Appendix 9

Early Years Single Funding Formula (EYSFF) Consultation Feedback 2022 – 2023

December 2022

**Summary**

There were 13 responses received: 11 from Merton schools (however one school did not include the EYFF survey in their wider response for the schools’ consultation) and two from Merton PVI providers. One school provided responses after the deadline of 12/12/22 had passed on 13/12/22 and these responses were included in this report. Feedback from the responses is provided below.

**Funding formula for 3 and 4-year-olds**

Merton Council is proposing no change to the existing EYSFF. Do you agree with this proposal?

|  |  |  |  |
| --- | --- | --- | --- |
| Yes | No | Don’t know | No answer |
| 11 | 1 | 0 | 1 |

Comment:

* *Formula is satisfactory, but rate should be increased to reflect increase in staffing and other costs*

Response to comment:

*Each year we consult on the formula only. The rates are set in the new year, following on from the publication of the DFE indicative budget allocation for Early Years Dedicated Schools Gran*t

**Funding formula for 2-year-olds**

Merton Council intends to continue to use the funding allocation for 2-year-olds solely for this purpose and not move any funding between 2-year-old and 3 and 4-year-old allocations. Please provide any comments about this that you would like to be considered by Merton Council and Schools Forum when setting the 2023/24 formula

Comments:

* *If the birth rate has dropped along with the number of children accessing nursery places, if the sector has a large number of empty places aged two, would it be sensible to move any excess money out of the two year budget and into the 3-4 years*
* *What is Merton’s take up of 2 year funded children? If it is low as has been in the past what happens to the funding that is left ove*r?

Response to comment:

*The budgets allocated are based on the number of places that are taken up across the year. Therefore, if we have a reduction in take up, the budget is reduced accordingly by the DFE. On this basis there is no excess money to move out of 2-year-old places budget and into 3- 4-year-old budget. Any drop in places taken up between years, is clawed back by the DFE at the end of the yearly budget cycle. To note Merton is around 60 – 65% regarding the take up of 2-year-old places, and that is what we get funded on. If we were to increase our take up to 85% for example, we would get funded on this higher number and more children would start their 3- and 4-year-old places with an additional 3 terms of education. If you are a setting that does not yet take 2-year-old places, please do let us know if you would like to, particularly if you are a school*.

**Questions about funding outside the formula and within the 95% high pass through rate**

**SEN Inclusion Fund (SENDIF)**

It is proposed that the value of the SENDIF continue to be based on the as descriptors in the document on paragraph 4.3.7. Do you agree with this proposal?

|  |  |  |  |
| --- | --- | --- | --- |
| Yes | No | Don’t know | No answer |
| 12 | 0 | 0 | 1 |

Comments:

NONE

**Contingency**

Merton Council continues to propose a contingency as part of the 95% high pass through rate, to cover possible fluctuations throughout the year at headcount, for deprivation and SENDIF, which are distributed at the end of the year. Do you agree with this proposal?

|  |  |  |  |
| --- | --- | --- | --- |
| Yes | No | Don’t know | No answer |
| 11 | 0 | 1 | 1 |

Comment:

* *If any contingency is left over who is it distributed amongst?*

Response to comment:

All Early years budget allocations for deprivation, SENDIFF, Pupil Premium and Disability Access Funding is distributed to settings in full and usually at year end any remaining contingency from 2-year-old and 3–4-year-old funding that is part of the 95% pass through rate is distributed to providers and settings.

**Early Years retained items**

Merton Council intends to retain 5% of the total budget to fund key statutory duties (administration, information, securing training for staff in the sector) support and advice to the sector, focussing on support to weaker settings and settings working with children with additional needs/SEND.

Please provide any comments about this that you would like to be considered by Merton Council and Schools Forum when setting the 2023/24 formula

Comments:

NONE

**Early Years Formula Pass through Rate (95%)**

Merton Council are working with the DfE as part of the Safety Valve Programme and the Council’s five-year strategy to deliver a balanced DSG budget that includes the Early Years Block It is proposed to submit to the Secretary of State (SOS) a request for disapplication for 23/24 so that less than 95% of the EY budget is distributed to settings.

Please provide any comments about this that you would like to be considered by Merton Council and Schools Forum when setting the 2023/24 formula.

Comments

* *What exactly does this mean for the budget, are Merton requesting to deliver less than 95% of the budget to the EY?*
* *I do not agree with proposing to distribute less than 95% of the EY budget to settings if this affects out hourly rate (sorry, have read consultation on this area and not too clear if this is talking about the 95% Passover for funding rate)*

Response to Comment:

*Merton is distributing 95% of the budget currently allocated for 23/24 to schools and settings. The Council is requesting to the DFE, via the Safety Valve process, that should there be an underspend at the end of the yearly budget cycle (ie after adjustments have been made from indicative to actual budgets) to not distribute the full 2023/24 budget to settings. It is anticipated that this will only happen at the end of the budget planning cycle, if there is any surplus that has not been allocated through the year. At the point of this consultation, and production of this response, the request to the DFE for this, has not been approved.*

**Other comments**

Please provide any comments you would like to be considered by Merton Council and Schools Forum when setting the 2023/24 formula.

Comments

NONE