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FAIR FUNDING CONSULTATION OUTCOMES 2009
NEW SINGLE FUNDING FORMULA FOR EARLY YEARS
SUMMARY OF THE KEY COMMENTS FROM THE CONSULTATION

Q1. Do you support the principles for the introduction of the new local SFF for EY from April 2010 as agreed by the EYRG?	
Nursery/First/Primary with NC	<p><u>Yes</u></p> <ul style="list-style-type: none"> • When working out projected numbers and costs we feel we would be able to sustain the level of provision that we already provide. • Agree with the principles of choice, diversity and free entitlement but provision should have at its core the needs of the child. In this regard children need stability, attachment to significant adults (not in lots of different settings), persons who know the child in order to provide what they need. <p><u>No</u></p> <ul style="list-style-type: none"> • Although we understand that this is a DCSF requirement, we cannot support the principle for a variety of reasons e.g. lack of appropriate consultation, budget levels, staffing implications etc.
Nursery/First/Primary without NC	<p><u>Yes</u></p> <ul style="list-style-type: none"> • PVI and schools should be funded more equally.
PVI's and Childminders	<p><u>Yes</u></p> <ul style="list-style-type: none"> • Do not feel this will make a great deal of difference to the setting. • As long as the SFF is fair to all providers it should make a more level playing field. • A much better system. • But if grant does not cover the free entitlement it should remain at 12 hours. • Should not adversely affect the setting. Is it to the advantage of children or their parents? • Agree with the differentiated rate with consideration re. cost of delivery. <p><u>No</u></p> <ul style="list-style-type: none"> • Do not feel it would work within our setting.
Other	<p><u>Yes</u></p> <ul style="list-style-type: none"> • Funding for different types of provider will have to be varied to reflect different (statutory) staffing costs. • Transitional funding arrangements needed to protect existing staff posts and for continuity of provision. • Must recognise that nursery schools will have higher base costs than all other types of settings – seek

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	<p>commitment that this will not jeopardise their future.</p> <ul style="list-style-type: none">• There will be winners and losers but it should be fairer overall.
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Q2. Do you support the staffing ratios as detailed to be used as the basis of the new local SFF for EY?	
Nursery/First/Primary with NC	<p><u>Yes</u></p> <ul style="list-style-type: none"> • Again this ratio is the level we already provide. <p><u>No</u></p> <ul style="list-style-type: none"> • Need to be 1:10 in certain areas e.g. deprivation in rural areas. • Whatever qualifications staff have does not equip them ideally all children would benefit from a 1:8 ratio.
Nursery/First/Primary without NC	<p><u>Yes</u></p> <ul style="list-style-type: none"> • Do not understand the rational behind the legislative figures but seems reasonable to follow these.
PVI's and Childminders	<p><u>Yes</u></p> <ul style="list-style-type: none"> • In PVI settings where a qualified teacher is employed, the usual ratios of 1:8 may be different. Will this have any impact on funding arrangements? • If sessions run smoothly without accidents! • In principle, but in practice there are a minimum of 2 staff required per room and there may be less then 8 children per member of staff if the number of children is not a multiple of 8. E.g. if there are 20 children this would require 3 staff for one room and 4 for two rooms • But we always run at higher ratios. • Provided sufficient financial help is provided to support a child with SEN, where a higher staffing ratio is often necessary to give required support. • Need to take account funded 2 year olds with ratios of 1:4 that are mixed in with the 3 and 4 year olds in one group. • With free flow provision it is sometimes difficult to provide cover in both areas in certain instances. • Supernumerary a good consideration. • Would still chose to maintain ratios at 1:8.

