

Wards Affected:

All Wards

EARLY YEARS SINGLE FUNDING FORMULA (EYSFF)

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Executive Summary

Revenue funding for local early years' providers is distributed through an agreed local formula. Following a review and consultation a number of changes are proposed to the Early Years Single Funding Formula (EYSFF). This decision is to agree which of the discretionary formula factors should be included in our local formula and the criteria that should be used to apply them.

1. Recommendation

- 1.1 That the following funding formula factors (elaborated at paragraph 2.6 and 2.8) be approved for use in the Early Years Funding Formula from 1 April 2013:

Compulsory factors
Place values for 3 and 4 year olds
Place values 2 year olds
Deprivation allocation for 3 and 4 year olds
Discretionary factors
Quality allocation
Lump sum for nursery schools
Lump sum for primary schools with nursery classes
Lump sum for designated nursery classes

2. Background

- 2.1 The formal consultation period opened on 1 November and closed on 30 November 2012. Information was shared with private, voluntary and independent (PVI) sector providers and other interested parties on changes to our EYSFF.
- 2.2 There were 29 formal responses to the consultation, 1 from a childminder, 2 from independent schools, 16 from pre-schools, 3 from maintained nursery schools and 7 from the maintained primary school sector. The consultation document is shown as Annex A (to follow) to this report.
- 2.3 The results have been summarised in the annexes to this report. Annex B (to follow) shows the numerical responses to how many respondents agreed or disagreed to each question and the comments that were received for each consultation question.

- 2.4 The results of the consultation were discussed at the Schools Forum meeting on 13 December 2012 and there was general agreement with the recommendations that are proposed in this delegated decision.
- 2.5 The regulations restrict the number of allowable formula factors in the EYSFF. A unit rate for 2, 3 and 4 year olds and a deprivation factor for 3 and 4 years are compulsory factors; however, the authority may determine the allocation criteria. The LA may also choose to include some or all of the allowable discretionary factors in the EYSFF, although the recommendation by the DfE is that the formula is kept as simple as possible.
- 2.6 Following consultation it is proposed to include the following compulsory factors in our formula:

Compulsory factors
A pupil rate for 3 and 4 year olds based on the type of provider. <i>The general consensus following the consultation was that the allocation should be based on estimate pupil numbers adjusted for actual pupil numbers.</i>
A pupil rate for 2 year olds. <i>The general consensus following the consultation was that the allocation should be based on estimate pupil numbers adjusted for actual pupil numbers.</i>
Deprivation allocation based on the postcode of each 3 and 4 year old. <i>The general consensus following the consultation was that this was an appropriate allocation method and it should continue to be used.</i>

- 2.7 The discretionary formula factors are:

- Quality
- Flexibility in hours made available
- Deprivation for 2 year olds (based on the characteristics of the child)
- Lump sum (which can be different for each type of provider)
- Prior attainment
- EAL
- Looked after children
- Split sites
- National non-domestic rates

- 2.8 Following consultation it is proposed to include in our formula:

Discretionary factors
Quality allocation based on an amount per hour. <i>The general consensus following the consultation was that it was important for a quality factor to be included but there were differing opinions about how it should be targeted. It was recommended that the allocation should be 'for quality improvement'.</i>
Lump Sum for nursery schools. <i>The general consensus following the consultation was that this factor should continue to be used.</i>
Lump Sum for primary schools with nursery classes. <i>The general consensus following the consultation was that this factor should be used to allow previous funding to continue to be targeted to this type of provider.</i>
Lump Sum for designated nursery classes. <i>The general consensus following the consultation was that this factor should continue to be used.</i>

- 2.9 The introduction of a deprivation factor for two year old early education funding (based on the characteristics of the child) is not proposed as this initiative already targeted to the most deprived 2 year olds and further weighting was not considered necessary by the majority of those who responded to the consultation.
- 2.10 No other discretionary factors are proposed to be included in order to keep the funding formula as simple as possible.

3 Alternative Options

- 3.1 The School and Early Years Finance (England) Regulations 2013 which come into force from April 2013 require LAs to include factors to fund 2 year olds within their EYSFF from April 2013, so action must be taken to comply with the regulations.

2 Implications

Policy

Successful PVIs make a significant contribution to the delivery of the council priorities:

- Working in MK
- Living in MK
- World Class MK

Resources and Risk

Although the changes will impact on the individual funding received by each PVI, they will not have an impact on the revenue budget because it is contained within the ring fenced DSG. From April 2013 the funding for 2 year olds is also contained within the DSG.

N	Capital	Y	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	N	Asset Management

Carbon and Energy Management

None.

Legal

This report is presented in line with provisions of the Schools Standards and Framework Act 1998.

Other Implications

None.

N	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	N	Stakeholders	N	Crime and Disorder

Background Papers: Schools Forum (13 December 2012) Report