

Report Title.

Delivering an Early Years Single Funding Formula for Haringey

Report authorised by

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Wards(s) affected:

All

Report for:

Key Decision

1. Purpose of the report

1.1 To recommend an Early Years Single Funding Formula for Haringey following consultation with partners. The proposed formula will be presented to the Schools Forum on 17th January 2011 and its view will be made available to the Cabinet.

1.2 The Early Years Single Funding Formula (EYSFF) is a statutory requirement from April 2011. The government intends it to be a transparent and equitable formula that funds the free entitlement of all three and four year olds in both the

maintained and non-maintained sectors. It is expected to address the current differences in the funding levels and arrangements between the two sectors. The EYSFF will replace the different funding mechanisms currently in place for nursery schools, nursery classes in maintained schools, children's centres and provision in the Private, Voluntary and Independent (PVI) sector.

1.3 The free entitlement is a universal benefit of 15 hours per week provision over at least 38 weeks per year.

1.4 The Schools Forum must be consulted on the implementation of the EYSFF. In Haringey this has been fulfilled by the EYSFF Project Board consisting of representatives from Primary and Nursery Schools, Children's Centres, the PVI sector and Trade Unions.

1.5 Cabinet received a report on the EYSFF on 16th November 2010 and consultation with partners took place in Autumn 2010 and the outcome of the consultation is reflected in the proposed methodology for operating the formula.

1.6 Cabinet are asked to agree the recommended formula, taking account of feedback from the Schools Forum meeting of 17th January 2011. If necessary, a further report will be presented to Cabinet at its meeting of 8th February 2011 if any further refinement of the formula is necessary to ensure that this meets the needs of Haringey children and families. The formula will be implemented in April 2011 in accordance with the relevant regulations.

2. Introduction by Cabinet Member (if necessary)

2.1 The adoption of the Single Funding formula is a statutory requirement. There has been considerable consultation with providers and with the Schools Forum and the report reflects that consultation.

2.2 The underlying principles on which the elements of the formula are based are aimed at achieving good quality care across the borough and targeting resources in a way that ensures the best outcomes for all children by compensating for deprivation and disadvantage where necessary.

2.3 The history of early years provision in maintained settings in Haringey, the distinct geographical divide between more and less deprived areas and the inequities in the national distribution of resources which results in a significant under funding in Haringey, have all made it particularly difficult to come up with a formula which ensures there is universal provision while also targeting the children most in need.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1 The introduction of the EYSFF is aligned to a number of key council priorities and to the Draft Early Years Policy. The EYSFF is a statutory requirement to apply a single funding formula to both the maintained and non-maintained sector and will lead to a redistribution of resources between sectors and areas.

3.2 The EYSFF reflects the Council vision set out in strategic priority 3 to “Encourage lifetime well being”. The proposals address this priority by seeking to ensure there is equitable payment for all providers who are delivering to the highest possible quality. , Once funding for the universal entitlement has been met remaining resources will be targeted at our more disadvantaged families.

In addition, the introduction of the Formula links to the Children and Young People’s Plan 2009 - 2020 priorities set out below;

Priority 1 – to improve health and well-being throughout life

Priority 3 – to improve safeguarding and child protection

Priority 4 – develop positive human relationships and ensure personal safety

Priority 5 – develop sustainable schooling and services with high expectations of young people

Priority 6 – engender lifelong learning for all across a broad range of subjects both in and out of school

Priority 10 – Empower families and communities

3.3 The programme also links with the Council’s Sustainable Community Strategy - 2007-2016, in particular the outcomes;

- Economic vitality and prosperity shared by all

- Safer for all

- Healthier people with a better quality of life.

3.4 The programme has clear links to the Council’s Child Poverty Strategy and Action Plan 2008-2011, namely;

Objectives 1:Addressing worklessness and increasing parental employment in sustainable jobs

Objective 2: Improving the take-up of benefits and tax credits

Objective 3: Reducing educational attainment gaps for children in poverty

4. Recommendations

4.1 That the Early Years Single Funding Formula set out in Appendix 1 is agreed.

4.2 That the transitional and payment arrangements set out in Sections 2 and 3 of Appendix 1 are agreed.

4.3 That the EYSFF is kept under review to ensure it is fit for purpose.

5. Reason for recommendation(s)

- 5.1 Early indications are that greater targeting of resources will be central to the Government's future policy for early years and childcare. The Haringey draft Early Years policy is intended to ensure that services are of the highest quality and are targeted at the most disadvantaged so that outcomes for children are improved.
- 5.2 The EYSFF Project Board has involved a wide range of services and interested parties and the Board has discussed all aspects of the proposed policy and formula. The Council consulted with partners during the autumn and the proposed formula reflects feedback from the consultation.
- 5.3 The proposed rates reflect the suggested relative distribution of resources. Funding for the EYSFF will come through the Dedicated Schools Grant (DSG). The per pupil funding element of the DSG was announced on 13 December 2010 but the Council's allocation will not be known until the result of the late January pupil counts are known. Final confirmation by the DfE will not be given until June 2011 following a data checking exercise. Therefore, Cabinet are asked to agree the provisional methodologies that have been used to arrive at a proposed formula.

