

EARLY YEARS WORKING GROUP OF THE BARNET SCHOOLS FORUM

Wednesday 28th January 2009 at 3.30PM

Training Room 5, Building 2, North London Business Park,
Oakleigh Road South, London N11 1NP

5. Items for information

1. EY Funding 2009/10 and overall budget

- **Overall budget available**

It is anticipated that the government Standards Fund grant together with funds released by the partial transition to participation-led funding in maintained schools will provide sufficient funding to cover the additional needed by designated providers offering the 2.5 hour extension in the most deprived areas of the borough from September 2009.

- **AWPU/NEF increases for 2009/10**

The intention for 2009/10 is to uplift 2008/09 AWPU rates to schools by around 3.5%, and to ensure parity between the maintained sector and PVI providers, the 2008/09 NEF rate will be increased by the same percentage. This would make the funding per session about £8.96.

Maintained schools will be funded in the same way as 2008/9 except that the number of places funded will be half way between maximum places and the number filled on school census day. Supplements for full time places will be halved.

PVIs will be funded in the same way as 2008/9.

- **2.5hrs NEF extension funding and increased flexibility**

About 40 settings will be offering the 2.5hrs extension from September and will receive an additional allocation per pupil of 20% of the relevant AWPU or NEF rate, depending on sector. Any extension funding will be shown as a separate item on the funding allocation reports.

We have been pleased at the number of schools and settings that have wanted to be the first to offer the extra hours, however the final list has not yet been agreed and may not be finalised before school budgets are sent out. We will hold the money in contingency until we are able make funding allocations to the schools and settings in question. However we will try to do this as soon as possible to allow heads and managers to plan ahead.

We would also like to provide funding based on the level of flexibility provided by those extending their offer. We recognise that flexibility is likely to incur additional staff and management costs. We propose three levels of flexibility:

Level 0	No change (i.e. 5x2½hr sessions) – No flexibility premium
Level 1	5 x 3hour sessions to include breakfast/lunch – 50% premium
Level 2	3 x 5hour sessions or any other more flexible option – 100% premium

- **Application of the Minimum Funding Guarantee to Schools**
Maintained schools are protected by the government Minimum Funding Guarantee which ensures that the year on year funding per pupil rises by a minimum amount.

For 2009/10 and 2010/11, it is essential that any funding for 'protected' places in 2008/9 is not 'locked' into the baseline per pupil amount for the MFG as it would give artificially high nursery funding.

We will therefore be asking the Schools Forum to allow us to exclude the nursery AWPU and the nursery full time pupil allowance from the 2008/09 baseline figure for calculation of the 2009/10 Minimum Funding Level for Primary Schools.

6. Items for agreement

i. EY Proposed formula 2010/11

From **2010/11**, all providers will be funded by participation using a universally consistent funding formula. This does not mean that all settings will be funded the same amount. The new funding formula is currently in the development phase and will take into account the extension to the free entitlement from 12.5 to 15 hours per week. We are proposing 6 elements:

- Per Pupil Amount
- Free Entitlement Extension
- Basic Entitlement
- Additional Educational Need
- Flexibility
- Qualifications

Distribution

There will be a fixed sum of money to distribute to early years providers and therefore the amounts distributed by each element of the funding formula must add to the total. If one element is increased it will impact negatively on all the others.

In setting the formula we have the following aims:

- Fairness and transparency to all providers
- Predictable and consistent levels of funding
- To allow settings to respond to parental preferences
- To provide sufficient funds for the service offered
- To meet government requirements on delivery of the free entitlement

PVI settings currently receive funding based on individual pupils. From 2010/11 PVI funding allocations will still be pupil-led but will not be linked to an individual child, and rather should be used for the benefit of all children taking up the free entitlement at the setting. There will be adjustments based on the termly census but these will not be applied mid-term at individual pupil level.

Formula factors for 2010/11

Per Pupil Rate

ii. The AWPU rate in maintained schools and nurseries and the NEF rate per eligible pupil in the PVI sector will be merged. We hope to have one basic rate for all settings.

2.5hrs NEF extension funding

All settings will be offering the 2.5hrs extension from September 2010 and will receive an additional allocation per pupil of 20% of the Per Pupil Rate, from the term that they start to operate the extension. This extension funding will be shown as a separate item on the funding allocation reports.

Basic entitlement allocation

- iii. There will continue to be a Basic entitlement lump sum for maintained nursery classes and nursery schools. This is currently £2915.

This basic entitlement lump sum will be extended to PVI's with more than 10 eligible NEF pupils.

This is offered to offset the costs of handling admissions and administration.

There will be no additional payment to schools for full-time nursery pupils.

Additional Educational Need (AEN)

The total funding for all maintained schools in Barnet is 'top sliced' by 10% to provide Additional Educational Need funding to maintained schools. It is distributed on a formula based mainly on deprivation in order to support pupils with additional need, but not statements.

A 10% top-slice of the early years budget would provide about £1m which would be distributed to all settings based on the deprivation score (IDACI) of the children in the setting.

For discussion:

Should the Early Years budget be 'top sliced' by an agreed percentage to provide AEN funding to all Early Years providers?

Flexibility premium

Flexibility in the new funding formula would also be from a top-slice of the total funding available.

For discussion:

What proportion should be set aside for flexibility?

How can we objectively assess and record the level of flexibility at each setting?

Qualifications premium

Whilst there is government funding to support early years workers to improve their qualifications, settings that employ more highly qualified staff will have higher costs.

For discussion:

Should there be financial recognition of those providers that offer a higher proportion of childcare staff that have Level 2 qualifications?

What percentage of the Early Years budget should be set aside to cover this?

How can we collect robust data on the level of qualifications of staff in each setting?

Children with statements

The method of funding these children will be discussed at a later date, but any setting with children with a written statement will remain eligible for additional funding to provide support for that child.