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	<p><u>No</u></p> <ul style="list-style-type: none"> • It is insulting for experienced staff to have to retrain to level 3. • Need higher ratios than 1:13 to support quality. Pre school PVI needs to be able to pay a decent rate. • Ratios of 26 children and 2 adults do not provide enough to deliver the free entitlement. • Ratio of 1:6 supports quality.
Other	<p>Staffing ratios makes no mention of different qualifications required to meet these statutory ratios – this needs to be made explicit in the policy document as will lead to considerable variations in total wage bill/budget.</p>

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Q3. Is there a need to have a further enhancement for PVI settings of more than 20 children?	
Nursery/First/Primary with NC	<p><u>Yes</u></p> <ul style="list-style-type: none"> • Age range of PVI settings needs to be considered and experience of staff. <p><u>No</u></p> <ul style="list-style-type: none"> • Does this depend upon staff qualifications and the other staff available within the setting as in a school?
Nursery/First/Primary without NC	<p><u>Yes</u></p> <ul style="list-style-type: none"> • Do not understand the logic thought there would be economies of scale.
PVI's and Childminders	<p><u>Yes</u></p> <ul style="list-style-type: none"> • Definitely because supports quality staff ratios. • Definitely for the sake of good practice, to maintain good quality care and to help training/continued CPD. • The level of regulation, administration, compliance, staff management etc requires extra resources. • It would be useful to have a definition of numbers of children – is this number of different children or number of places/days/hours available? • Always have the manager as supernumerary and this should be accounted for. • Necessary to increase to over 1:8 when more than 18 children attend. • However do not support the reduced funding for those settings who are not full. • In order to provide consistent care for larger settings. • Smaller groups tend to have voluntary staff. Supernumerary costs of administration of the grant. <p><u>No</u></p> <ul style="list-style-type: none"> • Is there an assumption that the smaller group (under 20) requires a lower basic rate per child because there is less expenditure? • Registered for 16 children and have a supernumerary so why is the setting penalised for a lack of space?
Other	<p><u>No</u></p> <ul style="list-style-type: none"> • This is not an issue confirmed to PVI sector – maintained settings may have groups of over 30 children,

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	where an additional teacher would have to be attached to the group according to the statutory guidance for the Early Years Foundation Stage (EYFS).
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Q4. Do you support the proposed entitlement models as detailed to be used within the new local SFF for EY?	
Nursery/First/Primary with NC	<p><u>Yes</u></p> <ul style="list-style-type: none"> • If the proposed entitlement models are sustained and not partially eroded each year.
PVI's and Childminders	<p><u>Yes</u></p> <ul style="list-style-type: none"> • But why is a NC and childminder draft hourly rate more than the other providers? • Concerned that the level of funding with the models will mean less money for the pre-school. • However the initial drop from £3.84 per hour will be an issue. May need to decrease this earlier from September so not so much of an issue in April? • Model is fine but why is the funding level higher for 20+ places where there are likely to be greater economies of scale? <p><u>No</u></p> <ul style="list-style-type: none"> • The proposed entitlement does not appear to fulfil the statutory staffing ratios required in PVI settings. • In order to preserve quality requires 1:6. Now need to change current position. • Needs ratios of 1:6 supported by funding to enable quality provision.
Other	<p><u>Yes</u></p> <ul style="list-style-type: none"> • The general principles for this appear to be sound. However, PPA time/1265 hours needs to be factored in for all those employed on school teachers pay and conditions.

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Q5. What are your views, subject to future DCSF changes, on the potential to ring fence the EY budget within the DSG?	
Nursery/First/Primary with NC	<p><u>Yes</u></p> <ul style="list-style-type: none"> • In agreement as gives a level of protection. <p><u>No</u></p> <ul style="list-style-type: none"> • Concern about the flexibility available if ring fencing is brought in. • We would not like this ring fenced, as in school this does not happen to other key stages. We feel this takes away the autonomy of the Head and Finance committee and that we are capable of budgeting correctly without this. • Would be a mistake as EYFS settings would lose out and not be able to sustain the administrative and staffing needs to support the flexible entitlement and so would end up with less funding. <p><u>Unsure</u></p> <ul style="list-style-type: none"> • Cannot comment – unsure of impact. Do not readily understand the question.
Nursery/First/Primary without NC	<p><u>Yes</u></p> <ul style="list-style-type: none"> • Entirely appropriate to spend the resource for the purpose it was given. <p><u>Unsure</u></p> <ul style="list-style-type: none"> • Too many uncertainties to comment. • Unsure about the benefits of ring fencing.
PVI's and Childminders	<p><u>Yes</u></p> <ul style="list-style-type: none"> • If understood correctly it will need to be ring fenced to protect EY settings budgets from being spent elsewhere by the LA?! • Potential to ring fence the budget would provide more flexible delivery of the EYFS to children (15 hours entitlement has worked very well this year). • Feel this is important in order to protect it and ensure it is spent on the prescribed purpose to enhance outcomes for children.

