

# WIRRAL COUNCIL

## WIRRAL SCHOOLS FORUM – 20<sup>th</sup> JANUARY 2010

### REPORT OF DIRECTOR OF CHILDREN'S SERVICES

#### EARLY YEARS SINGLE FUNDING FORMULA

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#### EXECUTIVE SUMMARY

This report updates the Forum on the progress made by the Early Years Working Group and recent correspondence from the DCSF. The implementation of the Early Years Single Funding Formula (EYSFF) is to be delayed by one year to April 2011.

#### 1.0 Background

Over the past 18 months a working group from the Schools Forum has met to consider how a single formula for Early Years should best be designed, taking into account guidance from DCSF and models operated by pilot authorities.

At the last meeting a formula was proposed containing:

- a single base rate for all providers;
- a deprivation supplement equal to 4% of the overall budget, half is to be funded from new money (£200,000). Funding banded high, medium and low;
- a quality supplement for those employing qualified teachers or Early Years professionals;
- a flexibility supplement funded from a ring-fenced Standards Fund grant;
- a headteacher supplement for nursery schools only.

The rates were as follows:

	£
Base rate	3.13
Deprivation	0.14
Quality	<u>0.16</u>
	<b>3.43</b>
Flexibility in School Hours	0.18
Flexibility outside school hours	<u>0.18</u>
<b>Total</b>	<b>3.79</b>

This compares with the current rate of £3.17 (for PVIs)

The proposed formula also included a transition period which would limit the Nursery School losses in the first 2 years.

#### 2.0 Consultation with schools and private voluntary and independent providers

The consultation period with schools and providers ran from 14<sup>th</sup> October to 30<sup>th</sup> November. The number of responses received were disappointing given the nature of this issue: 7

replies from schools (15%), 3 replies from Nursery Schools (100%) and 13 replies from PVI settings (10%).

With the exception of Nursery Schools, most supported the proposed changes – the formula elements, the need for a Minimum Funding Guarantee, for a transition period and for additional funding.

However all Nursery Schools were critical of the proposals. They argued that the formula did not sufficiently recognise the costs or quality of provision and that the transition period is too short. Nursery Schools see the Formula as being detrimental to their future and that the resulting budget reductions (mainly from a move away from place led funding) could not be managed. Further work is needed with the nursery schools to ensure that the formula meets the costs that they are expected to incur.

### **3.0 DCSF Letter 10<sup>th</sup> December 2009**

This letter attached, postpones the requirement to introduce the new formula for Early Years until 2011 following a decision by the minister for Children, Young People and Families. Leading up to this press coverage and lobbying of ministers focused on the adverse impact this change would have on the range and quality of Early Years provision. This view was shared by Wirral's 3 maintained nursery schools.

### **4.0 Pathfinder application**

Authorities may apply to become pathfinders and still introduce their formulae from April 2010. However given the opposition to our proposals from nursery schools and the poor consultation response rate from providers, this offer has not been taken up on Wirral.

### **5.0 Next Steps**

Deferring introduction has a number of advantages:

- it gives more time to work with Nursery Schools;
- when introduced, all providers will have moved to the 15 hour free entitlement. The allocation of funding on attended hours will therefore be uniform for all settings;
- the flexible provision should be established, giving a better understanding of take up and costs;
- procedures for collection of data and payments can be revised;
- implementation coincides with the new schools funding period.

The work developing Wirral's formula over the next 12 months will include:

- a detailed assessment of nursery school costs – pupil:teacher ratios and pupil numbers. The number of surplus places will need to be reduced;
- a review of the Early Years extension and flexibility pilots;
- briefings with providers to explain and illustrate changes;
- consideration of any further formula changes arising from the above.

## **6.0 RECOMMENDATIONS**

That the Forum notes that the Early Years Funding Formula is deferred until April 2011.

That the Forum Working Group continues for the next 12 months.

That the payments to providers who extend their free offer continue at the PVI hourly rate in 2011-12.

That the flexibility element of the formula is introduced from September 2010.

**Howard Cooper**  
**Director of Children's Services**