6. Other options considered

- 6.1 The previous government originally proposed implementation of the EYSFF from April 2010 but, following a number of concerns, announced in January 2010 its deferment for a year. The present government recently confirmed the statutory requirement to implement the EYSFF in April 2011.
- 6.2 The implementation of the EYSFF is therefore a statutory requirement but there is local discretion on the detail of the formula other than it must contain a deprivation supplement. The formula is necessarily a compromise between funding the universal provision for all three and four year olds and the targeting of resources at the most needy. This is particularly difficult given the history of early years provision in maintained settings in Haringey, the distinct geographical divide between more and less deprived areas and the inequities in the national distribution of educational resources which results in a significant under funding in Haringey. These issues were pointed out to the Secretary of State in a letter from the Schools Forum. The formula supports, as far as possible, the delivery of our draft Early Years Policy and our priority of ensuring that resources are targeted to those in greatest need.
- 6.3 Further support could be targeted at deprivation but at the risk to the funding of the universal entitlement with the danger of losing provision in the non-maintained sector, which provides for approximately 30% of children accessing the free entitlement. The EYSFF therefore reflects the obligation to have sufficient places but without the government addressing the historical funding difficulties that Haringey faces.

7. Summary

- 7.1 This report sets out the recommended Early Years Single Funding Formula to be implemented in April 2011. The Schools Forum must be consulted on the process for operating the EYSFF and Members are asked to agree the proposals put forward in this report, subject to the recommendations of the Schools Forum of 17th January 2011.
- 7.2 The formula comprises a number of base rates which reflect the main costs of providing the free entitlement within the different types of settings e.g. variations in pay rates, contact ratios and support costs are taken into account. The base rate is augmented by a number of supplements which reflect fundamental differences in the cost of providing the free entitlement or to prioritise expenditure in line with the Council's Early Years Policy; in this way quality, flexibility in provision and deprivation are particularly recognised.
- 7.3 The EYSFF will replace a number of disparate funding arrangements such as payments to PVI providers based broadly upon the previous Nursery Education Grant which paid providers at a single hourly rate and the arrangements for Nursery Schools and Nursery Classes which were previously part of the Haringey Formula for Financing Schools.
- 7.4 The Council has an obligation to take into account the sustainability of all settings in its formula. The government has identified maintained nursery school provision as a particular area where per pupil costs are high and which are therefore susceptible to becoming unsustainable where participation is low. The government requires local authorities to ensure that nursery schools do not close as a direct result of the new formula.

8. Chief Financial Officer Comments

- 8.1 It is a statutory requirement that the Council implements the EYSFF from April 2011. The EYSFF will determine how the Council distributes the agreed funding between providers.
- 8.2 The funding will come from the ring-fenced Dedicated Schools Grant (DSG), which in 2011-12 will include the former Flexible Entitlement (formerly Pathfinder) Grant. The level of resource allocated to the EYSFF will be a decision for the Cabinet, in consultation with the Schools Forum.
- 8.3 The Cabinet may decide, in consultation with the Schools Forum, to prioritise DSG spending on the EYSFF and maintain or increase 2010-11 funding levels. This would be at the expense of other priorities within the DSG, such as the Inclusive Learning Campuses. The Forum will consider this as part of the DSG Strategy for 2011-12 at its 17th January meeting.

9. Head of Legal Services Comments

- 9.1 The Head of Legal Services has been consulted on the content of this report. The recommendations and content meet the requirements of the framework established by the Department for Education arising from Section 202 of the Apprenticeships, Skills, Children and Learning Act 2009.

10. Head of Procurement Comments –[Required for Procurement Committee]

11. Equalities and Community Cohesion Comments

11.1 An Equalities Impact Assessment (EIA) has been conducted on the implications of the Early years Single Funding Formula consulted on. The EYSFF does not in itself provide more resources – it is a means of distributing existing resources. There are more PVI settings in the West of the Borough and therefore the EYSFF, which requires money to follow the child, will redirect resources away from East of the Borough where a higher proportion of the maintained nursery settings and children from deprived backgrounds are located. The formula contains elements that will ensure that the most vulnerable attract additional resources, but this in itself will not prevent the redistribution mentioned without additional resources being provided.

