

**Schools Forum 2 June 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. BWG on 19 May 2009 noted the report.

**Action for Schools Forum**

3. To note the contents of the report.

**Attachments to Report**

4. Appendix A – Timetable for implementation.

Sue Coates  
Senior Principal Accountant  
Children's Services Accountancy  
12 May 2009

**Schools Forum 2 June 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.

**Background**

2. A report was presented to Schools Forum on 17 March 2009 which reported the progress of the Early Years Provider Reference Group towards the introduction of a single funding formula for, maintained and 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 from January 2009.
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 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. At this stage it is anticipated that deprivation will be the only additional factor in the proposed formula.
7. The information from the costing exercise (actual and theoretical) carried out in 2008 has 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, estimated at £0.6m 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. Any change to the current 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 significantly disadvantaged by this change.
10. The new proposals have been discussed with a small representative group of headteachers. They have also been discussed with the Early Years Provider Reference Group on the 29 April 2009, and in detail with Headteachers of all schools with Nursery classes, at Primary Heads Forum on 7 May 2009.
11. Final guidance from the DCSF is expected later during the summer which will be taken into consideration prior to finalising the proposed funding formula.
12. The draft consultation document will be presented at the October 2009 Schools Forum meeting prior to issue later during the Autumn Term.
13. 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.
14. Appendix A outlines the timetable for implementation.

## **Finance**

15. The funding of schools is prescribed by the DCSF through the School Finance (England) Regulations 2008.
16. 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.
17. From 1<sup>st</sup> April 2006, the Schools Budget has been funded by a direct DCSF grant: Dedicated School Grant (DSG)

## **Law**

18. 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**

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

## **Recommendation**

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



**Jane Porter**

**Interim Director of Children's Services**

Contact Officer:

Karen Cocker, Children's Services Finance Manager

[Karen.cocker@dudley.gov.uk](mailto:Karen.cocker@dudley.gov.uk) Tel: 01384 815382

**Proposed Timetable to Implement Early Years Single Funding Formula**

- **19 May 09** – HTCF Budget Working Group.
- **May – July 09** - Finalise funding model, prepare consultation Document.
- **2 June 09**- Schools Forum Meeting – Progress report to be provided.
- **8 June 09** – Early Years Reference Group meeting.
- **17 June 09** – HTCF Budget Working Group progress report.
- **7 July 09** – Early Years Reference Group meeting (draft consultation document).
- **7 July 09** - Schools Forum meeting
- **“Summer 2009”** – further guidance to be issued by DCSF.
- **8 September 09** – Early Years Officers meeting to review latest guidance from DCSF.
- **September 09** – (Dates to be confirmed). Take proposed consultation document and latest DCSF guidance to DPT, HTCF Budget Working Group and Early Years Provider Focus Group.
- **October 09** – (Date to be confirmed). Proposed consultation document to Schools Forum.
- **October 2009** – Proposals out for consultation (13 weeks).
- **February 2010** – Outcomes of consultation to HTCF-BWG and Schools Forum for final approval.
- **April 2010** – Implementation of Single Funding Formula.