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	<ul style="list-style-type: none"> • As long as it is a fair rate and it will not be so low we cannot carry on. • Principle seems a good idea but it may squeeze other age groups funding. • This is a management issue for Government/LA's. It is the amount, certainty and consistency of the funding that is important to the settings. If ring fencing is a method to ensure these things happen then it would be useful. • Happy to ring fence if budget is acceptable. • Payments should be made per child plus a retainer at a lower rate per place available. • It will give EY providers more stability financially. This will enable the settings to grow and subsequently improve the standards of service. • Ring fencing funds should stabilise budgets. • Will ensure the EY budget will be spent appropriately. • Restricting the use of funds could lead to money being allocated and unused. Surely this could potentially be used to help individual unforeseen situations that may arise. • Would be sure of EY funding. • Feel EY could be vulnerable in future. • We know when we are when budgeting. There is room for change in circumstances. <p><u>No</u></p> <ul style="list-style-type: none"> • Funds should be allocated for proven need. <p><u>Unsure</u></p> <ul style="list-style-type: none"> • Not enough known about the implications.
Other	<p><u>Yes</u></p> <ul style="list-style-type: none"> • Generally support ring-fenced budgets to ensure that the funding is used for the purposes intended and this would appear to be particularly important here. • Should help budget planning.

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Q6. Do you support the proposals for the use of participation numbers as detailed in the indicative and final budget allocations for the new local SFF for EY?	
Nursery/First/Primary with NC	<p><u>Yes</u></p> <ul style="list-style-type: none"> • Concerned however about in-year adjustments and loss of some nursery provision in rural areas. • We feel this is fair and as we are fairly full it would not have a negative impact on our nursery provision. • However more allowance needs to be made for delayed entry into NC provision. Two weeks is insufficient time to admit and settle 26 3 year olds suggest 4 to 5 weeks. <p><u>No</u></p> <ul style="list-style-type: none"> • This is especially difficult where there are issues of family mobility. Where a PVI is on the same site as a LA NC the open competition will lead to the demise of the one with the most restrictions. <p><u>Unsure</u></p> <ul style="list-style-type: none"> • Challenging for NC particularly for the Autumn Term count.
PVI's and Childminders	<p><u>Yes</u></p> <ul style="list-style-type: none"> • Provided that children with SEN are properly catered for. (Currently full hours funding is available to settings if child does not attend full time. We have used this funding to help offset costs of the many hours spent with parents, planning, paperwork, phone calls, meetings with other professions etc.) • It is fair to providers if funding is allocated on participation, even if this requires changes to the existing regulations for NC settings. • If an annual budget is needed then this would work, but if a rate is given then settings could do the estimates themselves as the final figures would only be known once actual places were confirmed. • Will the process for collecting data be the same as PVI i.e. estimates then actual take up for each term? • This is what we have at present but with an annual payment up front instead of in arrears. • Annual estimated will be difficult as children come and go continually. • This is a long awaited development and is very important to PVI's.
Other	<u>Yes</u>

