

REPORT TO THE EARLY YEARS REFERENCE GROUP (EYRG)
REPORT FROM THE NATIONAL FORMULA REVIEW GROUP (FRG)

1. PURPOSE

1.1 To advise the EYRG on an update report on EY from the National Formula Review group (FRG).

2. BACKGROUND

2.1 The FRG is the national group considering all the aspects of the Government funding review for 2011.

2.2 At its 10th meeting on 1st June 2009 a further paper on Early Years was considered.

3. KEY ISSUES

3.1 The FRG paper is attached for information at Appendix A.

3.2 The key issues considered included: -

(a) Transparency

- The current system does not allow an accurate assessment of how much resource is funding the free entitlement only notional amounts can be provided.
- Given the base unit of funding in the Dedicated Schools Grant (DSG) this is the same for every age group.

(b) Levels of Funding

- Amounts between LA's can vary and will continue to be so following the introduction of the new EYSFF.
- This is exactly the same position on the funding for schools.

(c) LA Performance and the Market

- The LA duty on securing sufficiency is challenging given the above funding issues and the other grant funding available in the Sure Start, Early Years and Childcare Grant.

(d) Early Years Budget

- This would have to be considered in the context of all the funding streams for EY.

- It could be purely the identification of an amount through to ring fencing at LA or provider level together with consideration of resource passporting requirements.
- Any such proposal would require very heavy damping of any national formula.

3.3 The FRG is continuing to consider these issues.

4. RECOMMENDATION

The EYRG note and comment on the issues.

Andy McHale
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