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**Meeting:** Schools Forum

**Date:** 20<sup>th</sup> September 2010

**Subject:** Early Years Single Funding Formula

**Report of:** Deputy Chief Executive and Director of Children's Services

**Summary:** To update the Schools Forum on the progress towards the implementation of the Early Years Single Funding Formula (EYSFF) for April 2011.

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Contact Officer: Sue Tyler

Public/Exempt: Public

Wards Affected: All

Function of: Council

Reason for urgency  
(if appropriate)

**RECOMMENDATIONS:**

**The Schools Forum notes the progress towards the implementation of the EYSFF for April 2011.**

**Update**

1. Following the decision to allow local authorities (LAs) to defer the implementation of the Early Years Single Funding Formula (EYSFF) in April 2010, the Department for Education (DfE) requires all LAs to introduce a single local funding formula (EYSFF) for all providers of the free flexible early years entitlement (FFEE) from April 2011.
2. Work has been undertaken on sampling the typical costs across a range of schools and settings providing FFEE. Six possible formula options were developed following this work and after considerable discussion the Early Years Reference Group is recommending that three formulae are consulted on during September and October. These options were chosen as they best reflected the needs of schools and the private, voluntary and independent (PVI) sector.

3. The factors within the three chosen options are as follows:

**Option A:**

- A differential base rate for all schools and settings of £3.20 per hour of those schools and settings providing up to 15 hours provision weekly and £3.50 for those providing over 15 hours weekly
- A social deprivation factor at three levels 20p per hour for the 30% most disadvantaged, 10p for 31-60% disadvantaged and 0p for remaining 61-100%
- Nursery school lump sum of £40,000
- A quality factor awarded at three levels 20p per hour to qualified teacher (QTS) and early years graduate with early years professional status (EYP), 15p per hour to an early years graduate without EYP and 10p per hour to a level 4. This factor will apply to the highest qualified practitioner and where two colleagues job share their total hours contact time applies
- Private, voluntary and independent (PVI) settings administration factor of £100 lump sum per year plus 10p per hour
- Nursery schools and PVI rent and rates factor of 10p per hour
- Nursery schools and PVI utilities factor of 10 per hour.

**Option B:**

- A differential base rate for nursery schools, lower schools and PVI settings
- For lower schools and PVI settings the base rate and additional factors are as in Option A
- For nursery schools:
  - Base rate of £3.45 per hour
  - Social deprivation factor at three levels as in Option A
  - Plus factors in current nursery school formula for pupil led funding:
    - Summer term intake
    - Free school meals
    - Insurance
    - School meals
    - HILLN (SEN)
  - Plus factors in current nursery school formula for:
    - Conditions survey
    - Floor area
    - Rent and rates
    - Lump sum
    - Insurance lump sum
    - School meals lump sum

**Option C:**

- A differential base rate for all schools and settings of £3.10 per hour for those schools and settings providing up to 15 hours provision weekly and £3.40 for those providing over 15 hours weekly
- An enhanced social deprivation factor at three levels with greater emphasis on the most disadvantaged children
- All other factors as Option A.

Appendix A sets out a summary of the three formula options.

4. The impact that the different formula options have on minimum and maximum hourly rates are as follows:

	Current hourly rate	Option A		Option B		Option C	
		Min	Max	Min	Max	Min	Max
<b>Nursery Schools</b>	N/A	£4.04	£4.54	Due to the use of specific lump sums and rateable value a general hourly rate is not quantifiable, this will be individual to each Nursery / Lower School		Due to the use of IMD Data for Social Deprivation a general hourly rate is not quantifiable, this will be individual to each setting	
<b>Lower Schools (Nursery Class)</b>	N/A	£3.40	£3.90				
<b>PVI</b>	£3.70	£3.50	£4.20	£3.50	£4.20		
		Plus £100 lump sum PVI only					

Note : (1) To calculate the hourly rate for Option A for Lower and Nursery Schools it has been assumed that a qualified teacher is in place (2) Nursery School Lump sum equates to 0.54p per hour (3) The Lower School hourly rate only applies to the Early Years element of the school Individual Schools Budget.

5. It is proposed that the consultation with providers will be undertaken in September and October and that it will be published on the Central Bedfordshire website. Both email and paper based responses will be accepted. The process will be supported by the provision of information evenings.

### Recommendations

6. The Schools Forum notes progress towards the implementation of the EYSFF for April 2011.

### Reasons For Recommendations

7. Central Bedfordshire Council has a legal requirement to implement the EYSFF in April 2011.

### Appendices:

Appendix A – Summary Formula Options