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	<ul style="list-style-type: none">• There can be no real debate about participation vs. place led funding because the Government has set this as one of the pre-conditions of the funding review. It will however have major implications for maintained settings compared to PVI because funding has always been place led in this sector in the past – that is why transitional protection for budgets is so important.• The proposal to make allocations annual rather than termly seems to show the LA's recognition of some of the problems the move to participation-led funding will generate. We would support any efforts to minimise bureaucracy/workload involved in submitting termly or more frequent pupil data for the purposes of calculating funding as well because it should help to provide a relatively stable budget, which could better ensure longer term staff employment planning.• The change in the funding arrangements should not mean that existing good practice such as delayed or staggered entry to nursery classes are discontinued. The LA should raise this with the DCSF if they believe that they cannot fund settings to do what is generally accepted as being in the best interests of the child and provides a 'personalised' service to children and their families, which will help children settle into school quicker and be better for pupil outcomes in the long term.
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Q7. On the mandatory requirement for a deprivation component within the SFF, do you prefer a measure being developed on the existing maintained school model on ACORN or linked to an overall measure, e.g. SOA's?	
Nursery/First/Primary with NC	<ul style="list-style-type: none"> • It is paramount that this happens as the children often need much more support when they enter nursery. • Prefer ACORN because the children often travel a distance to attend a PVI they do not live in the area so the SOA model would not be useful. • Should be based on ACORN linked to the child. General factors discourage some schools accepting some children. • Support ACORN but some smaller schools could lose out. • SOA's too large to provide a reasonable measure for some settings.
PVI's and Childminders	<ul style="list-style-type: none"> • Prefer a measure developed to the individual child's needs. Some parents may choose to send their child to a setting out of their locality. • Funding linked to where the child lives. • Specific to the child. • Funding for deprivation and SEN needs to be paid separately. • Not an issue for the setting. • PVI's are not included in the ACORN system? • Although we are located in a non deprived area we having children in our setting from such areas but are excluded because of their post code. • Any supplement paid for deprivation needs to be funded without affecting those in non deprived areas. • A separate funding for those children most in need should be based on child not setting to allow greater parental choice on settings.
Other	<ul style="list-style-type: none"> • The ACORN model used for maintained schools is generally accepted as providing accurate indication of individual child level need. It would also aid transition between EY and primary if same measure was used (straightforward data transfer which is already used and understood by schools).

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| | <ul style="list-style-type: none">• Needs to be a simple guide for areas of deprivation so the proposed system is probably the best? |
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<p>Q8. Do you support the proposals for supporting the funding of high cost/low incidence SEN as detailed above in the initial stages of the new local SFF for EY and for the development of further proposals as a consequence of the ongoing review for additional needs and vulnerable children?</p>	
<p>Nursery/First/Primary with NC</p>	<p><u>Yes</u></p> <ul style="list-style-type: none"> • Paramount to address individual needs and the Every Child Matters agenda. • Should be needs led. Can area SENCO's provide consistency in identification of need? <p><u>Unsure</u></p> <ul style="list-style-type: none"> • Need further clarification and details before making a decision.
<p>PVI's and Childminders</p>	<p><u>Yes</u></p> <ul style="list-style-type: none"> • However, current arrangements need to be improved to allow planning ahead for these children, particularly where it involves employing support staff. 'Last moment' funding availability may make it impossible to retain staff who need to be sure of a job for the following term. Lack of continuity for the child can be very detrimental to their development. • Should continue on a needs led bidding basis as at present. Not fair or possible to instigate a funding formula due to the highly complex and often varied needs that some children have. However, do agree on the need for an ongoing review for additional needs and vulnerable children. • The requirements are very specific to each child to meet both the needs of the child and for the setting to enable inclusive practice. The funding structure needs to reflect this. • Need a central pot which can be accessed as some children regardless of the severity of their need require extra supervision. Often those with low level SEN require more support than high level SEN. Each child needs to be considered individually on a setting by setting basis. • There should be some special nursery schools for children unable to cope in mainstream. <p><u>No</u></p> <ul style="list-style-type: none"> • Not convinced that enough thought and preparation has been given for funding to support settings and

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	parental choice for children with SEN.
Other	<p><u>Yes</u></p> <ul style="list-style-type: none"> • A SEN factor is to be strongly supported, as is the inclusion of nursery provision within special schools in the review. The point made in the consultation document about some children with complex needs not being able to attend for 15 hours per week is important – the formula should be flexible enough to provide full funding for settings, otherwise it will act as a disincentive for providers to accept such children in the first place.