11.2 The funding formula has been revised since the EIA assessment was undertaken. The redistribution of funding to the non-maintained sector has been reduced and the deprivation supplement has been more finely targeted at the most needy by using the weighting the Index of Multiple Deprivation for individual children rather than for settings and by reducing the weighting of the least deprived quartile to zero.

11.3 The families who face the greatest barriers to social inclusion are those who are least likely to access the benefits and services to which they are entitled. The lower levels of take-up of free funded early education and childcare from ethnic minority groups and from the most socio-economically deprived communities contributes to the widening gap in achievement and aspiration as children move through the school system. The history of early years provision in Haringey, the distinct socio-economic divide within the borough and the funding inequalities arising from the Area Cost Adjustment, cause specific issues that have been raised with the Secretary of State for Education, see Appendix 4.

11.4 Therefore the proposed EYSFF deprivation component comprises two factors – the Index of Multiple Deprivation and the location of ethnic minority groups in the community. This means that a proportion of funding is directed to the provision that meets the needs of the most deprived or at risk of low attainment.

11.5 We propose to centralise the targeted childcare places which have been historically allocated to specific primary and nursery schools and Children's Centres so that we can ensure that these places are allocated to the children most in need. This will assist in the mitigation of the migration of resources from the areas of greatest disadvantage.

11.6 In addition, in the event that headroom is available i.e. funding over and above that necessary to meet the proposed rates and transitional

arrangements, we recommend that this is distributed through the deprivation factor.

12. Consultation

- 12.1 Substantial work took place in developing the EYSFF in the lead up to the original implementation date of April 2010. We distributed consultation documents to a wide range of stakeholders including providers from the maintained, private, voluntary and independent (PVI) sector, head teachers and governing bodies, giving the opportunity to provide written feedback. Further written consultation took place with the same stakeholders in autumn 2010.
- 12.2 The complex nature of the proposals and the variety of consultees made it a challenging consultation to undertake.
- 12.3 To aid understanding, consultation events were held in December 2009, January 2010 and November and December 2010.
- 12.4 The EYSFF has been reviewed in the light of the comments received from these consultation exercises.
- 12.5 The Schools Forum was consulted on the proposed formula on 11th November 2010. The Forum agreed the following motion in response to the EYSFF.

Haringey Schools forum is seriously concerned at the potential impact of the EYSFF as set out in the Equalities Impact Assessment which suggests that:

1. It will lead to a greater proportion of resources in the West Network
2. It will bring a greater investment to already advantaged communities.
3. It will significantly reduce funding to Nursery Schools and Nursery Classes.
4. It will reduce the Council's capacity to use childcare as a key lever in mitigating the effects of poverty.

We note the intention to introduce a deprivation factor to mitigate these effects.

However because of current uncertainties of funding we do not know whether there are sufficient resources for the deprivation factor to cancel out the adverse equalities impact without top slicing the DSG and thereby reducing all school budgets. We note that the EYSFF implies a development of service but that this development has not been fully funded. We request that unless this development is fully funded it does not proceed.

We therefore agree to raise these concerns about the implementation of the EYSFF with local M.P's, with government and other Local Authorities, whilst

recognising our commitment to improve outcomes for all children and maintain the sustainability of all settings.

- 12.6 A letter was sent to the Secretary of State for Education raising the Forum's concerns. The letter and the response received are attached as Appendix 4.

13. Service Financial Comments

- 13.1 The introduction of the EYSFF is a statutory requirement and replaces existing early years funding allocations for maintained settings (nursery classes in primary schools, nursery schools and some elements of Children Centres) and Private, Voluntary and Independent settings. Funding for the former weekly free entitlement of 12.5 hours of early years provision was provided from the ring-fenced Dedicated Schools Grant (DSG). In the current financial year there is also a specific grant, the flexible entitlement grant, covering the extension of the free entitlement to 15 hours over 38 weeks. This will be incorporated within the DSG in 2011/12.
- 13.2 In the current financial year, the resource allocated to support the free entitlement amounts to c£11.5m and is funded primarily from the DSG. The DfE has set the indicative DSG for 2011/12 at the same per-pupil cash sum as 2010-11 and this therefore represents a cut in real terms. The EYSFF and other developments, such as the Inclusive Learning Campuses, will therefore need to be funded from reduced resources. The introduction of the Pupil Premium will benefit those schools that have high levels of deprivation but will not directly affect the EYSFF. The introduction of a negative Minimum Funding Guarantee will allow some scope in deciding how resources are to be allocated in 2011-12. It will be a decision for the Cabinet, in consultation with the Schools Forum, on the level of resources to be allocated for the EYSFF. The rates set out in the appendices are therefore indicative and will be confirmed once the funding available has been agreed.

