

READING BOROUGH COUNCIL

REPORT BY DIRECTORATE OF CHILDREN, EDUCATION & EARLY HELP SERVICES

TO:	READING SCHOOLS FORUM		
DATE:	17 MARCH 2016	AGENDA ITEM:	6
SUBJECT:	EARLY YEARS SINGLE FUNDING FORMULA (EYSFF)		
SERVICE:	EDUCATION, CHILDRENS'S & EARLY HELP SERVICES	WARDS:	All
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1 PURPOSE OF REPORT

- 1.1 To update Schools Forum on the recommendations from the Early Years funding group for 2016/17 funding.
- 1.2 To update Schools Forum on the Early Years block funding.

2. RECOMMENDED ACTION

- 2.1 To note the contents of the report.
- 2.2 To agree the recommendations for the early years funding formula and early years block funding for 2016/17

3. Update on the budget position for 2015/16

3.1 The project to create new places for two year olds has continued in 2015/16. There are some projects for new places that are still in progress. We have previously had agreement for these allocations for capital and revenue funding. It is recommended that the funding allocated for these projects be carried forward to ensure completion in 2016/17.

3.2 The funding entitlement for two year olds is now integrated to the process we use for funding 3 & 4 year olds. An improved digital system will be introduced in April 2016 for the headcount and census requirements. This is a phased programme with further development work is required to align the IT systems and provide a robust on line application process.

2YO funding carried forward to 2016/17		
	£m	£m
Estimated C/Fwd to 2016-17		(1.000)
New places Capital and Revenue	0.190	
SEN	0.045	
IT and data system improvement	0.060	
Quality and compliance	0.050	
Staff Cost	0.050	
Family Information Service and outreach	0.060	
Marketing and Sufficiency	0.045	
Committed Spend in 16-17		0.500
Remaining Funds		(0.500)

3.3 It is recommended that funding is carried forward to deliver the final phase of the 2 Year Old development plan.

4. National Funding Formula review.

4.1 The Government published a national review on the cost of providing childcare in November 2015. A new national funding formula for early years funding will be implemented from April 2017 before the introduction of the new entitlement to 30 hours free childcare for working parents on September 2017. A consultation on the national funding formula is due to start in Spring 2016.

4.2 The Government have announced they will introduce 30 hours of free early education and childcare to working parents from September 2017. It is recommended that preparation for this starts in April 2016. A sufficiency audit will need to be completed to assess the impact of this entitlement on the existing childcare places in Reading. A project team will be established in the Summer term to scope and develop this project.

4.3 The costs to develop this project are currently estimates based on the project costs for the development of the places for 2 Year Olds.

Development Funding for 30hr Project		
	£m	£m
Staff Cost Project Officer & Assistant	0.090	
Marketing and Family Information service	0.060	
IT and data system improvement	0.040	
Development work with new settings and Childminders	0.060	
Funding needed		0.250

5 Review of Early Years Single Funding Formula (EYSFF) for 2016/17

- 5.1 The Early Years funding group met five times from September 2015 to review the funding formula for 2016/17. (*Appendix 1- Representatives of this group.*) The review process included a consultation with the early year's providers.
- 5.2 The Early Years funding group agreed to keep the current model for the base funding. (*Appendix 2- 2016-17 provisional EYFF rates and the types of expenditure used to make up the model.*)
- 5.3 There were other issues that the group consulted with the early years sector on before making some decisions. (*Appendix 3 - Summary of the outcomes of the consultation*) The Early Years funding group considered the outcomes from the consultation to make the following recommendations to schools forum for the funding for early years block for 2016/17.
- a) The rent and rates for nursery schools to be block funded, to ensure parity with primary schools.
 - b) Existing schemes for mandatory and small business rate reliefs should be promoted to the PVI's.
 - c) PVI's to also get additional uplift within the base rate for the living wage supplement to match Primary schools and Maintained nurseries.
 - d) For the deprivation supplement to be paid at 30%. Allocations for deprivation will be treated similar to the Early Years Pupil Premium in that Schools and PVI's will have to demonstrate how the funding has been spent on the child entitled to the additional funding.
 - e) Funding for children with additional SEN needs aged 0-5 years to be funded from the High needs block.
 - f) A dedicated area SENCO to be established to support the quality of provision for children with SEND in the early years foundations stage.
 - g) To establish one early years panel to provide short term funding for children with SEND by July 2016 for the funding for children in the foundation stage. The current full time funding and EY panel funding to be merged.
 - h) Funding for full time places to be allocated for children currently funded to July 2016.
 - i) Funding for Rising 3's to be discontinued from September 2016.
 - j) Funding for Rising 3s to be allocated for children already funded until July 2016.
- 5.4 Indicative budgets for 3 and 4 year olds can be found in *Appendix 4*

