

**Cabinet**  
**8 March 2010****7. EARLY YEARS SINGLE FUNDING FORMULA –  
IMPLEMENTATION DELAY****Relevant Cabinet  
Member**

Mr M J Hart

**Recommendation**

1. **The Director of Children's Services recommends that the Cabinet:**
  - (a) **notes the decision of the Secretary of State to delay of the implementation of the Early Years Single Funding Formula in Worcestershire until April 2011; and**
  - (b) **notes and supports the decision of the Schools Forum Early Years Reference Group not to apply for pathfinder status.**

**Background Information**

2. All Local Authorities (LAs) in England were required, by the Government, to develop a new Early Years Single Funding Formula for implementation from April 2010.
3. At the 2 November 2009 meeting, the Cabinet agreed, following consideration of the outcomes from a formal statutory consultation process, to the introduction of a new Early Years Single Funding Formula (EYSFF) for all early years settings which offer eligible 3 and 4 year old children free nursery education.
4. Worcestershire's School Forum set up an Early Years Reference Sub-Group (EYRG) with the purpose of developing a funding model which could be applied to all types of early years provision. The group is made up of representatives from Schools and the Private, Voluntary and Independent (PVI) sector. It was supported by appropriate officers from the Children's and Financial Services directorates. The Schools Forum has given it delegated decision making powers on the EYSSF.
5. On 10 December 2009, the Minister for Children and Families, Dawn Primarolo, announced that many LAs were experiencing difficulty in developing their EYSFF. Also, parents and providers, from both the maintained and the PVI sectors, were expressing concerns about the potential

## Key Issues

adverse impact on provision if the EYSFF is introduced now.

6. On this basis the Minister decided to postpone the formal implementation date for the EYSFF by one year until April 2011. However, for those LAs which were ready to implement in 2010 there was an invitation to apply to become a pathfinder authority. Worcestershire is one of those local authorities which could potentially become a pathfinder.

7. The decision to express an interest in becoming a pathfinder had to be taken by the end of January 2010. It was therefore urgent to gain the views of the EYRG and to have a recommendation from the group to guide the direction for Worcestershire.

8. A meeting was held on 4 January where members of the EYRG had the opportunity to explore the potential benefits or disadvantages for Worcestershire in making an application for pathfinder status. It should be noted that if the EYRG recommended that the Local Authority should become a pathfinder the application would still require Secretary of State approval.

9. There was an agreement from all members of the group that due to the hard work and progress made in Worcestershire that implementation of the EYSFF as was originally required for April 2010 was on target. However, it was also agreed that the quality of the scheme could be improved if more time was available to refining it before implementation.

10. At the November 2009 meeting, the Cabinet was advised of key operational issues and potential financial implications for the introduction of the EFSFF. The EYRG also reviewed these in agreeing their position on the pathfinder status. The issues discussed included:

- Nursery places in the maintained sector were likely to be most affected by the changes as they would move from place led to participation led funding. If schools were considering amendments to the number of places they offer to nursery age pupils this has to follow a formal statutory process. The additional year would provide the opportunity for them to consult and seek approval to any changes
- The new Code of Practice for early years funding currently being consulted on will not be finalised and introduced until September 2010. This document is likely to include several things which will affect the allocation of funding. These include a focus on quality and the way in which the entitlement of fifteen hours can be accessed in a flexible way. It would be helpful to have clarity from the DCSF on the Code of

- Practice requirements before we finalise the EYSFF
- A delay in implementation would provide the opportunity to agree and build in the required supplement for children with special needs along with confirming the quality of provision and deprivation factors into the formula
  - Given the Government's funding review to be effective from April 2011 there is currently no indication of the early years funding streams and there can be no prediction of likely funding for early years from the 2011/12 budget. Hourly rates may have to be significantly reduced if this budget is much lower than 2010/11 which would result in budget uncertainty and instability for all early years providers, with the potential for a subsequent drop in funding
  - There are likely to be changes to school admissions policies which will include the right for parents to defer their child's place in reception class at four years of age and take up a free full time place in an early years setting. This will entail changes in funding as we do not currently fund any pre-school children for a full time place. Again we are unable to predict at this stage what the impact of this change will be
  - There is no government decision regarding whether or not schools can charge children for additional hours when they are in the same setting as funded children. This could make a considerable difference to how schools can plan and manage their nursery provision. It has been suggested that a decision from Government will be forthcoming during this year.

11. After considering all these issues the EYRG unanimously agreed not to seek pathfinder status and delay the implementation of the EYSFF until April 2011.

12. The view is supported by the Worcestershire Schools Forum via its representative on the EYRG and in consultation with the Chair of the WSF.

13. The recommendation of the Worcestershire Early Years Reference Group, supported by the Worcestershire Schools Forum, is that the Council takes the decision to delay the implementation of the Early Years Single Funding Formula until April 2011 and not to apply for pathfinder status.

## Recommendation

## Contact Points

### County Council Contact Points

Worcester (01905) 763763, Kidderminster (01562) 822511 or Minicom: Worcester (01905) 766399

### Specific Contact Points for this report

## Background Papers

Geoff Taylor-Smith, Head of Community Partnership  
01905 766592  
[gtaylor-smith@worcestershire.gov.uk](mailto:gtaylor-smith@worcestershire.gov.uk)

Alison Hitchins, Service Development Manager Early Years  
and Childcare  
01905 728913  
[ahitchins@worcestershire.gov.uk](mailto:ahitchins@worcestershire.gov.uk)

Andy McHale, Service Development Manager Resources  
01905 766285  
[amchale@worcestershire.gov.uk](mailto:amchale@worcestershire.gov.uk)

In the opinion of the proper officer (in this case the Director  
of Children's Services) the following are the background  
papers relating to the subject matter of this report:

Letter from DSCF to LA's – 10 December 2009

Remit and Membership of the Early Years Reference Group