14. Use of appendices /Tables and photographs

- Appendix 1 Early Years Single Funding Formula
- Appendix 2 Formula Exemplifications
- Appendix 3a Written Response to autumn 2010 Consultation
- Appendix 3b Response to autumn 2010 Workshops
- Appendix 4a Letter to Secretary of State for Education
- Appendix 4b Response

15. Local Government (Access to Information) Act 1985

Not Applicable

16. Report.

Background.

- 16.1. The introduction of an Early Years Single Funding Formula in April 2011 is a statutory requirement. The formula should be a single, transparent and equitable way of funding the free entitlement of all three and four year olds to early years education. The funding will apply to any setting providing the free entitlement, whether in the maintained or non-maintained sectors. The funding formula should reflect the different costs faced by the different groups of settings.
- 16.2. A previous report on the EYSFF was presented to Cabinet on 16th November 2010, before the conclusion of the consultation with stakeholders. This report incorporates the outcome of the consultation and recommends the formula to be implemented, subject to the view of the Schools Forum.

Consultation – Autumn 2010.

- 16.3. This was the second round of consultation. Over 300 stakeholders were consulted and the written responses by sector are shown in the following table.

Setting	Responses
PVI	12
Primary Schools	26
Nursery Schools	3
Total	41

- 16.4. In addition, four workshops were held, one for primary schools, two for PVI settings and one open meeting. In the last three, 30 representatives from 25 PVI settings, 3 Children Centres and 5 primary schools attended.
- 16.5. An analysis of the points raised is included as Appendix 3. The following paragraphs summarise the significant issues and the action proposed to address them.
- 16.6. The majority of responses from all sectors said that the hourly rates used understated those they actually faced. Rates for the maintained sector have been updated to address these concerns; those for the PVI are in the process of being updated. The funding for this increase will come from the reduced flexibility supplement and the profit supplement.
- 16.7. The major concern reflected in responses from the primary school sector was the difficulty of providing flexibility. Flexibility is a significant element in the government's approach to early years provision but there is no requirement on

individual providers to offer this. There is also no statutory requirement to have a flexibility supplement. A sizable element of funding was targeted through this supplement and it is clear that to continue with this in its present form would remove further resources from school nursery classes. It is therefore proposed that the size of the flexibility supplement be reduced, with the majority of the funding being directed through the basic hourly rates to reflect the issues explored in paragraph 16.5. A flexibility factor will be retained for those settings, mostly in the Private, Voluntary and Independent (PVI) sectors, that are facing additional costs because of their offer of a flexible entitlement.

- 16.8. The consultation responses supported differentiation of premises costs for PVI settings, although one response from the nursery school sector doubted the existence of sufficiently detailed information to allow this. A concurrent exercise to obtain information from the PVI sector on premises costs yielded a poor response with only 8 replies. Further work is continuing to obtain this data, but the default position is to apply a flat rate per hour as exemplified in the consultation.
- 16.9. Two of the consultation questions were specific to nursery school funding. Nursery schools currently have high per-pupil funding compared to other sectors because of the more specialised service they provide and have a higher risk of becoming unsustainable; the previous government issued guidance that they expected the formula to maintain the sustainability of nursery schools. One question concerned a reduction in the contact ratio from 1:13 to 1:10 to reflect the quality of provision and the different statutory ratios that applied at different times of the day. Responses were almost entirely opposed to this, comments indicated that the reasoning behind the proposal could in future apply to all sectors and we do not propose to pursue this. The second question related to a lump sum element for nursery schools and a much lower hourly rate than that consulted on. There was a mixed response to this; responders from the non-maintained sector pointed out that many PVI settings faced similarly high per-pupil overheads and risks of unsustainability. Responses from primary schools included a view that this might be justified in recognising differential provision and levels of deprivation. We are proposing to introduce a lump sum based on the Minimum Basic Allocation with a corresponding reduction in hourly rates.
- 16.10. Twenty-three places in nursery schools were identified as specifically reserved for children with Special Educational Needs (SEN). These will form part of the longer-term review of full time places but for 2011-12 it is recommended that these continue as planned places reserved for SEN Panel allocations.
- 16.11. The proposed 'Profit Supplement' was supported by the PVI sector, but was strongly opposed by the maintained sector. This supplement is allowed by government guidance and is to reflect that some PVI settings exist to make a profit. It can also be seen as a supplement to recognise that, in some settings, the free entitlement is provided at below cost and that this loss is recouped from fees; for such settings, the increase in the free entitlement from 12.5 to 15 hours extended the loss-making element and reduced the time available to recoup this loss. We

propose not to continue with this as a supplement but to incorporate it within the basic hourly rate see 16.5.

