rate of pay? are we not doing the same job as others child care providers? it will have a big affect in small setting like child minders as we don't have a bigger premisses (sic!) as nursery/school where they can have more children. why can the rates be the same to all providers? in London
As I understand the above statement, for the nursery to continue to provide the outstanding service that ofsted (sic) and parents have said it does we should agree to this proposal.
Agree with base rate but the loss of supplements for quality will mean we will be getting less overall than presently.
We have incurred a loss over the last few years and the proposed funding rate is higher than the rate that we receive at the moment.
Fairer system
Good idea
Funding should be more favourable for us as a primary school nursery
This is a transparent formula and, our Nursery class would not miss out on a significant funding
If it meets minimum running costs and maintains quality for all types of providers. MNS have legal responsibilities that must be funded.
It appears that providers will all receive higher level of funding.
WE DO NOT FEEL THIS ACTUALLY IMPROVES OUR POSITION AS, AT THE PRESENT TIME, OUR INCOME IS £5.35 P/HR.

Proposal

To introduce a universal base rate in 2019/20 when it becomes mandatory

**Q.2b – Please provide reasons for your answer**

We need to move forward quickly
I feel for the council to provide a good, excellent service we should agree for option 1
The change is going to happen so I would rather work on budgeting sooner rather

than later.
Providers may miss out on funding
Would prefer extra funding for 2017/18 when there are so many changes to implement with the 30 hour provision
Using this option our Nursery class will miss out on a significant funding
For reasons above
It appears that providers will lose out on funding.
WE WOULD LIKE ALL THE MONEY, TO UTILISE IN THE BEST POSSIBLE WAY TO ACHIEVE MAXIMUM OUTCOMES FOR THE CHILDREN.

### Proposal

To phase in the introduction of a universal base rate by increasing the rate year on year until 2019/20

#### Q 3b – Please provide a reason for your answer:

money needs to reach nurseries quickly
that would be great, why can we do this at the start.
I feel it would be best for users and providers to go ahead with option 1
Schools need time to manage budgets and sudden large changes to income for EYFS will disadvantage them.
Seems fairest option
Sounds complicated!
This option is better than option 2. The Nursery class would be able to obtain more funding than using option 2, however it is very complicated and it is not transparent as option 1.
with enough time for financial planning it is possible to manage a change but with limited time a phasing in is necessary
The delay may not be fair and equitable to all providers.
STARTING AT A RATE OF £4.74 A 5% INCREMENT FOR BOTH YEARS RESULTS IN LESS THAN £4.74 AT THE END OF THE TWO YEARS AND CONSEQUENTLY WE WOULD HAVE LESS SPENDING TO ACHIEVE THE BEST OUTCOMES FOR THE CHILDREN.

## Mandatory Deprivation Supplement

### Proposal:

To set from 1<sup>st</sup> April 2017 a mandatory deprivation supplement of £0.40 per hour per child from April 2017

### 4b – Please provide reasons for your answer:

deprivation needs to be prioritised
This will assist in providing a continued excellent service.
How much is deprivation at the moment? Will we be losing more money? 40p is significantly less than 50p
I'm not sure I completely understand this, if it would be on top of the original funding or make up part of it.
Seems quite sure but as a governor not 100% familiar with the issue yet
The supplement is capped at 10% and it is deducted from base rate. I believe the providers should be able to retain £0.52
to have a greater impact in areas of deprivation higher resources are needed
As we are a Centre that has many children with speech and language delay, we need this additional funding to provide targeted support to these children. This is vital to their development and progress.
ANY POSITION WHERE THE INCOME STREAM TO THE SETTING IS GREATER THAN THE PROPOSED £4.74 HAS TO BE BENEFICIAL, ALTHOUGH OBVIOUSLY THE ADDITIONAL £0.12 TO ACHIEVE SHOULD BE THE MINIMUM AMOUNT SET ASIDE TO PROVIDERS.



## Discretionary Supplement

### Proposal:

To introduce a discretionary supplement of £0.12 per hour, per child, targeted towards supporting providers in the delivery of the additional 15 hours per week from September 2017. We are proposing to pay this supplement only in the first year of a provider offering the additional 15 hours to help mitigate transitional challenges. The funding will, however, not be paid to providers beyond one year, as we expect the number of providers offering the 15 hours to increase year on year.

### 5b – Please provide reasons for your answer:

Yes of course to support changes to come
This would help us in the transition and provide us means of sustainability.
I agree in theory, as I know that many settings would lose money through offering the additional hours but we ourselves are unable to offer additional hours, due to being based in a community centre with other users.
There will be many challenges in providing the additional 15 hours, more so in the first year. For a nursery such as hours moving from traditional 15-hour school nursery, we will have huge changes to manage so the supplement would help in the delivery of the additional hours.
I believe £0.12 should be as part of mandatory deprivation. The transition might be challenging for all settings and each setting would need this funding to accommodate the changes in 2017. The settings, which does not have growth capacity would lose this funding.
This money would be more effective if targeted to the most vulnerable children.
THE CONCEPT OF THIS BEING A 'ONE-OFF' FEE FOR A SHORT PERIOD EFFECTIVELY REDUCES AND PREVENTS ANY FURTHER INCREASE TO REACH PARITY WITH WHERE WE ARE NOW.

### 6b – Please provide reasons for your answer if you disagree with the one year limit:

Would be great if continued top up was an option
Disagree I feel it should be an ongoing supplement to support the setting.
If two years were possible, that would be helpful in light of the huge changes
If this just for transition it should be one year
two years to sustain any changes
As above, this money would be more effective if targeted to the most vulnerable children.
SEE ABOVE

**The free early education entitlement for two year olds**

**Proposal:**

Option 1 - To begin funding all providers delivering the 2-year old programme at the new government funding rate of £5.66 per hour per child from April 2017.

Option 2 - To maintain the enhanced funding rate of £6 per hour per child for 2017-18 and then begin tapering the funding in 2018-19 as follows:

Option 3 - To maintain the enhanced funding rate of £6 per hour per child for 2017-18 and 2018-19 and begin tapering the funding from April 2019-20 as follows:

- 2017/18 - £6.00 per hour per child
- 2018/19 - £6.00 per hour per child
- 2019/20 - £5.83 per hour per child
- 2020/21 - £5.66 per hour per child

**7b – Please provide reasons for your answer:**

1/2 seem feasible ( <i>sic</i> ) options
This will have a gradual impact on services and in the transition period can put in place a financial plan to support the short fall predicted over four years.
Maximises money to providers
Leaving blank as I don't have a strong view regarding the 2 year old provision and we don't have any direct experience in the area.
This will give us as a provider the maximum time to impact our 2 year olds with this additional funding.
PROVIDES THE MOST MONEY FOR AS LONG AS POSSIBLE.