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Q9. Do you support the proposal, subject to budget availability, to some form of transitional arrangements on a basis to be determined in the new local SFF for EY?	
Nursery/First/Primary with NC	<p><u>Yes</u></p> <ul style="list-style-type: none"> • But need further clarification and to be as long as possible. • Any transitional arrangements will need to be mindful of the fact that in some settings there may need to reduce present staffing. • Would want to see the current levels of funding maintained for 12-18 months with factors built in to support LA NC to be able to deal with staffing issues should and if the need arises. • At least over one year. • Transition over 3 years. • For 3 years. • Essential and are key to the success of this change. Will be needed until 15 hour provision is established and schools are able to charge for hours in addition to the 15 free hours. Cannot compete on this with PVI sector making the system unequal. Support 3 years.
Nursery/First/Primary without NC	<p><u>Yes</u></p> <ul style="list-style-type: none"> • For 2 years. During this budgets should be produced on the new basis so providers' can see what will be available after this time to allow time to plan.
PVI's and Childminders	<p><u>Yes</u></p> <ul style="list-style-type: none"> • Should 'the need to avoid excessive complexity' be observed, and consultation takes place with representatives of all sectors who have to fill out the claim forms etc. before the system is finalised, then transition could be achieved within one term. • Necessary to avoid sudden or substantial losses of funding to settings. Prefer over 12-18 months but need further information to comment on the specific type our setting might need. • Implementation will impact both the settings and the LA. There are still teething problems introducing the

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	<p>new database which indicates that more resource will be required given the level of changes.</p> <ul style="list-style-type: none"> • The maintained sector may need some time to transition staff contracts. • 2 years. • 2 years to ensure all settings are committed and accept the SFF fully. Could link funding to this and flexibility. • If our setting is to lose money per child hour we would need it phased in over 3 years minimum. The type of transition we would support would be maximum increase per child hour. • Unless the transition is managed very well it will just be confusing. PVI's need to know when their income will be available so they can budget. It may just be easier to just change over to the new system. • Drop in income will be an issue. Normally full in April but a large fall in September. Timeframe of 2 terms. • Up to 2 years. • Prefer a maximum basic funding plus supplements. Implementation over 12-18 months. • If base funding is to be lower need assistance for 12 months to allow time to adjust fees or review staffing levels. • Funding needs to be improved immediately for those operating at a loss. • To avoid sudden loss of funding and needs to be simple. Timescales over 1 year. • Very limited timescales. So 'let's get on with it'. Reality will have to be faced eventually. • 1 year. • 6 months. • I think settings should be allowed at least one academic year of transition, in some settings a sudden loss of financial support could be detrimental to the service provided. • Feel the setting would not have to transform much. • No more than 1 year preferably 6 months. • 12 months. The SFF changes do not seem to affect a childminder as much as the other settings.
<p>Other</p>	<p><u>Yes</u></p> <ul style="list-style-type: none"> • As stated above, transitional funding is essential to protect members working in early years settings. Impact

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	<p>on quality could be usefully added to the proposed scheme, which should aim to ensure that maintained settings' full staffing costs continue to be met and also to allow existing good practice such as staggered entry to be continued.</p> <ul style="list-style-type: none">• 1 year.
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Q10. Any further comments on the SFF and EY changes?	
Nursery/First/Primary with NC	<ul style="list-style-type: none"> • The consultation process: - <ul style="list-style-type: none"> ➢ Poor consultation model – lack of communication and clarity of information. ➢ Complex document – very difficult to understand. ➢ Interested parties not represented fairly on decision making committees. ➢ Timing of consultation meetings not appropriate – should have been much earlier in the process. • SFF & EY Changes: - <ul style="list-style-type: none"> ➢ Not a level playing field now and cannot be in the future under the new proposals. ➢ Confusion over the different types of settings. ➢ Concerns about lack of budget. ➢ Long-term planning concerns. ➢ Staffing issues and motivation a concern. ➢ Lack of clarity about implications over staff contracts of service. ➢ Curriculum planning and delivery. ➢ Query about whether a school setting has the ability to charge for extra hours (above the 15 hours). • Greatest concern is that start the year slightly under but always full by the end of the Autumn Term. • Feel school nurseries will need to be more flexible in what they offer but the size of nursery may prevent having some children attending mornings or afternoons (5x3 hrs), whilst some may want to attend 2 full days and 1 am or pm. This may result in over 26 attending on some parts of a day. • Concern of expectation of qualifications of maintained nursery staff as opposed to those staff in PVI's. • What support will the LA be giving to schools to enable them to survive? • What restrictions are we bound to as LA NC – how flexible and inventive can we be? • The PVI operating on our school site does so for a rental of £1 per year and was gifted all its equipment. • If children are allowed to move between a number of providers this is detrimental to their overall