6. Early Years Pupil Premium (EYPP)

6.1 The current take up of the early years pupil premium is low in Reading, in March 2016 it is at 7.6% which is 385 out of a cohort 5089. It is very likely that alongside the national funding formula that the allocation of the early years pupil premium will continue. The EYPP is not funded from the early years block, so is additional funding for early years providers and will remain so for 2016/17.

6.2 We aim to increase the take up of the EYPP and propose to align the allocation of funding for deprivation in a similar way. From April all settings and schools will have to submit a summary of how the funding has been spent on the child.

Appendix 1

In 2015 the representatives from the providers of early year's provision in Reading are:

Joint Chairs of the EYSFF Working Group

- Theresa Shortland - *Service Manager Early Years, Childcare and Play Services*
RBC
- Russell Dyer - *Corporate Finance Business Partner*
RBC

EYSFF Working Group members

- Lisa Bedlow - *Head Teacher - New Bridge Nursery School & Caversham Nursery School*
Maintained Nursery School Voluntary
- Julie Kempster - *Riverside Day Nursery*
Voluntary
- Karen Hillier - *Chair of Governors for Caversham and New Bridge Nursery schools*
Maintained Nursery School & Voluntary
- Gail Jugg - *Business Manager- Battle Primary Academy*
Primary Schools
- Bob Virdee - *Managing Director - Dickory Docks Educational Day Nursery*
Private
- Helen Kinch - *Greyfriars Day Nursery*
Private
- Diana Heath- *Head of Centre - Norcot Early Years Centre*
Maintained Nursery school
- Madeleine Cosgrove - *Head Teacher - The Ridgeway Primary School*
Primary School
- Fiona Swain - *Head Teacher - Manor Primary School*
Primary school
- Steven Davies - *Principle Education & Schools Accountant*
RBC
- William Graham- *Senior Financial Analyst*
RBC
- Maryam Makki - *Family Information Service Manager*
RBC
- Victoria Hannington - *Maternity Cover for Early Years Data, Sufficiency and Performance Manager*
RBC
- Tessa Brunsdon - *EYFS Project Officer*
RBC

Appendix 2

Provisional 16-17 rate breakdown

Setting Types	Maintained Nursery	Primary Schools	Independent	Private	Voluntary
Direct staff costs	2.56	2.56	2.56	2.56	2.56
Leadership	1.67	0.10	0.10	0.32	0.32
Admin & Support	0.19	0.19	0.19	0.19	0.19
Property	0.24	0.24	0.24	0.24	0.24
SENCO	0.35	0.05	0.05	0.35	0.35
'Consumables'	0.09	0.08	0.06	0.09	0.09
Rates	0.00	0.00	0.08	0.20	0.05
Rent	0.00	0.00	0.20	0.05	0.20
Living Wage Supplement	0.08	0.08	0.08	0.08	0.08
Total Unit Cost	5.18	3.30	3.56	4.08	4.08
Deprivation	1.20	1.20	1.20	1.20	1.20
Unit cost with Deprivation supplement	6.38	4.50	4.76	5.28	5.28

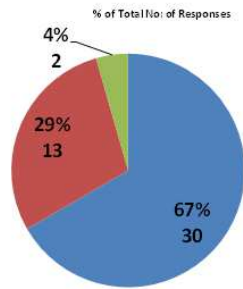
Rents and Rates for Maintained Nurseries will be paid as a lump sum outside of the main formula.

The current types of expenditure have not changed but unit values have been adjusted to reflect lump sum changes and to include Private and Voluntary settings increase for Living wage Increases.

