

Schools Forum 23 February 2010

Report of the Director of Children's Services

Proposed Introduction of a Single Funding Formula for Early Years Provision

Purpose of Report

1. To update Schools Forum on the recent change in DCSF policy and seek support for Pathfinder status from April 2010.
2. To seek Schools Forum approval to the implementation of the single funding formula for early year's provision from 2010/11 giving consideration to the consultation responses received.

Discussed at HTCF – BWG

3. Yes - 9 February 2010

Schools Forum Role and Responsibilities

4. To achieve Pathfinder status, support from Schools Forum is required.
5. The Local Authority (LA) is required to consult Schools Forum regarding any changes to the local funding formula.
6. Schools Forum decides regarding non- statutory exemptions to the Minimum Funding Guarantee (MFG) affecting 50% or less of pupils in the LA.

Action for Schools Forum

7. To endorse the Director of Children's Services application to the DCSF to become a pathfinder authority from 1 April 2010.
8. To approve the proposal to implement a single funding formula for Early Year's provision from April 2010.
9. To approve the exclusion of Early Years funding from the Minimum Funding Guarantee for schools.

Attachments to Report

10. Appendix A – Summary of the responses to the consultation and recommendations of the Director of Children's Services.
11. Appendix B – Copy of Dudley's Pathfinder status application.

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Background

3. The Schools Forum Regulations state that the local authority shall consult the Forum on any proposed changes in relation to the factors and criteria or methods, principles and rules that have been adopted in their formula for allocating funds to schools.

Consultation Response

4. In October 2009 Schools Forum agreed to a formal consultation on the proposed single funding formula for Early Year's provision. This consultation period ended on 8 January 2010.
5. A total of 15 responses to the consultation were received as shown in Table 1:

Table 1 – Consultation Response

<u>Stakeholder</u>	<u>No. of responses</u>
Primary school	7
Secondary school	0
Governor	2
Trade Union	0
PVI	6
Total	15

6. A summary of the responses received is shown in Table 2 below; additional detail is attached at Appendix A.

Table 2 – Consultation Responses

Question	Detail	<u>Yes</u>	<u>No</u>	<u>Not Stated</u>
1	Do you agree with the issues that have been considered to develop the basic rates?	12	1	2
<p>Recommendation of DCS: to use the basis of the basic rate calculation described in the consultation document. This includes different staffing, premises and resources costs for each type of provider. These were arrived at from the costing exercises carried out and in discussion with early year's officers.</p>				

Question	Detail	<u>Yes</u>	<u>No</u>	<u>Not Stated</u>
2	Do you agree that funding should be allocated to those children from the 20% most deprived backgrounds?	10	2	3
<p>Recommendation of DCS: to allocate deprivation funding to those children from the 20% most deprived backgrounds. Based on the child's home post code.</p>				

Question	Detail	<u>Yes</u>	<u>No</u>	<u>Not Stated</u>
3	Do you agree that the deprivation funding should be 10p an hour per child from the 20% most deprived background?	8	4	3
<p>Recommendation of DCS: to fund deprivation at 10p an hour. This is a nominal rate which can be reviewed annually if it proves to be inadequate.</p>				

Question	Detail	<u>Yes</u>	<u>No</u>	<u>Not Stated</u>
4	Do you agree with the proposed transitional arrangements?	7	5	3
<p>Recommendation of DCS: to introduce transitional arrangements for one year only. If transitional arrangements were extended it would be at the cost of other providers.</p>				

Question	Detail	<u>Yes</u>	<u>No</u>	<u>Not Stated</u>
5	Do you support the need for additional funding of approx £662k being transferred into early years from the schools budget?	11	3	1
<p>Recommendation of DCS: To utilise the ongoing under-spend within early years of £417k, which avoids the need to divert funding from the Schools Budget.</p>				

7. An oral update will be provided at the meeting in relation to the additional funding outlined in question 5.
8. The Early Year's Providers Reference Group met on the 28 January 2010 and were in support of the Director of Children's Services recommendations.

Pathfinder Status

9. However, on 18 December 2009 the DCSF announced the Minister's decision to delay the implementation of the Early Year's Single Funding Formula to 2011/12, to allow authorities more time to properly prepare. Those authorities, who felt that they were ready to implement the Early Years Single Funding Formula from 2010/11, were invited to apply to be considered as a second wave pathfinder.
10. Local authorities that wish to become pathfinders were required to apply to the Secretary of State by the 29 January 2010; Schools Forum approval is required to support the application.
11. Dudley has made significant progress on the single funding formula in line with the original DCSF timescales and thus is in a strong position to continue with the implementation from April 2010.
12. The Early Year's Providers Reference Group met on the 28 January 2010 and were in support of the application. Accordingly, the Director approved the submission for pathfinder status on 28 January 2010 and a copy is attached at Appendix B. Dudley's application is subject to support from Schools Forum.

Minimum Funding Guarantee (MFG)

13. Regulation 20 of the Schools Finance (England) Regulations 2008 states that maintained nursery schools and primary schools with nursery classes should be covered by the Minimum Funding Guarantee (MFG) through to 2011. However Regulation 25 permits Schools Forums to approve exclusion of funding from the MFG if it affects 50% or less of pupils.
14. As the Early Years Single Funding Formula already contains transitional arrangements which offer protection for providers and the estimated number of Early Years full time equivalent pupils represents only 5% of the total pupils, then Schools Forum is requested to approve the exclusion of Early Years funding from the MFG.

Proposal

15. Schools Forum is requested to endorse the proposals referred to in paragraphs 4 to 14 above.

Finance

16. The funding of schools is prescribed by the DCSF through the School Finance (Amendment) (England) Regulations 2008.

17. 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.

18. From 1st April 2006, the Schools Budget has been funded by a direct DCSF grant: Dedicated School Grant (DSG).

Law

19. 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

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

Recommendation

21. Schools Forum is requested to:

- Endorse the Director of Children's Services intention to implement a single funding formula for Early Year's provision from 1 April 2010. (Table 2 refers).
- Endorse the Director of Children's Services submission to become a Pathfinder authority. (Paragraph 12 refers).
- Approve the exclusion of Early Years funding from the Minimum Funding Guarantee under Regulation 25 of the School Finance (England) Regulations 2008. (Paragraph 14 refers).



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