

Schools Forum 17 March 2009

Report of the Interim Director of Children's Services

Update on Early Years Provider Reference Group

Purpose of Report

1. The purpose of this report is to provide Schools Forum with an update on recent progress on the work of the Early Years Provider Reference Group.

Budget Working Group Discussed

2. Yes – 23 February & 12 March 2009.

Action for Schools Forum

3. To note the contents of the report.

Attachments to Report

4. Appendix A – Timetable for implementation.

Mirella Harris
Senior Principal Accountant
Children's Services Accountancy
2 March 2009

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Purpose of Report

1. The purpose of this report is to provide Schools Forum with an update on recent progress on the work of the Early Years Provider Reference Group.

Background

2. A report was presented to Schools Forum on 7 October 2008 which reported the progress of the Early Years Provider Reference Group towards the introduction of a single funding formula for both, maintained, private, voluntary and independent (PVI) sectors from April 2010.
3. The first change that was needed to fund delivery of the free entitlement to nursery education was to introduce a single method of counting pupils in both the maintained and PVI sectors. This methodology has now been implemented.
4. By April 2010 a single local formula for funding early year's provision in both the maintained and PVI sectors needs to be developed.
5. Significant progress has been made in developing the new formula. Information received from the six Local Authorities involved in the DCSF pilot Formula Development Project has been used to inform the work required to develop a single funding formula for Dudley.
6. The proposed formula is based on an hourly rate for each sector. Additional factors such as deprivation and quality are being considered. This is in line with the methodology used by many of the pilot authorities.
7. The information from the costing exercise (actual and theoretical) carried out in 2008 have been used together with information derived from discussions with early year's officers to arrive at the proposed range of hourly rates.
8. Early indications from this costing exercise suggest that an additional amount of £500,000 could be required to fully fund the estimated cost of the provision. However if no additional funding was available then the hourly rates would need to

be scaled down to manage within existing Dedicated Schools Grant (DSG) resources.

9. Changing the funding methodology is likely to give rise to “gainers” and “losers”. The Early Years Provider Reference Group is considering options for transitional protection for those disadvantaged by this change.
10. The new proposals have been discussed with a small group of headteachers. They will be discussed with the Early Years Provider Reference Group on the 2 March 2009 and at Primary Heads Forum on 24 March 2009.
11. A further update will be presented to Schools Forum in June 2009. The draft consultation document will be presented at the July 2009 Schools Forum meeting before it is issued in the Autumn Term 2009.
12. The outcomes from the consultation will be reported to Schools Forum in February 2010 at which time any request for additional funding will need to be considered as part of the 2010/11 DSG budget process.
13. Appendix A outlines the timetable for implementation.

Finance

14. The funding of schools is prescribed by the DCSF through the School Finance (England) Regulations 2008.
15. Schools Forums are regulated by the School Forums Regulations 2002 as already amended by the Schools Forums (Amendment) Regulations 2004 the Schools Forums (Amendment) 2005 Regulations and the Schools Forums (England) (Amendment) Regulations 2008.
16. From 1st April 2006, the Schools Budget has been funded by a direct DCSF grant: Dedicated School Grant (DSG)

Law

17. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

Equality Impact

18. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

Recommendation

19. Schools Forum to note the report and attached timetable regarding implementation of a single formula for all Early Years funding from April 2010.

A handwritten signature in black ink, appearing to read 'J Porter', with a horizontal line underneath.

Jane Porter

Interim Director of Children's Services

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