

WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM – 23rd JANUARY 2013

REPORT OF THE ACTING DIRECTOR OF CHILDRENS SERVICES

EARLY YEARS FUNDING UPDATE

1.0 EXECUTIVE SUMMARY

This report recommends that an hourly rate of £4.85 is paid in respect of the Free Early Years Entitlement for 2 Years olds. In addition, changes are made to the Early Years Single Funding Formula (EYSFF) to continue the protection element for Nursery Schools at 85% (of their funding level in 2010-11) rather than 80% and to transfer the nursery schools grants element of the EYSFF into the Headteacher and Harmonisation lump sum.

2.0 EARLY YEARS EDUCATION FOR 2 YEAR OLDS

Attached to this report is a letter from the Under Secretary of State for Education and Childcare, dated November 2012. The letter explains the funding to be received by Councils for 2 year olds and the arrangements that are to be put in place.

Wirral will receive £2,313,366 in 2013-14 for “Statutory Place Funding”. This is funding for any 2 year old child in a family meeting the criteria used to establish school aged eligibility for Free School Meals or any 2 year old child that is looked after by the local authority. The estimated number of eligible children for Wirral is 834.

In 2012-13 funding for the 2 year old entitlement was made within the Early Intervention Grant, part of the Children’s Services budget. The budget provision in 2012-13 was £969,000. This is to be transferred into DSG together with an additional EIG top slice in order to expand the programme.

In the spring term there are estimated to be 348 children taking up the 2 year old offer, numbers may expand by more than twice this in 2013-14.

Trajectory funding of £908,165 has also been added to Wirral’s allocation. Trajectory funding is provided to expand provision beyond the statutory level and prepare for an entitlement based on 40% of 2 year olds in 2014-15. This grant could fund a further 330 children for a full year.

The Schools Forum Working Party met in early January to consider a number of issues related to this provision. Arrangements are being put in place to advise providers, seek information about additional capacity and to promote the 2 year old scheme. Further meetings of this group are planned, where responses from providers and the use of a Capital Allocation of £614,624 to help deliver this programme will be considered.

The payments to providers must in future be made through the Early Years Single Funding Formula. Guidelines recommend that a single rate is used with no supplements. The current rate paid is £4.85, taking account of a higher staff to pupil ratio and it is recommended that this continues to be used in the future.

3.0 AMENDMENTS TO THE EYSFF

3.1 The single formula has been in place since April 2011, funding all Early Years providers using a common hourly base rate of £3.20. A number of supplements are paid for deprivation, quality and flexibility. In the case of Nursery Schools supplements continue to provide for the level of grants previously received by the school. In 2013-14 the formula needs to be amended to remove this element as has happened with mainstream schools. The amounts concerned total £114,200 and should be transferred to the Headteacher and Harmonisation Lump Sum.

3.2 Overall the formula is delivering less funding to the 3 nursery schools than previously. Whilst there is a protection element in the formula, when this reduces next year to 80% of the budget set in 2010-11, the schools are indicating that there is a budget shortfall of between £30,000 and £60,000.

2013-14 is the final year of the protection scheme. It is proposed that for this year the reduction from 85% to 80% is not implemented. This change will increase costs by £62,000. It is anticipated that this will be met from within the existing Early Years Budget.

4.0 RECOMMENDATION

The Forum agree:

- the 2 year old funding rate of £4.85
- the change to the grant element described within the EYSFF
- to maintain protection for nursery schools at 85% of their 2010-11 budget
- that the Forum working group review the EYSFF and report to a future meeting.

Julia Hassall
Acting Director of Children's Services