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**Meeting:** Schools Forum  
**Date:** 24 January 2011  
**Subject:** Early Years Single Funding Formula  
**Report of:** Deputy Chief Executive and Director of Children's Services  
**Summary:** The Schools Forum to approve the Early Years Reference Group (EYRG) recommendation concerning the implementation of the Early Years Single Funding Formula (EYSFF) for implementation in 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:**

- 1. To implement April 2011 Option D as proposed by the Early Year Reference Group (EYRG)**
- 2. To set a level of protection for Early Years of 1% of Minimum Funding Guarantee (MFG)**
- 3. To note from 2012/13 the Early Years Funding Stream will be subsumed within the overall DSG**
- 4. To note Option D requires £54k contribution from the wider Individual Schools Budget (ISB) funding to be directed to Early Years (EY).**
- 5. To note termly headcount adjustment will be paid out of Schools Specific Contingency, in line with other phases.**

## **Background**

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 from April 2011. In order to achieve this the following has been undertaken:
  - Identifying the Early Years funding stream.
  - The construction of possible formulae in conjunction with the Early Years Reference Group (EYRG) and their impact of proposed hourly rates on schools and settings.
  - A formal consultation on three formula options (Appendix A) including two information events during the Autumn Term 2010 to gain schools and settings' views.
  - Discussion and agreement at the EYRG to recommend to the Schools Forum a revised formula – Option D (Appendix B) which was considered to be the most appropriate to meet the needs of all schools and settings.
2. 52 schools and settings responded to the EYSFF consultation which was undertaken during November 2010 with a clear majority of those responding, supporting the implementation of Option B (a summary of the outcomes are outlined in Appendix C).

## **Summary**

3. As explained above schools and settings were consulted on 3 formula options and a clear majority of those responding, although not all of those consulted, supported the implementation of Option B. However, two points in particular have been made both through the formal consultation process and in discussions at the EYRG. Particular concerns were raised over the clarity of the wording in the Consultation Document in relation to the provision of up to and over 15 hours of provision. The original intention was to support those schools and settings offering the flexible element of the Free Flexible Extended Entitlement (FFEE) with an enhanced rate. In order to provide access to this part of the offer a school or settings must be open for a minimum of 21 hours per week to enable a parent to access 15 hours over a minimum of 3 days in any week, as well as at least three hours on the other two days of the week. . The other issue concerns sustainability, particularly those settings in rural areas. As a result the differential base for all schools and settings has been revised to (Option D):
  - £3.30 per hour for those providing up to 15 hours provision weekly and
  - £3.45 for those enabling children to access the flexible element of the free flexible extended offer (FFEE).

4. Nursery and lower school budgets are currently protected to ensure a year on year increase to their pupil led funding. Nursery and lower schools need time to prepare for future reductions in their early years funding as a result of the EYSFF. It is proposed that they are protected at a level of 1.0% MFG in 2011-12 even though the wider MFG for schools is set at minus1.5% as recently announced by the Department for Education (DfE). This will be reviewed in 2012-13 in line with the proposed National Funding Formula.
5. The current funding stream for the EYSFF for 2011/12 of £7.503m combines the current funding for PVI, nursery schools and lower schools early years provision and from 2012/13 this amount will be subsumed within the overall DSG.
6. It should be noted that an additional £54K will need to be added to the Early Years Funding stream (an increase to £7.557m) from the wider ISB funding in order to implement Option D.
7. In 2011/12 PVI settings will be funded as currently 6 times a year. Half of this sum will be based on predicted numbers with the remainder payable when termly headcount numbers are confirmed. Nursery and lower schools (early years element) will be funded annually based on January census figures. In-year adjustments will then be made each term based on termly school census pupil counts paid from Schools Specific Contingency.

### **Recommendations**

8. The Schools Forum agrees:
  - to the implementation of the proposed Early Years Single Funding Formula (EYSFF) as outlined in Option D (Appendix B) in April 2011
  - to set the MFG at 1%.)

The Schools Forum notes that:

- from 2012/13 the Early Years Funding Stream will be subsumed within the overall DSG
- should Option D be agreed £54K will need to be added to the funding stream from the wider ISB funding
- termly headcount adjustment will be paid out of Schools Specific Contingency in line with other sectors.

### **Reasons For Recommendations**

9. The Council is legally required to implement an EYSFF in April 2011.