Appendix 3

EYSFF CONSULTATION 2016 - SUMMARY OF RESPONSES

EYSFF Consultation Responses

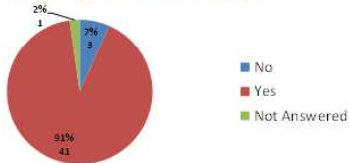


	Total No: of Responses	% of Total returns	Total number of Settings	% responded
PVI's	30	67%	60	50%
NC & NS	13	29%	25	52%
CM	2	4%	141	1%
Total:	45	100%	226	



EYSFF Consultation Results

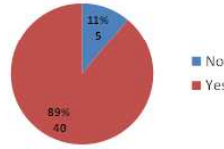
- Question 1: Do you agree that we should include an uplift for staffing costs for the PVI's?



Question 1	No	Yes	Not Answered	Grand Total
Answers	3	41	1	45
%	7%	91%	2%	100%



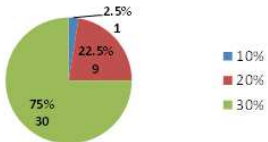
- Question 2 a) Do you think we should continue with the Deprivation supplement?



Question 2 a)	No	Yes	Grand Total
Answers	5	40	45
%	11%	89%	100%



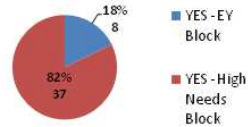
- Question 2 b) If yes, what percentage should we allocate:



Question 2 b)	10%	20%	30%	Grand Total
Answers	1	9	30	40
%	2.5%	22.5%	75%	100%



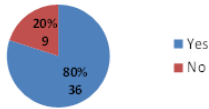
- Question 3 . Do you think the funding for children aged 0-5 with additional needs and SEN should come from the Early Years Block or the High Needs Block?



Question 3	YES - EY Block	YES - High Needs Block	Grand Total
Answers	8	37	45
%	18%	82%	100%

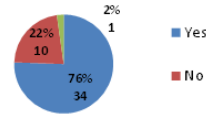


Question 4. Do you think we should amalgamate these funds and create one panel to allocate funding to Early Years Settings and foundation stage children?



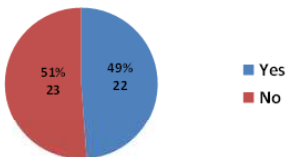
Question 4	Yes	No	Grand Total
Answers	36	9	45
%	80%	20%	100%

Question 5. Do you think we should allocate this funding to establish an SEN role to support the foundation stage children in Schools and PVI's?



Question 5	Yes	No	Not Answered	Grand Total
Answers	34	10	1	45
%	76%	22%	2%	100%

Question 6 a) Do you think we should fund all rising 3's in all settings in Reading and centrally retain the funds to do this?



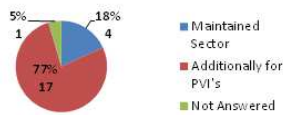
Question 6 a)	Yes	No	Grand Total
Answers	22	23	45
%	49%	51%	100%

Question 6 a) Do you think we should fund all rising 3's in all settings in Reading and centrally retain the funds to do this?

Row Labels	No	Yes	Grand Total
Childminder	2	2	4
Independent	1	0	1
Nursery class	5	4	9
Nursery School	5	0	5
Private	6	12	18
Voluntary	4	6	10
Grand Total	23	22	45

Of those that answered 'Yes' to 6a)

Question 6 b) Do you think we should fund rising 3's in the Maintained Sector only or additionally for PVI's?



Question 6 b)	Maintained Sector only	Additionally for PVI's	Not Answered	Grand Total
Answers	17	4	1	22
%	77%	18%	5%	100%

Appendix 4.

Budget breakdown of the early years block funding for 3 and 4 year olds.

Current 16-17 Allocation	7,639,500
Early Years Block Allocation	Budget
3 & 4 Year Old Funding	6,643,000
3 & 4 Year Old Funding - deprivation	608,000
Rising 3s Contribution - for the Summer Term only	20,000
Early Years Team Contribution	50,000
Early Years Support	45,000
Capital Expenditure from Revenue (School Kitchens)	39,000
<u>Other allocations</u>	
Business Rates for Maintained Nursery's	52,500
Rent for Newbridge - 16/17	27,000
SEN and Early Language	105,000
Contribution to the Early Years Funding Panel	50,000
TOTAL EXPENDITURE	7,639,500