

**FAIR FUNDING CONSULTATION OUTCOMES 2009
NEW SINGLE FUNDING FORMULA (SFF) FOR EARLY YEARS (EY)**

**SUMMARY OF THE ISSUES DISCUSSED BY THE
EARLY YEARS REFERENCE GROUP (EYRG) AND THE
WORCESTERSHIRE SCHOOLS FORUM (WSF)**

Both the EYRG and the WSF have considered over a period of time the range of issues, the detailed proposals and the potential implications for the required introduction of the new SFF for EY from April 2010.

The detailed consultation outcomes were discussed at their last meetings on 21 September 2009 and 2 October 2009 respectively.

1. EARLY YEARS REFERENCE GROUP (EYRG) – 21 SEPTEMBER 2009

The main issues discussed by the EYRG are detailed in the following sections.

1.1 Further DCSF Guidance on the SFF

(a) The guidance issued in July 2009 updated previous information and sets out the core principles and requirements on LA's. The EYRG were advised although it contained a number of requirements including those that LA's 'must do', LA's are only required to comply with the provisions within the School Funding Regulations. Much of the detail is left to the discretion of LA's with a suggestion for future review and refinement.

(b) The EYRG commented: -

- There were no real surprises in the DCSF 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.
- Given the timescales for implementation Worcestershire was well advanced in its proposals, however it would have been useful to have had the guidance much earlier.
- Although costs and budgets are crucial, cash flow/payment profiles are extremely important issues for the PVI sector.
- The significant issue for the maintained sector is the required move from place to participation led funding.

1.2 The DCSF Consultation on the Schools Finance (England) (Amendment) Regulations 2010

(a) The EYRG considered all the DCSF proposed changes to the regulations needed to incorporate the SFF and in principle supported their introduction.

(b) The key issue discussed was the draft regulation to measure the participation of children to be funded through the SFF. The draft regulation provides that participation funding must be introduced for all providers on a termly basis. The actual detail would not be prescribed by the regulations but there were two options for consideration either through sample weeks as a measure of the whole

term (i.e. a single pupil count) or termly actual hours of attendance. Budgets for all providers then have to be re-determined on the agreed count arrangements.

(c) The PVI representatives on the EYRG felt that the use of a single pupil count would be a significant change to current practice where payments are based on actual participation across the term. They strongly recommended that the current system remain. In proposing this the PVI providers commented: -

- Cash flow is fundamental to the PVI sector and a single pupil count 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 is not an administrative burden on providers or the LA and recognises actual participation. However, the PVI sector recognised it could potentially be more work on the LA, as the maintained sector would have to be included.
- However, it was recognised that the process could be more streamlined into a system covering all providers e.g. standard returns, prescribed dates for completion and the non requirement for estimated numbers in particular.
- The PVI sector would comply with any dates prescribed by the LA to meet the statutory budget, payment and final accounts deadlines.

(d) The maintained sector representatives on the EYRG concurred with this view and commented: -

- The move to the new SFF based upon participation could in some cases mean significant budget difficulties in the maintained sector.
- Although budget stability was important accuracy was equally so and despite this potentially creating more work at the school, the principle of a termly actual participation for all providers was also supported by the maintained sector.
- It was felt that schools would have this information from current systems to complete any further returns within the prescribed timescales.

1.3 The Outcomes of the Consultation on the Proposed SFF in Worcestershire

(a) The EYRG considered the outcomes of the statutory consultation as detailed in Appendices 1 and 2. They also considered the detailed comments arising from the consultation questionnaires and area meetings.

(b) On the 9 consultation questions, the EYRG commented as follows: -

- Question 3 Size of PVI providers – the EYRG noted the consultation supported having a further enhancement for PVI settings of more than 20 children. The EYRG further supported using the specific individual setting entitlements for the above 20 children provision for all size and type of PVI provider.
- Question 6 Participation – the EYRG noted the methodology detailed within the consultation for the data sets to inform the indicative budgets was supported. The EYRG strongly supported the need to include the participation measure being based upon termly actual attendance as permitted in the draft regulations.

- Question 9 Transitional Arrangements – the EYRG noted the consultation supported the principle for some transitional arrangements. The EYRG supported this being for at least one year up to a maximum of two years. The EYRG also supported that it may have to apply differently for the maintained and PVI sectors.
- The consultation outcomes for the other 6 questions were noted and supported by the EYRG without comment.

(c) On this basis the EYRG agreed to support the recommendations detailed within Appendix 2 for the introduction of the SFF from April 2010.

2. WORCESTERSHIRE SCHOOLS FORUM (WSF) – 2 OCTOBER 2009

2.1 The WSF commented that they were extremely appreciative of the work undertaken and completed so far by its nominated sub group, the EYRG, in the required introduction of this national policy initiative within Worcestershire.

2.2 On the DCSF national issues detailed in sections 1.1 and 1.2 above, the WSF discussed the key issues. The WSF also received the comments of the EYRG, which were noted and supported.

2.3 On the proposals for the introduction of the SFF in section 1.3 above, the WSF considered and noted the consultation outcomes together with the detailed comments arising from the consultation questionnaires and area meetings. Also the WSF received formal feedback on the deliberations and recommendations of the EYRG for the introduction of the SFF. The WSF concurred with and supported all of the comments made by the EYRG.

2.4 On this basis the WSF agreed to support the recommendations detailed within Appendix 2 for the introduction of the SFF from April 2010.