

Decision Maker: SCHOOLS' FORUM

Date: Thursday 12 February 2015

Decision Type: Non-Urgent Non-Executive Non-Key

Title: UPDATE ON EARLY YEARS FUNDING FORMULA FOR 2015/16

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Chief Officer: Executive Director of Education, Care & Health Services

Ward: (All Wards);

1. Reason for report

This report provides additional information on the proposed changes to the Early Years Funding Formula for 2015/16 to include detailed modelling

2. RECOMMENDATION(S)

The Schools Forum is asked to agree the proposed changes.

3. COMMENTARY

3.1 At the last meeting, the Schools Forum was asked to agree the proposed changes to the Early Years Funding Formula for 2015/16 which included an increase to the base rate to include Inclusion funding previously paid as a lump sum, changes to the quality supplement and removal of the flexibility supplement as detailed in the previous report.

3.2 At the meeting the Early Years representative expressed some concerns about the proposed changes and the impact that this would have on individual settings. In view of these concerns it was proposed that LA officers would meet with the Early Years representative to go through the detailed modelling figures.

3.3 A meeting has now been held to include the following:

- Mandy Russell, Head of Schools Finance Team
- Nina Newell, Head of Schools and Early Years Commissioning and Quality Assurance
- Rosemary Meissner, Childcare and Free Entitlement Co-Ordinator
- Alison Register, Schools Forum Representative
- Teresa Robinson. Chair of EYDCP

3.4 At the meeting LA Officers shared full details of the modelling that had been carried out as part of the review showing information on the changes which would impact on individual settings in terms of winners and losers. Details of the modelling provided can be seen at appendix one.

3.5 LA explained the reasoning behind the changes as follows:

- Base rate increased to include a per pupil element for Inclusion funding which was previously paid as a lump sum on a one-off basis agreed with DfE – as the one off payment was based on bandings of number of hours claimed it was deemed that it would be fair to continue this method of distribution
- Quality supplement previously based on staff qualifications and Ofsted rating to be changed to be based on Ofsted rating only but at a higher hourly rate. Where concerns had been raised at the Forum meeting as to how this would impact on schools where there was a change of Ofsted ratings, officers were able to confirm that this is in line with current practices.
- Flexibility supplement being removed as this is no longer required by DfE to be part of the formula, and it was felt that this funding would be better used to supplement the base rate and the quality supplement.
- Proposed changes would be easier to administer as part of the proposed changes to outsource Early Years support.

3.6 The detailed modelling shows that there are a small number of settings where the hourly rate will decrease by between 0.01p and 0.18p, whereas a much larger number of settings would see increases of between 0.01p and 0.64p. Officers that work very closely with the settings were able to provide assurance that no individual setting would be destabilised by these changes.

3.7 Officers also reconfirmed that there is no formal requirement to consult with settings on any of the above changes, nor to provide any level of MFG support as there is no reduction to the base rate.

3.8 Having discussed these detailed, both of the Early Years representatives felt that they had a better understanding of both the reasons behind the proposed changes and the potential impact and agreed to support the proposals.

3.9 It should be noted that the detailed modelling provided relates to PVI settings only – this is because :

- No maintained setting receives flexibility supplement so no impact from removal
- Maintained settings have not previously received quality supplements but will do so moving forwards.

As all settings will gain through the changes it was felt that it was not necessary to provide detailed modelling.

3.10 The Schools Forum regulations state that the Forum has the final decision on all Early Years expenditure that is proposed by the Local Authority. It is important that these changes are agreed by the Schools Forum in time for budget allocations to be sent out in line with DfE timescales. In the event the changes are not agreed, the funding will have to be paid on the current formula but will not include any funding for inclusion (around £600k in 2014/15) Members who are unable to attend the meeting, comments are invited via the attached proforma which will allow the Chair and Vice Chair to make a decision of the formula with a view to this being formally ratified at the next full meeting.