

Haringey Council

The Children and Young People's Service

Report to Haringey Schools Forum 25 February 2010

**Agenda Item
8**

Report Status

For information/note
For consultation & views
For decision

Report Title: Outcomes from the consultation on the Early Years Single Funding Formula (EYSFF)

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Purpose:

To inform Members of the Forum about the responses received and the points made following the recent consultation on the EYSFF.

Recommendations:

- (i) The Forum is asked to note the responses received and the associated critique from officers; and
- (ii) The points made are considered further at the next meeting of the EYSFF working group scheduled for 8 March 2010.

1. Background and Introduction.

- 1.1. All authorities are required to implement a single funding formula to fund the free entitlement for 3 and 4 year olds across a range of settings.
- 1.2. Initially the requirement was to implement from April 2010 and work was progressing on that basis. However, on the 10 December 2009 the Minister for Children, Young People and Families (Dawn Primarolo) announced its postponement by a year.

- 1.3. The Schools Forum established an Early Years Formula Working Group to develop a proposed formula and consult upon it with relevant stakeholders.
- 1.4. A consultation document setting out the proposals was sent to all Headteachers, Governors, Children’s Centre Managers, and all private voluntary and independent (PVI) providers of the free entitlement together with a range of other consultees. Consultation responses were requested by 12 February 2010.
- 1.5. Additionally, three consultation events were held, one in each network area of the borough, at which officers explained the proposals and provided further opportunities for questions and comments to be made.
- 1.6. This paper summarises the outcomes from the consultation process and, in the light of the government’s decision to defer the implementation until April 2011, proposes that these are taken forward by the EY Formula Working Group during 2010.
- 1.7. Following further development of the formula in the light of both the consultation responses and other relevant issues; such as the treatment of full time places, a subsequent period of consultation will take place with all relevant stakeholders.

2. Consultation Responses.

- 2.1. The consultation document has been included in the hard copy distribution of papers with the consultation questionnaire included as Appendix 3 to this report; this is to remind Forum members of the consultation questions asked.
- 2.2. Eight consultation responses were received prior to the deadline for return. Consultees were asked to indicate, from a range of options which setting they represented. A small number of responses were received after the deadline; given the postponement any other relevant points made in those responses have also been incorporated into Appendix 2. Table 1 below summarises the information given:

Table 1 – Summary Consultation Responses

	Setting	Responses
1	Small PVI (1-16 pupils per session)	2
2	Mid size PVI (7-14 pps)	
3	Large PVI (25 or more pps)	
4	Children’s Centre	
5	Maintained School with Nursery Class	3
6	Maintained Nursery School	
	Other/ Unclear	3
	Total	8

- 2.3. Individuals were asked to indicate their agreement or otherwise to a range of questions and were also given the opportunity to raise specific points separately. The Table below summarises the responses given to

the questions and because not all respondents replied to all questions they do not always total the number of responses made.

Table 2 – Analysis of Question Responses

Question	Ye s	No	N/A or Blan k
1	6		
2	6		
3	5		1
4	5		1
5	5	1	
6	5	1	
7	6		
8	5	1	
10	4		2
11	6		
12	5	1	
13	5	1	
14	4	2	
15	4		2
16a	5		1
16b	5		1

nb Q9 does not lend itself to a simple Y/N analysis.

2.4. In addition to the question responses above a number of respondents either added additional comments or wrote letters setting out areas they wanted to be considered as part of the consultation process. Appendix 1 summarises these additional points together with associated comments from officers.

3. Feedback from Roadshow.

3.1. The table below summarises the number and type of setting from which attendees to the three roadshows were from.

	9/12/2009	14/12/2009	2/2/2010
Attendees	9	30	8

3.2. At the first two roadshows attendees were tasked with recording their comments on each of the consultation areas. At the final roadshow, due mainly to the low numbers at the start of the evening, a more discursive approach was adopted

3.3. The formal points made at the first two roadshows are summarised in Appendix 2. This information together with that from the third roadshow will be taken to the next meeting of the EYSFF group to be held on the 8th March 2010.

