

Early Years Reference Meeting (EYRG)		
Date	21 st September 2009	
In Attendance:	Geoff Taylor-Smith (Chair), Andy McHale, Alison Hitchins, Trish Mallinson, Nicky Burford, Caroline Brand, Sue Peasgood, Andrea Williams, Chris Hurley, Matt Whiteley, Catherine Shearwood, Val Weddell-Hall, Sharon Bryan, Pat Groom.	
Apologies:	Prue Winton	
	Notes	Action
Notes of the Previous Meeting 11 th May 2009	Agreed.	
Matters Arising	<p><u>SEN Provision</u> AH confirmed that this issue was progressing via a core group of LA officers with a meeting programmed for 8th October 2009. The group will engage providers as required.</p>	
Further DCSF Guidance on the SFF	<p>AMcH introduced the report, which summarised the key issues from a July 2009 DCSF publication on the implementation of the SFF. It updates previous guidance including learning from the pilot LA's.</p> <p>It sets out the core principles and requirements on LA's. It was noted that given the timescales for implementation WCC was well advanced in its proposals, however it would have been useful to have had the guidance earlier.</p> <p>The EYRG were advised although it contained a number of requirements including those that LA's 'must do' the LA cannot be forced to do anything that is not set out in the School Funding Regulations. Much of the detail is left to the discretion of LA's with a</p>	

	<p>suggestion for future review and refinement.</p> <p>The key issues highlighted were: -</p> <ul style="list-style-type: none"> • The need for provider engagement across all settings. • Understanding of provider costs and being able to explain differences in funding between providers. • Funding to be distributed on participation not places and to count pupils on a termly basis at a minimum. • The SFF can have varied hourly rates and must include a deprivation factor. • Indicative budgets must to given to all providers reflecting anticipated participation. • Budgets must be adjusted to reflect actual participation. • Payments must be made to providers at least half termly. • Supplements are permitted in the SFF. • There must be an impact assessment and consideration of the need for any transitional arrangements. <p>The EYRG commented as follows: -</p> <ul style="list-style-type: none"> • There were no real surprises in the report and the majority of the issues had been picked up in the development so far with some to be programmed in the remaining work. • Although costs and budgets are crucial, cash flow/payment profiles are extremely important issues for the PVI sector. • Many providers do not really understand the implications of the SFF. 	
<p>Consultation on the Schools Finance</p>	<p>AMcH introduced the report, which summarised the DCSF proposed changes to the existing school funding regulations to introduce the SFF.</p>	

<p>(England) (Amendment) Regulations 2010</p>	<p>The changes are: -</p> <ul style="list-style-type: none"> • The Schools Budget to cover all EY provision across all providers. • Funding for the PVI's to move into the delegated schools part of the Dedicated Schools Grant (DSG). • Requirement to consult with the Schools Forum on the SFF. • The re-determination of indicative budgets for 2010/11 for the maintained sector based upon the SFF, which can be lower than those already notified. • The notification of indicative budgets for all providers. • The option for limited place led funding to support settings with reserved places for SEN (e.g. nursery+ and special schools). • The counting of pupils to support participation funding must be on a termly basis. • This can be either via 3 sample weeks e.g. census week or total hours of attendance. • The recalculation and re-determination of all providers' budgets on the basis of actual participation. • The requirement for a deprivation factor. • To allow a contingency for EY to support termly adjustments. • Allow optional formula factors for quality, flexibility and sufficiency. <p><u>Termly Counting of Participation</u></p> <p>This was the key issue arising from the DCSF proposed changes. The actual detail would not be prescribed by the regulations but there were two options for consideration as detailed i.e. sample weeks (single pupil count) as a measure of the whole term or termly actual hours of attendance.</p>	
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In response to a query on the participation count AMcH clarified that the use of a single count date in each term as an option would: -

- Use this as an indication of the take up for the whole term, with no further adjustments being made via an end of term 'catch up'.
- Make this approach the same to the DCSF prescribed single pupil count in maintained schools except it is termly, providing some budget stability.
- Mean any adjustments of new pupils or leavers would not be reflected until the next term if they were in the succeeding term's count and would only apply from the start of the new term and would not be retrospective.

It was stated that the introduction of a further 'catch up' during the term would create further administrative burden on providers, particularly for maintained schools, and also for the LA in a time where the LA is having to look to significantly reduce its costs.