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	<p>development. This could affect the child's behaviour. How does any one provider ensure the child is being taught their next steps? Children should have portable attainment resources to inform the different providers for planning and quality. Who is accountable for that child's progress?</p> <ul style="list-style-type: none"> • In a school setting to get equivalent funding we would have to provide a FT teacher not the current 0.5. • This could mean the closure of our NC. Schools not in areas of significant deprivation but who have disadvantaged children will miss out. • Schools will need support to move towards the 15 hours provision and offer flexibility. • Staff and governors are particularly concerned about these aspects of the change and that a short term lack of funding while we change our systems could lead to the NC being closed before it has had the chance to become viable. We are looking for some reassurance that the LA will not allow this to happen without proper consultation and support on an individual school basis.
Nursery/First/Primary without NC	<ul style="list-style-type: none"> • The PVI model is so much more flexible and cost effective. NC need to consider moving towards their model.
Other Schools	<ul style="list-style-type: none"> • Have serious concerns of this adversely affecting the funding per child of 3 and 4 year olds in special schools. Request that serious consideration is given to maintaining the current level of matrix funding by a formularised 'top up'. After all in matrix terms there is no discernable difference in personal care or behavioural need between a 3 or 4 year old and a 5 or 6 year old pupil.
PVI's and Childminders	<ul style="list-style-type: none"> • As I mentioned at the Area Consultation meetings the paper and questions could have been made a lot more easier to understand with a lot of abbreviations. • Unable to attend the Area Consultation meetings so feel do not have sufficient depth and understanding. The proposals seem somewhat opaque and it is impossible to assess on our small scale setting which type of deprivation component measure is preferred, for example. • After thoroughly enjoying reading all information provided do not think the SFF will make too much difference to the setting and the way funding is claimed. • Concern that children attending school EY units that their needs will be compromised over funding. Due to schools coming under the new structure parents are being strongly persuaded to go there.

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- Initial form very wordy but meeting attended made it a lot clearer and glad I attended thank you.
- The fundamental requirement for the sustainability of settings is the rates of funding. A fair formula on its own does not ensure the salaries and other expenses can be paid.
- The PVI sector have proved it is possible to work within the SFF. Committed NC will find the change initially unsettling and probably the hardest change will be on staffing, having to be flexible when numbers and funding are low and a need to work within the required ratios. For the PVI sector this is a welcome change working to the same system.
- Can see logic behind the change but the concern is that the setting will lose out. We have no children from deprived areas, no SEN statemented children and under 20 children each day. The proposal looks as though funding will be significantly cut i.e. from £3.86 to £3.21 per hour per child.
- Some setting recognition should be included i.e. OFSTED reports, staff qualifications, etc.
- The cost of running per child hour seems rather ambitious but our current funding does not cover our costs.
- There are concerns on sustainability with the settings that gain having more chance to invest and survive hence attracting more children. The funding level should be the same for everyone based on actual attendance not places.
- Concerned that as a small group (under 20) the basic rate per child of £3.19 will not sustain the setting. The small group does not automatically mean less expenditure. On the contrary the high level of provision demanded by OFSTED and ourselves, training, staffing, etc has greater impact on finances for under 20 children than those above this limit. Registration, inspection and salaries are the same regardless of the size of group and there are no economies of scale.
- Sustainability is a real concern.
- This whole process is inequitable and invalid. The document and questionnaire is difficult to understand. How can there be a sensible discussion when no one knows what the budget is?
- Would prefer funding to be shared equally between the 2 settings as parents would claim their funding at the most expensive impacting on sustainability if relying on funded children.
- Found consultation paper hard going.