4. Conclusions and Recommendations

- 4.1. Given the fundamental issues at stake in implementing the Single Funding Formula, it is disappointing that the consultation itself produced a low number of responses and the roadshows were not well attended.
- 4.2. It is imperative that all affected settings both have the opportunity to shape the funding formula and that they understand the implications on their finances. The EYF Working Group has meetings scheduled for the remainder of the year and the intention is to hold a further period of consultation during the Autumn Term. The Authority will need to consider other ways in which it can reach and seek the views of all stakeholders.
- 4.3. A key issue raised during the consultation process concerns the need for the Authority to establish early years' policies in the following areas:
 - The use and application of free full time places;
 - The Authority's definition of flexibility; and
 - How to determine and promote quality.
- 4.4. It is recommended therefore that:
 - 4.4.1. The Forum notes the outcomes from the recent consultation process on the Early years Single Funding Formula (EYSFF).
 - 4.4.2. The EY Formula Working Group considers the points made through consultation in developing further the formula for implementation from April 2011.

Ref	Comment	Response
2.2	Concern that flexibility proposals are reasonable taking into account the interest and wellbeing of the child.	Agreed that there is a need to balance the wishes of parents and the governments desire for flexibility together with what is best for the child.
2.2	Do not understand flexibility provisions – are parents able to change requirements on a weekly basis? Also is the proposed model able to be operated sensibly on a day to day basis.	Parents would not be able to vary requirements; we will determine what an acceptable flexibility policy is. Further work is however needed to ensure that it is realistic for settings to implement.
2.6	Feeling that the different rates for different sized (PVI) settings is confusing and not transparent. Concern that might be open to abuse	Agree this is an area where we need to be clear how the size would be determined and that any differential in rates paid was reflective of a different cost structure.
2.6	Suggestion that the hourly rate might change termly depending on the number on roll i.e. a setting might fall into different bandings each term.	The intention was not for settings to move between bands but to base rate on 'registered' size. However, agree that this might be confusing so will reconsider this approach.
2.6	Consider separate groupings for 'profit' and 'not for profit' organisations	This can be reviewed although the main difference is the profit supplement which would differentiate these settings. Premises costs might also be an area where a different approach would be seen but less certainty of this.
2.7.1 – 2.7.4	Unclear why higher teaching costs are not seen in the direct staffing rates between settings.	The higher costs are offset to an extent by higher contact ratios in schools i.e. 1:13 against 1:8 – this has the effect of reducing the apparent gap in unit rates.
2.7.8- 2.7.11	Might be better for Nursery Schools premises costs to be funded in a similar way to CC in the future.	Agree to look at this again.
2.8.1	PVI settings should accept the VAT liability as part of being PVI.	It is a cost faced by some settings and not others in the same way that schools are required to pay teaching salary costs and this differential is also recognised.
Ref	Comment	Response

2.8.5	There should be more categories (groupings) for IMD	This can be reviewed – essentially it is a balance between accuracy and simplicity.
2.8.7	Hourly rate proposed won't make much difference.	Further work on flexibility and the associated rate is being proposed.
2.8.8	Setting Manager is a graduate but does not attract graduate funding.	Need to review setting and answer directly.
2.8.8	Needs more clarity about who determines quality and how the factor promotes quality.	This is an area where we agree more work is needed around the quality standard scheme.
2.8.9	No profit is made – all fees go on costs.	Possibly 'non-profit' making objectives.
2.8.9	Profit is a risk for PVI that should not be supported by public funds.	The governments guidance is clear that consideration of a profit supplement is legitimate; as part of this (albeit very limited) set of consultation responses there was only a single objection.
3.9-3.10	Specific consideration of transitional arrangements for Rowland Hill which is severely affected might be needed.	We will give further consideration to this.
General	Concern that PVI rates below current payment rates and would cause volatility.	This is not the case so we suspect that this is a misinterpretation of the information.
General	Insufficient consideration of PVI/ Children's Centres (CC) opening hours. Open for 10-12 hours per day and no consideration of 4-6 hours per day that is redundant after allowing for free entitlement.	This partly revolves around the flexibility payment which needs further consideration. However, may also be an organisational issue as there is potential to run 2 separate groupings if open for 10-12 HPD.
General	Do not understand why resources are reallocated away from maintained schools to PVI/ CC.	This is the effect of implementing a single consistent formula without additional resources.
General	Must be a further consultation period before implementation	Agreed
General	Standard approach to premises funding suggest lack of transparent information.	We can do more work in determining actual costs in this area.
General	Pleased that full time places are to be addressed.	No comment

