

DARLINGTON SCHOOLS FORUM

8th March 2023

CONSULTATION ON EARLY YEARS FUNDING FORMULA CHANGES IN RELATION TO THE TEACHERS' PENSION AND PAY GRANT

Context

The Local Authority is seeking your views on the introduction of a quality supplement that could be included in the hourly rates that are paid for 3- & 4-year-olds.

Schools which provide early years entitlement provision for 3- & 4-year-olds have historically received a separate grant from the Department for Education (DfE) in the form of a Teachers' Pension and Pay Grant. This funding was distributed directly to the qualifying schools based on the number of eligible pupils and was not included in the hourly rates. In 2022/23 this equated to circa £107,000 for Darlington.

From April 2023 this will no longer be the case. The funding will be rolled into the hourly rate and will form part of the funding formula. As a result of this change, there is no guarantee that schools will get the same level of funding allocated to them as under the Teachers' Pay and Pension Grant.

Schools Forum has already agreed to passport the full inflationary uplift of 13p per hour to all providers, increasing the hourly rate to £4.61 from 1st April 2023. The distribution of the additional funding that relates to the Teachers' Pay and Pension Grant is now subject to consultation with early years providers.

The Department for Education's operational guidance for the funding change for 2023-24 states:

'We ... encourage local authorities to use the quality supplement to distribute the additional funding they will receive because of the mainstreaming of the teachers' pay and pensions grants.'

Consultation

Views are being sought from the early years sector on the following options for the distribution of this funding. The options are as follows:

Option A

No quality supplement linked to workforce qualifications would be introduced. Instead, the base rate would be increased by an additional 9p per hour for 3- & 4-year-old universal and extended hours for all providers. Therefore, the full increase to the hourly rate would be passported to all providers increasing the hourly rate to £4.70.

This option would be equitable across all providers but is not in line with the DfE guidance to implement a quality supplement.

Option B

A quality supplement would be introduced which would be paid to those providers who employ a qualified teacher to deliver the early years provision, where the employer pays into the Teachers' Pension Scheme for the teacher delivering the early years' provision. The funding supplement would only be payable to those providers meeting appropriate eligibility criteria (to be developed), with providers being required to provide evidence of meeting the eligibility criteria.

This would mean that providers meeting the criteria would receive £4.70 per hour and providers who do not meet the criteria would receive £4.61 per hour.

This option would be in keeping with the spirit of the DfE guidance and target funding to all providers employing qualified teachers and contributing to the Teachers' Pension Scheme (subject to eligibility criteria to be developed).

Both options will be subject to clawback from the DfE, if the number of hours is lower than anticipated. Darlington's maintained nursery schools are excluded as they will receive equivalent funding as part of the MNS supplementary allocation.

Your response

Before presenting the final proposal to Schools Forum for discussion in March, the Local Authority is seeking your views.

To get a representation of the views of as many early years providers as possible, please could you answer the questions below and e-mail your response to EarlyYearsTeam@darlington.gov.uk by **Friday 3rd March**.

School/Provider Name:

1. Do you support Option A: to passport the full 9p relating to the Teachers' Pay and Pension Grant to all providers and **not** implement a quality supplement?

YES/NO

2. Do you support Option B: to implement a quality supplement that targets the funding to providers that are employing qualified teachers and contributing to the Teachers' Pension Scheme?

YES/NO