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	<ul style="list-style-type: none"> • We are a charitable nursery run by a voluntary committee of parents so do not feel qualified to comment. • Unable to attend meetings so do not understand a lot of the issues. • Concern that there are many that do not understand all the terms, implications and formulae, etc. Needs to be written in layman's language. I ask that officers that support us in EY are given time and resources to explain it all. • Having attended one of the Area meetings understood some of the implications. Appreciate the requirements on the County Council from Government however a number of providers are feeling vulnerable yet wish to continue to provide the service at its best with acceptable funding. • Will effect the maintained sector. Need some clarity on provision of meals. • A clearer allocation of funds would allow us, as a setting, to budget staffing more effectively. If the SFF would show us in advance the potential funding that may be received for the year, this would be an improvement. • Deciding on a 1:13 due to EYP's is a huge mistake. Worcestershire EY need to fight the corner on these issues. • Where children access more than 15 hours of childcare at 2 or more settings parents should be able to decide how the funding should be split within guidelines e.g. only 2 settings, no more than 13 hours over 2 days, etc. This will give them more control over their childcare costs so they can budget properly.
Other	<ul style="list-style-type: none"> • We note the comments that the cost survey carried out does not provide a firm basis for developing the formula. It appears that there were some problems in terms of some respondents failing to complete the survey forms appropriately, but the consultation document does report findings that could be of use such as the varying costs and staffing models between sectors. The consultation document notes that further work would be needed to ensure better use of the costs analysis. This option should be explored, since the overriding priority is the development of a formula that accurately reflects the actual cost of provision. The use of an effective cost survey to inform formula development is therefore essential. • Place-led funding should not be ruled out altogether. The DCSF has accepted that place-led funding might be appropriate in order to provide stability to providers in 'exceptional cases'.

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| | <ul style="list-style-type: none">• The 'Formula Principles' set out in the consultation document include the potential for differentiating between the costs of different settings and sectors. Our view is that the higher staffing costs of the maintained sector need to be reflected.• The 'Formula Principles' also refer to SEN costs. Again, any differential costs in relation to the different means by which SEN support is funded in the different sectors need to be taken into account. For example, funding for such support is usually delegated in the maintained sector whereas in the PVI sector support is not financial but by means of access to specialist staff.• The LA's involved in the pilot exercise for early years concluded that central retention of SEN funding would be the most effective approach. This would allow specialist staff to be deployed to meet specific needs and accords with our consistent view on SEN support.• The consultation document rules out the inclusion of quality and flexibility costs suggested for inclusion by the DCSF. The arguments put forward by the consultation document to justify this – 'inherent difficulties', problems with measuring the costs etc – don't seem particularly convincing. They may link to the failure of the cost survey to highlight appropriate costs. As noted above, our view is that all appropriate costs need to be built into the formula. There may be other relevant costs such as high cost areas (resulting from property or staffing costs), or protection factors similar to those often used for small schools.• Quality does need to feature somewhere in the formula, though not linked only to OFSTED inspection results, not least because PVI and maintained sector provision subject to two different inspection frameworks. Involvement in quality/improvement work could be considered, e.g. whether the setting plays a significant role in training others or disseminated good practice by hosting networks for other providers in area.• The proposed flexibility factor is far too broad to be applied consistently across settings.• We would support transitional costs to reflect significant changes in funding for individual settings. Such changes could result from the early years formula itself, or from wider demographic changes. There is a problem with transitional protection arrangements for early years: the complexity of the funding system for schools means that it is difficult to establish a baseline position for early years funding in schools (where an element of indirect costs such as premises or management is shared with the rest of the school). Our |
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	<p>approach to transitional funding, nevertheless, seems different to the one set out in the consultation document. The consultation document approach is based on limiting or scaling back funding increases, whereas ours is based on securing minimum improvements for all providers: for example, guarantees based on inputs such as a guarantee to fund the same number of children as the previous year; or a guaranteed minimum level of funding per child per hour plus supplements.</p> <ul style="list-style-type: none">• Budget exemplifications illustrating the impact of the entitlement models on individual providers would allow those consulted to understand the proposals more fully than the formulaic descriptions allow.
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Area Meeting 1 Redditch Town Hall 6th July 2009 – Issues Raised