Ref	Comments	Response
General	Concern that the School Forum cannot represent adequately the views of childcare establishments – suggestion that a separate Childcare Forum be created	It is unrealistic to separate the function as the money would still come through the one source –DSG. There is PVI representation on the Forum and additional Members could be considered as previously discussed by the Forum.

EYSFF Consultation9th December 2009, West Green Learning Centre (South Network)

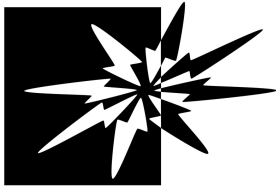
<i>Consultation question groupings</i>	<i>Audience Comments</i>
Funding Supplements	Extra funding for SEN children in PVI Equality in availability of services for these families
Flexibility proposal	When parents use 15hrs – too much flexibility leaves gaps in provision that can't be filled Issues re: well being of child e.g. too little time can inhibit settling Free FT places in schools take away from full day care
General Comments	Will maintained nurseries be able to charge for full time increase Complication of offering 15 hrs whilst still having full time places Is there over provision in Haringey so splitting funding over too many provisions Staffing contracts for maintained nursery staff i.e. currently 32.5 hrs

EYSFF Consultation

14th December 2009, Alexandra Park Secondary School (West Network)

Consultation question groupings	Audience Comments
Unit Cost calculation	Historical figures not useful reallocate full time places, staffing with 3 nursery schools/ centres targeted for CIN, LAC etc.
	I am alarmed that the quality of nursery education may suffer as a result of the single funding formula. Hopefully another year & hardwork will ensure that the damage is limited
	It seems as though private nurseries are on the back burner of this EYSFF and other funding that is available within the borough.
	The long term unemployed rely on private nurseries. Parents on low income rely on private's flexible hours, i.e. early start and later finish as well as flexible on demand sessions.
	Payment for PVI's works very well as it stands – proposal to keep it the same is Good
	Put in funding for children in need, LAC etc. i.e. put in full time funded places into the nursery schools
Funding Supplements	Profit supplement Education for profit?? They should look for other avenues to supplement their profit
	Profit supplement How would LA know? Would they check their accounts?
	Quality supplement Quality assessment should not be based on Ofsted only – Haringey should work closely with all settings and use another set of criteria based on own data/ history of settings
	Deprivation supplement & SEN

	supplement should be child centered not specific to settings
	Flexible supplement is not enough for schools and nursery schools
Flexibility proposal	For flexible use of NEG in schools will the LA introduce new terms and conditions for staff? What is the vision or strategy for the delivery of the 15hrs
General Comments	Lack of clear and quick access via social workers into places at Rowland Hill, not helpful
	It is important to review the full time places in schools as children centres did not exist when they were allocated. Rowland Hill is competing for those places.
	Who decides how many full time and part time places. It can not be historical it must have a strategy embedded in children's centre policy or each setting will be fighting for the same children and destabilising another
	Perverse incentive of keeping empty ES places so we are very low numbers on headcount day



Haringey Council

The Children and Young People's Service

Early Years Single Funding Formula Consultation Response Form.

This form follows the structure of the attached report and allows you to give your opinion on various points, it also allows you to comment more generally on the Single Funding Formula. You may use this form if you wish although we are happy to receive other written responses such as by letter. In all cases we would be grateful if responses could indicate your full details including the capacity in which the response is being made.

This response is from:

Name of Responder	School/Organisation

I am responding as an:

Individual
 On behalf of a Group

If the latter, please specify below:

Name of Group	Role of Responder

Please also indicate the setting that you consider best reflects your organisation, see 2.6.1 of the report.

