

Schools Funding Forum 3rd November 2020 ITEM 4

Subject Heading:

IDACI Deprivation Data – Early Years Providers

Report Author:

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Eligibility to vote:

All school and academy members and the PVI representative

SUMMARY

This report is to bring to the attention of the Schools Funding Forum the impact on early years providers of changes to IDACI (Income Deprivation Affecting Children Index) data and the methodology for calculating funding.

RECOMMENDATIONS

To note the report.

REPORT DETAIL

In September 2019 the Government released an update to the 2015 English Indices of Deprivation. This is the deprivation measure used in the funding formula for early years providers. The full report can be found here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/835115/loD2019_Statistical_Release.pdf

IDACI uses Lower-layer Super Output Areas (LSOA) (postcodes) and the 2019 data shows a significant shift in deprivation particularly in London where it has reduced.

Schools and early years funding for 2020-21 has been based on the 2015 data as in previous years but funding for future financial years will be based on the updated 2019 data.

Given the significant impact on funding of using the 2019 data, the ESFA changed the basis on which pupils are assigned to the seven IDACI bands. This is now done on the basis of rank rather than score. For example, Band A now consists of pupils in the most deprived 2.5% of lower super output areas (LSOAs), instead of consisting of pupils in LSOAs with an IDACI score greater than 0.5.

Previous IDACI bandings

IDACI score	Band
Between 0.5 and 1	A
Between 0.4 and 0.5	B
Between 0.35 and 0.4	C
Between 0.3 and 0.35	D
Between 0.25 and 0.3	E
Between 0.2 and 0.25	F

Revised IDACI bandings

IDACI Factor	Ranks	Band
Pupils in the most deprived 2.5% of LSOAs	1 to 821	A
Pupils in the next 5% most deprived LSOAs	822 to 2,463	B
Pupils in the next 5% most deprived LSOAs	2,464 to 4,105	C
Pupils in the next 5% most deprived LSOAs	4,106 to 5,747	D
Pupils in the next 10% most deprived LSOAs	5,748 to 9,032	E
Pupils in the next 10% most deprived LSOAs	9,033 to 12,316	F

The impact of the move to 2019 data, and the change to a ranked basis, has the following impact for children in early years setting:

Previous Banding		Revised Banding	
Band	Number	Band	Number
A	2	A	37
B	213	B	104
C	306	C	136
D	325	D	257
E	497	E	468
F	525	F	649
G	1,763	G	1,980
Not found	6	Not Found	6
Total	3,637	Total	3,637

Appendix A shows the movement of pupils from the previous bandings to the revised bandings

To lessen further the impact of the move from 2015 data to 2019 data the DfE increased the National Funding Formula values for each band.

In Havering, funding for IDACI is currently allocated at the same rate for schools and early years providers. If this were to continue for 2021/22, funding rates would be as follows:

Band	Hourly rate		Annual rate (38 weeks x 15 hours)		% change
	2020/21	2021/22	2020/21	2021/22	
A	£0.68	£0.71	£387.60	£404.70	4.41%
B	£0.50	£0.54	£285.00	£307.80	8.00%
C	£0.46	£0.51	£262.20	£290.70	10.87%
D	£0.43	£0.47	£245.10	£267.90	9.30%
E	£0.28	£0.30	£159.60	£171.00	7.14%
F	£0.24	£0.25	£136.80	£142.50	4.17%
G	£0.00	£0.00	£0.00	£0.00	0.0%

The resultant change in funding for each setting is shown in Appendix B. There is a reduction of £59,739 in the total funding allocated through the IDACI factor. This equates to 2p on the hourly funding rate.

The percentage changes in summary are:

Change in funding	No. of settings
Increase > 50%	4
Increase 40% to 50%	3
Increase 30% to 40%	4
Increase 20% to 30%	7
Increase 10% to 20%	9
Increase 0 to 10%	22
Decrease 0 to -10%	19
Decrease -10% to -20%	25
Decrease -20% to -30%	24
Decrease -30% to -40%	10
Decrease -40% to -50%	10
Decrease > -50%	9
Total	146

Note – all child minders are shown as a single setting

EARLY YEARS IDACI DATA AND RECATEGORISATION OF BANDS
 (Autumn 2019 Term Census data)

