
Meeting: Central Bedfordshire Schools Forum
Date: 25 January 2010
Subject: Early Years Single Funding Formula
Report of: Deputy Chief Executive and Director of Children, Families and Learning
Summary: The Schools Forum is requested to approve the proposal to postpone the implementation of the Early Years Single Funding Formula (EYSFF) until April 2010.

Contact Officer: Bob Thompson
Public/Exempt: Public
Wards Affected: All
Function of: Council

RECOMMENDATIONS:

- 1. The Schools Forum agrees to:**
 - a) postpone the implementation of the Early Years Single Funding Formula (EYSFF) until April 2011**
 - b) count children in nursery schools on the basis headcount for 2010-11 rather than places.**

Background

1. Originally Central Bedfordshire Council was required to implement an Early Years Single Funding Formula (EYSFF) for all schools and settings making the free early years entitlement for 3 and 4 year olds from 1st April 2010. In order to achieve this the following has been undertaken:-
 - An initial consultation during the Summer Term 2009 to gain settings' views on the factors/elements which might be included in the EYSFF and the possible impact on their settings.
 - Construction of a single funding pot for the EYSFF.

- The construction of possible formulae and their impact on settings.
 - The compilation of an EYSFF Consultation Document with the support of the Early Years Reference Group.
 - A formal consultation on the formula options including four information events for schools and settings.
2. 81 schools and settings responded to the EYSFF consultation which was undertaken during November 2009, a summary of the outcomes of which are outlined in Appendix A.
 3. As part of the submission to the Children, Schools and Families Select Committee on 9 December 2009, the Minister announced that LAs would be allowed to postpone implementation until April 2011 or apply to become an additional pathfinder authority. At the meeting on Thursday 10 December the Early Years Reference Group agreed to recommend to the Schools Forum that, in light of the comments received following the EYSFF Consultation, implementation be deferred for a year to allow further work to be undertaken.
 4. As part of the discussions on the outcomes of the EYSFF Consultation it was also agreed that:
 - had the Minister not made the announcement about postponement then Option A would have been implemented with the inclusion of a £100 lump sum for administration for private, voluntary and independent providers
 - in line with the majority of local authorities nursery schools should be counted on headcount for 2010-11 (please see Technical Funding Group proposal). This means that they will be counted in the same way as lower schools, namely a 3 year old will be counted as 0.5 FTE and a four year old 1.0 FTE. The adoption of this policy will provide a stepping stone towards funding all schools and settings on the basis of uptake of hours.

Recommendations

5. The Schools Forum agrees to:
 - a) postpone the implementation of the EYSFF until April 2011
 - b) count children in nursery schools on the basis headcount for 2010-11 rather than places.

Reasons For Recommendations

6. The Minister is allowing local authorities (LAs) 2010 to postpone implementation of EYSFF until April 2011. Funding nursery schools on the basis of headcount brings them in line with the funding methodology for 3 and 4 year olds in lower schools and the majority of local authorities.
7. A summary of the outcomes of the EYSFF Consultation are set out in Appendix A.

Outcomes of EYSFF Consultation

1. In total there were 84 responses representing 81 schools and settings of which 2 responses were received after 30 November closing date:
 - **Option A – 33:** 27 schools and 6 PVI settings of which 5 were voluntary supported this option
 - **Option B – 25:** 6 schools and 19 PVI settings of which 14 were voluntary or childminders supported this option
 - **Option C – 10:** 8 schools and 2 PVI settings of which 1 was voluntary and 1 a childminder supported this option
 - **Option D – 12:** no schools and 12 PVI settings of which 5 were voluntary, 6 were private and 1 was a childminder supported this option
 - **Option C or D – 1:** 1 voluntary setting supported either of these options.

Comments

2. A broad range of comments were received on the proposals for the EYSFF and a summary of these is as follows:
 - Nursery schools responded that although Option A is the best of the options it still does not go far enough to cover their necessary and unavoidable costs. The lump sum of £65K only covers the cost of a headteacher and not a range of other unavoidable staffing and other costs. Nursery schools also have Reception age children who attend full-time and the funding mechanism should recognise this. Likewise one nursery school has to keep places vacant in the summer term to accommodate the admissions pattern of its partner lower school. The current model doesn't have a quality element which would support the employment of more highly qualified staff such as teachers and nursery nurses.
 - Other comments from schools include:
 - Highlighting a mismatch in interpretation of “value for money” between Ofsted and the proposed formulae
 - Nursery schools help to “close the attainment gap” and support a larger proportion of children with special and additional needs
 - Option B appears to recognise the needs of both nursery schools and PVI settings
 - Option C provides the best value / business response
 - Concern that none of the formulae options would allow smaller and rural schools to continue to provide their current early years in its current format or meet the needs of children and families in their communities

- Despite having high percentages of single parent families and children receiving free school meals, the social deprivation element does not take account of these factors
- A base rate of £3.30 or £3.60 would not sustain the current excellent provision made by nursery and lower schools.

- Comments from PVI settings included:
 - A welcome for a more transparent approach, recognised need for nursery school lump sum but also the need for leadership monies in the PVI sector
 - Felt that the process has been confusing but the information evening was helpful
 - The Council will choose the option which suits it best
 - Would like to see the funding methodology to stay as it is
 - Don't like the use of arbitrary figures to administration and utility costs, keep it simple – base rate and quality
 - Option B is best as long as it doesn't involve pages of auditing
 - There is a need to address higher adult / child ratios and graduate leadership funding in PVI settings
 - Options B and D seem best, feel Option B may be fairest as this was stated at meetings. However, have chosen Option D because do not see why nursery schools should be favoured as all settings provide essentially the same service. If nursery schools had to be closed PVI settings could absorb the children and staff.

3. Full details of the schools and settings responses are available on request.