

Funding the Free Entitlement in Barnet

Definition

All children are entitled to up to six terms of free early education before reaching statutory school age (the first term following their fifth birthday). Depending on local arrangements for admission to school many children start full time education in school reception classes before reaching compulsory school age. The free entitlement is a guarantee of a free place. It is not a voucher, nor should it be regarded as a parental subsidy. With effect from 1 April 2006, the minimum free entitlement for three- and four-year-olds of 12.5 hours a week was extended from 33 to 38 weeks in all settings. Children become eligible from the term following their third birthday.

Providers in Barnet

The table below shows the range of settings and the number of children (part time equivalent) taking up the free entitlement.

The private sector provides around 60% of the free entitlement in Barnet.

Summary of types of setting and children funded for the free entitlement January 2008

Settings funded for the free entitlement	Maintained Nursery Schools	Maintained Nursery Classes	Stand-alone Children's Centres	Total LA Settings	Child-minders	Independent Schools Nursery Unit	Private Full Day Care	Sessional	Total PVI	All Settings
%	3%	34%	1%	38%	1%	12%	42%	21%	63%	100%
All Settings	4	54	2	60	1	19	67	33	100	160

Eligible children on roll / funded (part time equivalent)	Maintained Nursery Schools	Maintained Nursery Classes	Stand-alone Children's Centres	Total LA Settings	Child-minders	Independent Schools	Private Full Day Care	Private Sessional Day Care	Total LA Settings	All Settings
%	6%	34%	1%	41%	0.0%	16%	32%	11%	59%	100%
All Settings	221	1269	42	1,532	1	611	1202	418	2,231	3,763
Average per setting	55.3	23.5	21.0	25.5	1.0	32.2	17.9	12.7	22.3	23.5

Sources: PLASC January 2008
Early Years Census January 2008
NEF Claims January 2008

Over a third of local authority nursery classes are in voluntary aided schools (CofE - 8, RC - 6 and Jewish - 7). In the private sector only 25% of settings are known to have a religious affiliation but these are mostly Jewish (27).

Funding

Local Authority and Private Voluntary and Independent (PVI) settings are funded on a different basis at present, but a number of funding and organisational changes are being brought in by the government by April 2010:

- All settings to be funded for the free entitlement on take-up not places
- Increase in free entitlement from 12½hrs to 15hrs per week
- Increased flexibility – 15 hour free entitlement to be taken flexibly over a minimum of 38 weeks and a minimum of 3 days per week
- A consistent funding formula for the free entitlement for all settings.

The Early Years Working Group has been set up to agree a consistent funding formula which takes into account the first three points.

The table overleaf shows how different kinds of setting are currently funded

Funding for 3 & 4 Year Olds – Current Arrangements – April 2008			
	Private, Voluntary & Independent, including Childminders	Maintained Nursery Schools and Classes	Children's Centres
Free entitlement	£1645 per child – 38 weeks, 12½ hrs per week. Based on actual sessions attended.	£1587 for each half-day place per annum. Based on agreed places at the school.	£1645 per child – 38 weeks, 12½ hrs per week. Based on actual sessions attended.
Additional Educational Need	Inclusion funding for individual pupils	Additional educational need formula based on free school meals and English as an additional language.	Additional allowance in childcare funding
Statements	Funding based on hours of support in statement.	Funding based on hours of support in statement.	
Fees	Parents charged for childcare beyond 12½ hrs per week	A few schools have full time places. Schools can charge for extra childcare if there is space.	Parents charged for childcare beyond 12½ hrs per week. 20% funding for children in need.
Basic entitlement	Nil	£43,433 for nursery schools, £2915 for infant/primary schools	
Other	Nil	Area based funding for cleaning and grounds maintenance. NNDR & Caretaker's council tax.	Area based funding for cleaning and grounds maintenance. NNDR & Caretaker's council tax.
Standards Funds and Specific Grants from DCSF	Sure Start Grant	Nursery Schools: approximately £65,000 per annum depending on pupil numbers. More difficult to estimate at infant & primaries	Sure Start Grant

Proposed Workplan for the Early Years Working Group

In the plan below, the meetings have been timed to take place a week or so before each main Schools Forum meeting, so that feedback to the Schools Forum will reflect the most recent work of the group.

Four meetings per year are suggested – two in the autumn term and two in the summer term. The spring term is usually very busy with budgeting, but extra meetings can be added if necessary.

The process of developing the single funding formula starts looking at the experience of the pathfinders authorities, and identifying how different providers will manage extra hours and increased flexibility. It then goes on to look at comparative costs in different settings and the main areas the funding formula will need to cover. By this time we should know more about the government's proposals for data collection and their guidance on aspects of funding such as additional educational need and deprivation. We can then carry out modelling, look at alternative formulae and consult all providers. The final proposals will be taken back to the Schools Forum for approval and implementation from April 2010. The final meeting of the EYWG will review the success of the new funding formula.

No	Date	Issues to be discussed
1	30 th April 2008	Introductions Terms of reference Approval of workplan
2	11 th June 2008	Lessons learned from pathfinders Models for implementing 15hours and flexibility
3	16 th Sept 2008	PVI cost analysis 2008 Costs in maintained settings Staff – child ratios
4	Tba Dec 2008	Main elements of funding formula Use of standards funds
5	Tba April 2009	Data requirements – government census
6	Tba June 2009	Funding additional educational need and deprivation
7	Tba Sep 2009	Evaluation of alternative funding formulae Consultation with all providers.
8	Tba Dec 2009	Recommendations to the Schools Forum
9	Tba June 2010	Review of implementation of new funding formula

Local authority officers will prepare discussion papers for each meeting in consultation with members. Agendas, minutes and papers will be circulated to all members of the working group and also posted on the Schools Forum page of the funding and finance website www.funding.barnet.lgfl.net.

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Schools Funding Manager, April 2008