Item 4 Appendix A

Summary of recategorisation of IDACI bands

Previous Band		Recategorised Band								
Band	No.	A	B	C	D	E	F	G	Nf*	Total
A	2		1			1				2
B	213	37	103	7	63	2	1			213
C	306			124	124	57	1			306
D	325				26	233	31	35		325
E	497			5	44	84	192	172		497
F	525					63	264	198		525
G	1763					28	160	1575		1763
Nf*	6								6	6
Total	3637	37	104	136	257	468	649	1980	6	3637

Nf* IDACI Band for child's address not found

The impact on IDACI funding of changes in methodology and rates - early years settings

Type	Name	Previous methodology £	Revised methodology £	Change £	Change %
All childminders		8,850	7,648	-1,202	-13.6
Day Nursery	Day Nursery 1	2,320	1,169	-1,151	-49.6
	Day Nursery 2	2,962	3,568	606	20.5
	Day Nursery 3	2,913	2,166	-747	-25.6
	Day Nursery 4	2,257	2,018	-239	-10.6
	Day Nursery 5	4,273	3,446	-827	-19.4
	Day Nursery 6	274	342	68	25.0
	Day Nursery 7	5,367	5,286	-81	-1.5
	Day Nursery 8	1,984	1,351	-633	-31.9
	Day Nursery 9	1,693	1,625	-68	-4.0
	Day Nursery 10	7,662	5,973	-1,688	-22.0
	Day Nursery 11	3,358	3,631	273	8.1
	Day Nursery 12	6,061	6,180	119	2.0
	Day Nursery 13	4,350	2,734	-1,616	-37.2
	Day Nursery 14	117	0	-117	-100.0
	Day Nursery 15	0	0	0	0.0
	Day Nursery 16	2,588	2,069	-519	-20.0
	Day Nursery 17	6,040	3,291	-2,749	-45.5
	Day Nursery 18	462	105	-358	-77.4
	Day Nursery 19	813	781	-32	-4.0
	Day Nursery 20	3,887	3,363	-524	-13.5
	Day Nursery 21	3,290	2,588	-702	-21.3
	Day Nursery 22	547	570	23	4.2
	Day Nursery 23	370	537	167	45.2
	Day Nursery 24	16,366	13,237	-3,129	-19.1
	Day Nursery 25	2,843	2,081	-762	-26.8
	Day Nursery 26	1,054	963	-92	-8.7
	Day Nursery 28	684	0	-684	-100.0
	Day Nursery 29	7,781	5,575	-2,206	-28.4
	Day Nursery 30	547	428	-120	-21.9
	Day Nursery 31	6,110	5,552	-559	-9.1
	Day Nursery 32	1,750	741	-1,009	-57.7
	Day Nursery 33	570	728	158	27.7
	Day Nursery 34	1,427	1,846	419	29.4
	Day Nursery 35	2,781	768	-2,013	-72.4
	Day Nursery 36	3,557	2,622	-935	-26.3
	Day Nursery 37	6,181	5,243	-939	-15.2
	Day Nursery 38	5,420	4,196	-1,224	-22.6
	Day Nursery 39	4,724	5,235	511	10.8
	Day Nursery 40	137	143	6	4.2
	Day Nursery 41	2,599	1,009	-1,590	-61.2
	Day Nursery 42	3,417	3,017	-399	-11.7
	Day Nursery 43	1,984	1,169	-815	-41.1
	Day Nursery 44	791	929	138	17.4
	Day Nursery 45	3,054	2,344	-711	-23.3
	Day Nursery 46	730	713	-17	-2.3
	Day Nursery 47	1,980	1,227	-753	-38.0
	Day Nursery 48	3,272	2,582	-690	-21.1
	Day Nursery 49	821	855	34	4.2
	Day Nursery 50	1,357	1,971	614	45.2