- How long will transition funding last?
- Can a school's admission policy be changed?
- Can schools charge a deposit?
- Can parents choose which settings get the free hours, or how many hours each setting gets?
- There are a number of HR implications for a school nursery that is not full and will therefore not receive a budget that will support the current staff team.
- If budget does not cover staff costs, who will make up the 'short-fall'?
- Will school budgets reflect fluctuating attendance levels?
- The category of 'Childcare on Domestic Premises' is not reflected within the formula documentation.
- Schools are not experts in advertising or budget management. Who will support schools through this?
- What ratios have been used to inform the SFF?
- Are the EYRG members from a range of sectors and areas in the county?
- Are the rates for settings with 20+ children based on the number of children actually attending or the number of children a setting is registered for?
- Who has overall responsibility for the welfare/education of a child who moves between different settings?
- What happens with the views that are made during the consultation process?
- How flexible can schools be?
- If a child has time off due to illness or holidays, does the funding have to be repaid?

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Area Meeting 2 Worcester County Hall 7th July 2009 – Issues Raised

- Will the comments/issues/answers made during the consultation process be fed back to EY providers?
- Will settings who have an EYP get a higher rate of funding to take account of higher staff costs?
- What will the high cost SEN supplement pay for?
- Does WCC know the overall 2010/11 budget?
- March 2010 is too late to be given funding rates as NEF has a huge impact on the finances of settings, especially voluntary groups.
- Would it be possible to notify providers if the DSG has been increased or decreased when the DSG figure is released in the Autumn as this will give providers an idea to the level of funding rates for 2010/11?
- Funding rates and changes follow the financial year, however the majority of providers use the academic year, which makes it very hard to plan budgets, fees, staffing etc.
- The EYRG members need to be publicised to allow for providers not on the group to discuss issues, raise comments, etc so that a bigger voice is taken into account when dealing with the SFF.
- Current NEF funding claim forms are too complicated and could be open for abuse. Claiming should be made as easy, but as safe as possible.
- Many invoicing systems cannot cope with offering free hours, rather than simply deducting the funding. It would be better to have invoicing systems provided by WCC for providers.
- Will schools be able to have termly intakes into reception?
- Schools sometimes tell parents that their child will not receive a place in the main school if they don't attend the school nursery. This forces parents to leave PVI settings early as they want to ensure their child gets into the school of their choice.
- What ratios have been used in the development of the SFF?
- Some settings use ratios of 1:6 or 1:4 to increase the quality of provision. Will this be reflected in the formula?
- Will funding for children in the reception classes of Independent Schools cease once the SFF is implemented?

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- The SFF consultation document is far too difficult to read. It contains a large amount of jargon and it feels as if it is a 'tick box' exercise, rather than a meaningful consultation.
- A much longer and more involved consultation process should have occurred i.e. forums to explain the document and further forums to explore the issues once they were understood.
- An 'idiot's guide to the SFF' would have been beneficial, explaining simply what changes the SFF will make.

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Area Meeting 3 Stourport Civic Centre 9th July 2009 – Issues Raised

- The current funding rate is based on the number of hours taken up by a child – will this continue?
- Are the DCSF likely to make all LA's introduce the SFF in the same way in the future?
- Is the SFF likely to have a negative impact on Childminders?
- Will the Worcestershire SFF be affected by other Local Authority's SFF's?
- Will the deprivation supplement mean that different children in the same setting are funded at different rates?
- Children with SEN are often currently funded additional hours up to 15 hours – will this continue or will all funding be paid by take-up?
- Is the Two Year Old Pilot likely to become a universal offer for all two year olds?
- If a child is not offered a place in the Reception of their choice, or a parent chooses to keep their child in a PVI setting, will the child still be funded up until they turn 5 years of age?
- Are schools likely to start offering multiple Reception intakes i.e. one each term?
- PVI settings are currently funded for children who start school through a 'staggered' intake – will this continue after April?