The EYRG PVI members commented as follows: -

- This is a fundamental change to current practice and policy for the PVI sector with the sector **not** supporting the proposal for funding via a termly single count date. It was strongly communicated that the current 'catch up' system needed to remain.
- Cash flow is fundamental to the sector and may lead to 3 and 4 year old children not being admitted with places being allocated in favour of younger fee paying children.
- The current process for 'catch up' is not an administrative burden on providers but the sector recognised it could

	<p>potentially be more work on the LA, if the maintained sector were included.</p> <ul style="list-style-type: none"> • However, it was recognised that the process could be more streamlined in a standard system for all providers e.g. standard spreadsheet, prescribed dates for completion, etc. • It was felt time could be saved in the LA by not requesting estimates from providers for the making of initial payments but basing these on previous years participation as detailed within the consultation document. • The sector would comply with any census and 'catch up' dates prescribed by the LA to meet the statutory budget, payment and final accounts deadlines. • Providers tend to admit more children than leave in a term e.g. in the last term £41k was clawback but £260k made in new payments. <p>The EYRG maintained school members commented: -</p> <ul style="list-style-type: none"> • The move to the new SFF based upon participation could in some cases mean significant budget difficulties. • Although budget stability was important accuracy was equally so and despite this potentially creating more work at the school the principle of a 'catch up' was also supported by the sector. • It was felt that schools would have this information from current systems to complete any return. <p>These thoughts were noted and would be included in the feedback to the Schools Forum accordingly. It was noted that the actual details would need further consideration as the system had to be standard across all providers along with the potential need for an EY contingency.</p>	<p>AMcH/TM/NB</p>
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<p>Report from the National Formula Review Group (FRG)</p>	<p>AMcH confirmed that the National Formula Review Group (FRG) had, as part of the national DSG and grant funding review, been considering issues in respect of EY funding. The report summarised the current thinking on how the free entitlement should be funded from 2011/12.</p> <p>There are options on the potential to ring fence the funding for EY ranging from a strategic to individual provider level.</p> <p>The EYRG had varied views in which some members supported a ring fence and others did not. The group felt the inclusion of the current grants e.g. Sure Start, Early Years and Childcare and Standards Fund into this process, would make this extremely difficult for the LA.</p>	
<p>Outcomes of the Consultation on the Proposed SFF in WCC</p>	<p>The EYRG considered the outcomes of the statutory consultation for the SFF.</p> <p>Appendix A confirmed the summary of the actual responses to the 9 consultation questions. In the main the consultees supported all the issues. The following comments were made: -</p> <ul style="list-style-type: none"> • On the proposal for an enhancement rate for PVI settings of 20+ places the EYRG supported the application of the higher rate for all such providers and would be very much welcomed by the sector. TM advised this would require approximately a further £120k from the budget based upon the 2008/09 costings. The EYRG felt this was not a significant sum in the total budget. • On the issue of transitional arrangements the EYRG noted the various timescales supported and had differing views on how this could be applied to the sectors. It was felt this was more of 	

	<p>an issue in the maintained sector due to the move from place to participation funding and that potentially it need not apply to the PVI sector. It was agreed that 3 years was too long and it should be applied up to a period not exceeding 2 years. It was confirmed it would operate as a separate formula factor and would be subject to affordability.</p> <ul style="list-style-type: none"> • The maintained sector felt there were more issues to contend with such as the need for a long lead in time to change staffing structures and the DCSF yet to make a decision on schools being allowed to charge for provision in excess of the free entitlement. Currently schools have to be set up as a private provider to action this. • Any allocations to support sustainability would need to be allocated by the SFF and be consistently applied across all providers. <p>GTS requested the EYRG to consider the draft recommendations as detailed in Appendix B. Those for questions 1 on SFF principles, 2 on staffing ratios, 3 on PVI 20+ places, 4 on SFF entitlement models, 5 ring fencing the EY budget, 7 on a deprivation factor and 8 on high cost low incidence SEN were supported as drafted. On question 6 on termly participation this was supported subject to the comments on the count arrangements (see above). On question 9 on transitional arrangements this was supported with the inclusion of a timescale of a maximum of 2 years.</p> <p>On the proposed deprivation TM advised development work would have to take place on a detailed proposal and that there was no DCSF requirement on an amount (either cash or percentage) but it would have to be resourced from the overall funding available for EY. The EYRG agreed for this to be dealt with by the LA.</p>	<p>AMcH</p> <p>AMcH/TM/NB</p>
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	<p>The group were grateful for the full analysis of comments (Appendix C), which was obtained from the questionnaire returns and area meetings. However it was noted some of the comments were confusing and in some cases contradicted the views of the respondents.</p> <p>GTS confirmed that the comments from the EYRG on the consultation outcomes would be reported to the Schools Forum at their next meeting on 2nd October 2009.</p> <p>TM advised that the 2008/09 costing base for the draft hourly rates was in the process of being updated to reflect both current costs and hours. This would then impact on the funding available to fund the SFF, deprivation and any transitional arrangements.</p>	<p>AMcH</p> <p>TM/NB</p>
Communication with Providers	<p>AH introduced the item and advised there was a need to inform all providers on progress and the outcomes. This was a message that was evident from the consultation submissions and the Area Meetings. It was felt an interim statement was required.</p> <p>The EYRG felt that details on their direct contact was not appropriate but this could be managed via the recently set up EYSFF mailbox.</p>	<p>AH/AMcH</p> <p>NB</p>
Any Other Business	<p>The EYRG felt there was a need to continue to meet to keep the SFF under review and consider aspects as they arise.</p>	<p>EYRG</p>

Date of Next Meeting: - Monday 7th December 2009 6.00pm for 6.30pm County Hall