Type	Name	Previous methodology £	Revised methodology £	Change £	Change %
Independent	Independent 1	1,316	1,477	161	12.2
	Independent 2	1,512	1,247	-266	-17.6
	Independent 3	3,977	2,848	-1,129	-28.4
	Independent 4	2,052	2,554	502	24.4
	Independent 5	889	456	-433	-48.7
Preschool	Preschool 1	3,792	3,461	-331	-8.7
	Preschool 2	686	972	286	41.7
	Preschool 3	5,472	4,891	-581	-10.6
	Preschool 4	1,049	1,117	68	6.5
	Preschool 5	2,206	1,283	-923	-41.9
	Preschool 6	1,325	1,426	101	7.7
	Preschool 7	1,094	2,015	921	84.2
	Preschool 8	1,358	722	-636	-46.8
	Preschool 9	501	1,601	1,100	219.4
	Preschool 10	1,018	485	-533	-52.4
	Preschool 11	0	0	0	0.0
	Preschool 12	2,587	929	-1,658	-64.1
	Preschool 13	319	428	108	33.9
	Preschool 14	1,506	1,351	-155	-10.3
	Preschool 15	2,712	1,528	-1,184	-43.7
	Preschool 16	3,202	2,212	-991	-30.9
	Preschool 17	4,423	3,346	-1,077	-24.4
	Preschool 18	4,859	4,053	-807	-16.6
	Preschool 19	530	623	93	17.6
	Preschool 20	1,281	1,481	200	15.6
	Preschool 21	946	838	-108	-11.4
	Preschool 22	2,143	2,531	388	18.1
	Preschool 23	1,732	2,288	556	32.1
	Preschool 24	4,792	4,126	-665	-13.9
	Preschool 25	520	493	-27	-5.2
	Preschool 26	353	283	-70	-19.7
	Preschool 27	1,784	798	-986	-55.3
	Preschool 28	4,348	5,662	1,314	30.2
	Preschool 29	1,978	1,140	-838	-42.4
	Preschool 30	1,407	1,682	275	19.5
	Preschool 31	137	143	6	4.2
	Preschool 32	1,969	1,921	-48	-2.4
	Preschool 33	2,574	2,676	102	4.0
	Preschool 34	2,950	2,645	-306	-10.4
	Preschool 35	718	695	-23	-3.2
	Preschool 36	798	998	200	25.0
	Preschool 37	2,120	1,616	-505	-23.8
	Preschool 38	2,974	2,377	-597	-20.1
	Preschool 39	160	143	-17	-10.7
	Preschool 40	1,516	1,197	-319	-21.1
	Preschool 41	4,332	4,440	108	2.5
	Preschool 42	2,782	3,040	259	9.3
	Preschool 43	3,259	3,607	349	10.7
	Preschool 44	4,822	3,848	-975	-20.2
	Preschool 45	3,921	3,671	-250	-6.4
	Preschool 46	194	173	-21	-10.7
	Preschool 47	274	314	40	14.6
	Preschool 48	1,614	1,585	-30	-1.8
	Preschool 49	2,978	2,172	-806	-27.1
	Preschool 50	1,133	752	-381	-33.6

Type	Name	Previous methodology £	Revised methodology £	Change £	Change %
	Preschool 51	2,458	2,060	-398	-16.2
	Preschool 52	3,701	3,722	21	0.6
	Preschool 53	96	246	150	157.1
	Preschool 54	4,521	4,425	-95	-2.1
	Preschool 55	980	963	-17	-1.7
	Preschool 56	137	143	6	4.2
	Preschool 57	3,086	1,750	-1,336	-43.3
	Preschool 58	3,663	3,028	-635	-17.3
	Preschool 59	6,522	8,104	1,582	24.3
	Preschool 60	3,103	6,173	3,070	98.9
	Preschool 61	2,348	1,704	-644	-27.4
	Preschool 62	458	409	-49	-10.7
	Preschool 63	4,090	3,176	-914	-22.3
	Preschool 64	906	752	-154	-17.0
	Preschool 65	0	143	143	0.0
	Preschool 66	963	747	-217	-22.5
School	School 1	3,816	2,354	-1,462	-38.3
	School 2	12,669	13,768	1,098	8.7
	School 3	8,241	8,274	34	0.4
	School 4	11,526	8,542	-2,984	-25.9
	School 5	7,623	5,393	-2,230	-29.3
	School 6	11,549	11,597	48	0.4
	School 7	10,701	9,418	-1,283	-12.0
	School 8	3,611	3,715	103	2.9
	School 9	13,455	13,150	-305	-2.3
	School 10	3,260	2,130	-1,131	-34.7
	School 11	1,974	1,346	-628	-31.8
	School 12	17,149	15,542	-1,607	-9.4
	School 13	8,103	8,037	-66	-0.8
	School 14	5,204	4,446	-758	-14.6
	School 15	4,121	5,421	1,300	31.5
	School 16	4,891	4,064	-827	-16.9
	School 17	3,071	2,791	-280	-9.1
	School 18	6,046	4,446	-1,600	-26.5
	School 19	11,548	7,587	-3,962	-34.3
	School 20	2,210	2,024	-186	-8.4
	School 21	8,328	4,765	-3,563	-42.8
	School 22	1,842	1,143	-699	-37.9
	School 23	962	997	34	3.6
Total		464,199	404,460	-59,739	0