1		2		3		4		5		6	
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Please return this form by **14th January 2010** to:

Anabela Valente,
 School Funding Team, Podium Floor, River Park House,
 225 High Road, London N22 8HQ.

e-mail Anabela.valente@haringey.gov.uk

Telephone 020 8489 3808 Fax 020 8489 3760

Question 1

Report section 2.2	Flexibility.
Do you agree with the flexibility proposals?	Yes
	No
Comments/alternatives:	

Question 2

Report section 2.6	Settings.
Do you agree with the proposed settings?	Yes
	No
Comments/alternatives:	

Question 3

Report section 2.7.1 – 2.7.4	Basic Hourly Rates. – Direct Staffing Costs.
Do you agree with the proposed methodology for direct staffing rates?	Yes
	No
Comments/alternatives:	

Question 4

Report section 2.7.5 – 2.7.6	Basic Hourly Rates. – Indirect Staff Costs.
Do you agree with the proposed methodology for indirect staffing rates?	Yes
	No
Comments/alternatives:	

Question 5

Report section 2.7.7	Learning Resources.
Do you agree that each setting should receive an allocation for learning resources?	Yes
	No
Comments/alternatives:	

Question 6

Report section 2.7.8 – 2.7.11	Premises Costs.	
Do you agree with the methodology proposed for premises costs?	Yes	
	No	
Comments/alternatives:		

Question 7

Report section 2.7.13	Full-time Places in Maintained Settings.	
Do you agree with the proposed treatment of full-time places?	Yes	
	No	
Comments/alternatives:		

Question 8

Report section 2.8.1	VAT.	
Do you agree that, for those settings not registered for VAT, an additional supplement should be payable?	Yes	
	No	
Comments/alternatives:		

Question 9

Report section 2.8.2 – 2.8.6		Deprivation Funding.	
Proxy Groups	Index of Multiple Deprivation (IMD).	Targeted ethnic minority groups.	
Do you agree with the proposed proxy factors for allocating deprivation funding?	Yes/No Alternative.	Yes/No	Alternative
Do you agree with the proposed split of 60% IMD and 40% targeted ethnic group?	Yes/No Alternative %	Yes/No	Alternative %
Comments:			

Question 10

Report section 2.8.5	Deprivation Funding - IMD Weighting.
Do you agree with the relative weightings for each of the IMD groups?	Yes
	No
Comments:	

Question 11

Report section 2.8.7	Flexibility Supplement.
Do you agree with the proposed basis for a flexibility supplement?	Yes
	No
Comments:	

Question 12

Report section 2.8.8	Quality Supplement.
Do you agree with the proposed quality supplement?	Yes
	No
Comments/alternatives:	

Question 13

Report section 2.8.9	Profit Supplement.
Do you agree that, for those settings with profit making objectives, a supplement be paid?	Yes
	No
Comments/alternatives:	

Question 14

Report section 3.9 – 3.10	Transitional Arrangements.
Do you agree with the proposed transitional arrangements?	Yes
	No
Comments/alternatives:	

Question 15

Report section 5.2 – 5.3	Payments and In-year Adjustments – Maintained Sector.	
Do you agree with the proposed methodology for giving indicative budgets with adjustments to reflect actual numbers in the following year?	Yes	
	No	
Comments/alternatives:		

Question 16

Report section 5.4-5.5	Payments and In Year Adjustments – PVI Sector.	
Do you agree with the proposed methodology for indicative budgets with in-year adjustments?	Yes	
	No	
Do you agree with the proposed monthly cashflow payment to PVI settings?	Yes	
	No	
Comments/alternatives:		

ADDITIONAL COMMENTS

If you would like to make any additional comments on aspects of the consultation document please feel free to do so here.
 You may also use this space, and the following table, if you wish to provide alternative hourly rates together with your reasons for proposing them.

Element	Setting (See 2.6.1)					
	1	2	3	4	5	6
	£ per hour	£ per hour	£ per hour	£ per hour	£ per hour	£ per hour
Hourly Direct Staffing Cost						
Hourly Indirect Staffing Cost						
Learning Resources						
Premises Costs						
VAT						
Flexibility supplement						