

REPORT TO THE EARLY YEARS REFERENCE GROUP (EYRG)
CONSULTATION ON THE SCHOOLS FINANCE (ENGLAND) (AMENDMENT)
REGULATIONS 2010

1. PURPOSE

1.1 To advise the EYRG on the DCSF consultation on the changes to the regulations for the implementation of the Early Years Single Funding Formula (EYSFF) from April 2010.

1.2 To request the EYRG to make any comments on the consultation as required.

2. BACKGROUND

2.1 The DCSF consultation document was circulated on 6th August 2009 and the explanatory note is attached for information at Appendix A.

2.2 It sets out the draft changes to the existing regulations to give effect to the Government's decisions on further changes to the funding arrangements for 2008-11 namely the implementation of the Early Years Single Funding Formula (EYSFF) from April 2010.

3. KEY ISSUES

3.1 The key changes to regulations are: -

(a) To allow the Schools Budget to cover all expenditure on EY provision not in maintained schools or other specified providers.

(b) Funding for PVI providers in the Schools Budget in a LA will move from the Centrally Retained Budget to the Individual Schools Budget (ISB).

(c) Requires a LA to consult their Schools Forum about and decide upon an EYSFF.

(d) LAs will have to use an EYSFF to distribute funding for the free entitlement for early years provision in all settings, which requires: -

- The re-determination of indicative budgets for 2010/11 already set for nursery schools and classes, which can be lower.
- The provision of indicative budgets using the most recently available data.
- Funding must be given on the basis of participation – the number of children actually delivered to – not on the number of available places in a provider or similar factors.
- The option for limited place funding remains where there are places specifically reserved for SEN in any setting.
- As a minimum, the counting of pupils to support participation-led funding must be on a termly basis.

- The review of the data during or after the year using attendance data collected during 3 sample weeks (e.g. census week) or total hours of attendance.
- The subsequent recalculation and re-determination of the provider's budget.
- The requirement to include a deprivation factor, as is the case with schools funding formulae.

(e) To allow a contingency in the centrally retained part of the Schools budget to enable adjustments to be made to EY funding during the year.

(f) Allow for EYSFF factors for: -

- The improvement of quality.
- To take account of flexibility in hours of attendance.
- To allow LA's to secure or sustain sufficiency within an area.

3.2 The key aspect to these changes are the options to review the data during the year. There is a dilemma between the need for accuracy against the administrative burden on data collection together with budget stability. It is envisaged the importance of these issues will differ between the sectors. It would be better for the regulations to prescribe the methodology as in the non EY sector.

4. RECOMMENDATION

The EYRG notes and comments on the issues contained in draft amendments to the Regulations.

Andy McHale
Service Development Manager Resources

September 2009