



## Walsall Children's Services

**Report to:** Early Years Funding Sub Group  
Schools Forum

**Date:** 1 December 2009  
8 December 2009

**Subject:** Outcome of the Early Years Single Funding Formula  
Consultation Process

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**Purpose of the report:** To inform the Schools Forum of the results of the Early Years  
Single Funding Formula (EYSFF) Consultation process.

**Recommendation:** To support the recommendations to Cabinet, that is to  
implement the Walsall EYSFF as detailed in the Consultation  
Document

## **1. Introduction**

- 1.1** At its meeting on 20 October 2009 the Schools Forum agreed the EYSFF Consultation Document to be sent to all schools and settings delivering early years provision in Walsall.
- 1.2** The consultation period ended on 20 November 2009, and this report details the outcome of that process and seeks the views of the Schools Forum on the recommendation to be considered by Cabinet on 13 January 2010.

## **2. Consultation Results**

- 2.1** The EYSFF Consultation Document was issued to all schools and settings at the end of October. Three consultation events were held in early November to provide an opportunity for all interested parties to have the issues explained and raise points for clarification. Two of the three events were well attended.
- 2.2** In Walsall there are currently 70 nursery classes in primary schools, 8 nursery schools and 38 private voluntary and independent providers of the free early years entitlement. Out of a total of 116 providers, only 18 (16%) responded to the consultation document, analysed as follows 7 nursery classes, 5 PVIs and 6 nursery schools, which represents a 75% return from this sector.
- 2.3** The consultation questions and their responses are detailed below:

<b>Question</b>	<b>Number of Schools Agreed</b>	<b>Number of Schools Disagreed</b>
<b>1.</b> Do you think that the Total Cost Model treats all providers fairly and equitably?	12	6
<b>2.</b> Do you support the use of a basic hourly rate plus the additional supplements detailed on the Total Cost Model?	17	1
<b>3.</b> Do you support the use of IDACI linked to the home addresses of pupils to calculate a weighted deprivation factor for all early years' settings?	17	1
<b>4.</b> Do you support the use of proxy SEN indicator to distribute SEN funding equitably to all settings?	6	12
<b>5.</b> Do you support the LA's intention to introduce the DCSF minimum requirements in respect of participation-led funding, that is to use termly counts only to adjust indicative budgets?	13	5
<b>6.</b> Do you agree with retrospective count arrangements detailed in paragraph 7.4, as the	14	2

basis of the data to be used to prepare early year's indicative budgets for all settings?

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|--|----|---|
| 7. Do you support the proposal to phase in 80% of the funding reductions to nursery schools over a two year period | 15 | 3 |
|--|----|---|

- 2.4** The only question that received an overall negative response is number 4 which relates to the proposed methodology for the distribution of SEN funding. All six nursery schools were opposed to this methodology, as this is the main funding formula change that reduces their funding from its current, relatively generous level. Under the regulations governing EYSFF this disparity cannot continue, therefore the issue has to be addressed. It must also be borne in mind that the existing nursery provision is expensive and the local authority is working with the schools to sustain this high quality provision in a more cost effective manner.

Other negative comments regarding the SEN funding related to the use of a proxy indicator rather than the needs of individual pupils. As previously discussed it is difficult to identify and assess early years pupils within their period in nursery, unless their needs are more complex. There are already mechanisms in place to assess and fund children at the School Action Intensive stage of the SEN Code of Practice which will be expanded to accommodate early years children. In addition, there will always be a number of early years youngsters with a statement of Special Educational Needs. The statement details the specific needs of the child and schools receive additional funding for the named pupil. The SEN element of the EYSFF will be in addition to the School Action Intensive and statemented funding for children with more complex needs.

Given the overall low level of response from all early years schools and providers, and the systems available to meet the needs of more complex children, it is recommended that the SEN element of the EYSFF is implemented in line with the proposals in the consultation document.

- 2.5** There has been widespread consultation regarding the early years reforms, with all providers. Three events were held in September 2009 which were attended by almost all providers. This was followed up with the publication of the specific consultation document and events in November 2009 regarding the implementation of the EYSFF.

As there has been a limited response to the EYSFF consultation from just 16% of schools and providers, it can be assumed that on the whole, there are no major issues with the EYSFF proposals. The SEN funding for nursery schools was a known problem at the start of the process, but it is the local authority's duty to ensure that all early years pupils have access to equitably, funded quality provision, whether that service be delivered through a nursery school, nursery class in a primary school or PVI setting.

- 2.6** Schools Forum is recommended to support the EYSFF proposals as detailed in the Consultation Document, without amendment.

- 2.7** Cabinet will consider the EYSFF proposals at its meeting on 13 January 2010.

### **3. Financial Implications of the EYSFF**

- 3.1** The EYSFF report presented to Schools Forum on 20 October included the following information:

The cost of implementing the EYSFF has been contained within the funding, earmarked within the 2010-11 Schools Budget for Early Years provision.

<b>2010-11 Section 52 Early Years Budget</b>	<b>£'000s</b>
Nursery Schools	2,420
Nursery Classes	4,452
PVI Settings	1,016
Total Early Years Resources	<u>7,888</u>
Estimated Costs using EYSFF hourly rates	<u>7,520</u>
Available contingency	<u>368</u>

- 3.2** The above table ringfences the current early years budget for the EYSFF, with the estimated balance being added to the Schools Specific Contingency to help manage the implementation of the EYSFF in year 1.
- 3.2.1** As the Forum are aware the cost of the EYSFF may be volatile due to the impact of the termly count. It was agreed that in year 1 of the funding reforms that any funds not allocated as indicative budget sums be included within Schools Specific Contingency.
- 3.2.2** However, following the consultation process, some of the unallocated funding will be required to meet the proposed transition costs in nursery schools. The transition is estimated to cost approximately £130,000.
- 3.2.3** The Schools Forum is requested to support the transitional funding for nursery schools which will cost circa £130,000 leaving a sum of approximately £238,000 to manage the potential volatility of early years budgets in year 1 of the reforms.
- 3.2.4** The Schools Forum will be provided with reports during 2010 detailing the financial implications of the EYSFF termly counts, and the use of the Schools Specific Contingency.

### **4 Recommendations**

- 4.1** The Schools Forum is requested to support the EYSFF for Walsall as detailed in the Consultation Document agreed by the Forum on 20 October 2009.
- 4.2** Schools Forum is recommended to agree an increase to the 2010-11 Schools Specific Contingency, with all unallocated Early Years Budgets as at the Indicative Budget Stage, to allow the potentially volatile funding system to be maintained in year 1 of the funding reforms.