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London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **SCHOOLS' FORUM**

Date: **Thursday 26 November 2015**

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

Title: **UPDATE OF EARLY YEARS FUNDING FOR 2016/17**

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Chief Officer: Director: Education (ECHS)

Ward: (All Wards);

1. Reason for report

This report provides an update on changes to Early Years and the impact on the related funding.

2. **RECOMMENDATION(S)**

The Schools Forum is asked to consider the proposal to align Maintained and PVI Early Years Funding for 2016/17.

3. COMMENTARY

3.1 In a previous report the Schools Forum were advised of some changes to the OFSTED registration processes for Early Years settings which could potentially impact on their funding.

3.2 At present, Bromley has a similar but different funding formula for maintained and PVI settings. This is in line with DfE regulations and has reflected the different staffing requirements and premises related expenditure.

3.3 Historically, when schools with maintained nurseries have converted to academies they have continued to be viewed as maintained settings as opposed to PVI and have been funded accordingly. This was based on advice provided by DfE at the time of the first such conversion back in 2011.

3.4 DfE have recently issued some further guidance which now appears to address the ambiguities in their original guidance, particularly with regard to staffing requirements in maintained school nursery settings. A copy of the guidance note is attached at appendix 1. If this is the case, it would follow that EY settings at academies should be funded as PVI settings. At present, there are seven primary academies being funded as maintained settings, plus only four nurseries at the remaining maintained schools.

3.5 In view of this and to ensure that no settings are financially disadvantaged by this, the LA is proposing that the EY funding formula should be rationalised and that the maintained funding levels, being the lower of the two, should be increased to match the PVI funding levels.

3.6 The financial cost of this is detailed below:

Rate	Description	PVI	Maintained	Increased cost
Base rate	Basic hourly rate for all pupils	£3.90	£3.80	£27k
Deprivation	Based on post code of individual pupils	0.10p to 0.55p	0.20p to 0.60p	-£8k
Quality	Good/Outstanding Ofsted Outcome	0.40p or 0.50p	0.10p or 0.20p	£47k
SEN	Based on the number of pupils with Special Educational Needs within the setting	0.41p	0.41p	
Maximum Hourly Rate		£5.36	£5.01	
Total				£66k

3.7 No detailed financial modelling has been done as no settings are negatively impacted by these changes. It is proposed that the increased cost would be met from within the Early Years Block.

3.8 LA Officers have met with representatives from maintained schools and academies with a variety of provisions and their views are that this was an acceptable way forward. Some schools had concerns about the quality supplement, and what judgement this would be measured by and it was agreed that it would be based on the EY judgement as opposed to the overall school judgement.

3.9 Regardless of the funding levels, the LA may need to review the payment methodology for schools and whether this will sit with the Early Years team or the Schools Finance Team.

3.10 Aside from the payment issues, the DfE and Ofsted need to issue further joint guidance on proposed revisions to the Early Years Foundation Stage and impact on registration requirements. We also need to ensure that all settings include their Nursery age pupils on either the Early Years or Schools Censure to avoid potential loss of DSG monies.

3.11 The Schools Forum is asked to discuss this proposal with a view to agreeing the financial changes for 2016/17.

4. FINANCIAL IMPLICATIONS

4.1 Increased cost of £66k to be met from within the Early Years Block..