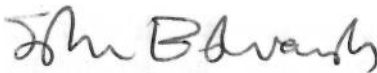


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# WORCESTERSHIRE COUNTY COUNCIL

## RECORD OF OFFICER EXECUTIVE DECISION

<b>Date Of Decision</b>	2 August 2016
<b>Decision Maker</b>	 <b>John Edwards</b> <b>Strategic Commissioner Education and Skills</b>
<b>Brief Description Of Decision</b>	<p><b>Agreement of Early Years Provider Rates for September 2016</b></p> <p>The decision to set the provider hourly rates is made by the Local Authority after discussing with and taking the views of the Worcestershire Schools Forum (WSF) The rates are effective from September 2016.</p> <p>The decision is:</p> <ul style="list-style-type: none"><li>• Hourly rates for 2 year olds: To remain at £5 per hour</li><li>• Hourly rates for 3 and 4 year olds: To increase all provider rates by 4p per hour.</li></ul>
<b>Reason(s) For Decision</b>	<p>The current position was discussed with the WSF at its meeting on 19th July 2016. The conclusion of the debate was that the forum supported an increase in rates to 3 and 4 year olds, with the preferred option being a 4p permanent increase in the hourly rates paid to providers of 3 and 4 year olds.</p> <p>On 19th July 2016 confirmation was received of the revised Early Years Dedicated Schools Grant (DSG) for both 2015-16 and 2016-17 using the updated Early Years census data from January 2016. The decision regarding rates was reviewed taking this into account.</p> <p>A number of considerations were taken into account in arriving at the decision, including affordability of any increase, views of the Schools Forum and actual and potential termly take up during the year.</p>

<p><b>Alternative Options Considered And Rejected</b></p>	<p><u>Hourly Rates for 2 year Olds:</u> There is one hourly rate for all providers. The Authority has previously made the decision to fund this at £5.00 per hour which is more than the Department for Education designated rate of £4.85, which is funded from the underspend DSG Reserve for 2 year olds. Given that the Authority currently pays above the Dfe rates, it was considered appropriate for the rate to continue at current rates.</p> <p><u>Hourly Rates for 3 and 4 year Olds:</u> There are a number of hourly rates reflecting the cost base and staffing ratios of maintained and Private Voluntary and Independent providers.</p> <p>There are provider cost pressures, additional Early Years DSG has been allocated and there is an earmarked amount in the DSG reserve. Consideration was given to awarding a temporary increase in provider rates, however it was acknowledged that could potentially have an effect on sustainability for providers.</p> <p>It should be noted that there is an Early Years (EY) funding review by the DfE which is yet to be initiated. This is expected to set out the full plans for a national EY funding formula to include the increase in the free entitlement to 30 hours from September 2017. It is anticipated this will result in additional EY DSG for Worcestershire given our low funding position but may include prescription on the number and level of the provider hourly rates permitted. The effect cannot be predicted at this stage, so is not taken into consideration.</p>
<p><b>Any Conflict of Interest declared by a consulted Cabinet Member/ any dispensation granted</b></p>	<p>None noted</p>