- 16.12. Some responders from primary schools questioned the application of a deprivation supplement to the PVI sector. A deprivation supplement is the only mandatory requirement and must be applied to all sectors. However, the detail of the supplement is a local decision and the consultation proposed applying a weighting to the average Index of Multiple Deprivation (IMD) for a setting. The weighting would fall into four bands ranging from one for settings in the least deprived quartile to four for those in the most deprived. Responses both through and outside the consultation questioned why a setting serving the least deprived should have any weighting. Whilst this proposal is understandable it would lead to a child from a very deprived area not attracting additional funding if the average IMD for the setting they attend puts it in the lowest quartile. A way to address concerns about the weightings but to still ensure all children from deprived areas are supported is to apply the weighting to the individual child, with the revised weightings ranging from 0 to 4.

Resources.

- 16.13. The resource available for the free entitlement in 2010-11 was £11.5m. The estimated provision of the remaining flexibility supplement, VAT and quality supplement is £0.35m, leaving £11.15m for the remaining formula elements at current resource levels. For 2011-12, all of this resource is now within the Dedicated Schools Grant (DSG). The DSG has continued at the same per pupil rate as in 2010-11, which represents a fall in real terms. The decision on the resource for the EYSFF rests with Cabinet following consultation with the Schools Forum.

Early Years Single Funding Formula.

- 16.14. The recommended formula is set out in Appendix 1 and exemplified in Appendix 2.

Recommendations.

- 16.15. That the Early Years Single Funding Formula set out in Appendix 1 is agreed.
- 16.16. That the transitional and payment arrangements set out in Sections 2 and 3 of Appendix 1 are agreed.
- 16.17. That the EYSFF is kept under review to ensure it is fit for purpose.

Early Years Single Funding Formula .

The proposed EYSFF consists of

- **base rate**, covering the main costs of providing the free entitlement, and
- **supplements** to reflect different levels of deprivation, hours of opening etc in different settings.

1.1. Base Rate

The Base rate is the sum of the following factors.

- 1.1.1. **Basic Hourly Rate.** The basic hourly rate, incorporates funding for:
- Direct staffing costs, this takes account of the relative pay rates in the different sectors for teachers, lead and support workers and the contact ratios in the different sectors. Contact ratios are dependent on the qualification of those providing services¹. It also takes account of the need for direct contact staffing at all times and of the need to fund National Insurance and employers pension contributions.
 - Indirect staffing costs, this recognises the costs of management, administration and Planning, Preparation and Assessment (PPA) time. This will be covered by the lump sum for nursery schools.
 - Learning Resources, provision for this has been made at £102 per child per year. We have recognised that unrecoverable VAT may be an issue for some settings and we have reflected this in the VAT supplementary rate below.
 - Premises costs, for nursery classes based in maintained primary schools these are covered by the premises allocation in the schools' funding formula so, following the principle of not double funding settings, these have not been included for those settings in the costs for the single funding formula. Children Centres premises costs are similarly paid via the Children's Centre Formula allocation and so are also not included. A flat rate allocation of £0.42 per hour for PVI settings, based on formula allocations in maintained schools, is proposed unless we are able to obtain sufficient data from PVI settings to replace this with more targeted funding.

¹ The Statutory guidance for the EYFS gives the minimum requirement of staff to children in all settings for different ages.

Between 8am and 4pm where a suitably qualified teacher or Early Years Professional is employed there should be a ratio of at least 1 adult to 13 children. Within maintained schools it is a requirement that a teacher is employed to work within each EYFS class.

In settings that are not maintained schools and where there is no teacher or Early Years Professional there should be a minimum ratio of 1 adult to 8 children at all times. There should always be at least 1 member of the staff group who is qualified to at least NVQ level 3 in childcare and 50% of the rest of the group qualified to at least NVQ level 2

In Haringey it has been the practice to provide a ratio of 1 adult to 10 children within the nursery schools to support high quality.

1.1.2. **Basic rate by setting.** The basic rate reflects the differential costs encountered by different types of settings. These are illustrated in Appendix 2a, please note that these are indicative and we will update them to reflect price changes and the resources available for the EYSFF in 2011/12. The setting groups used are:

1. Small PVIs with between 1 and 16 children per 3 hour session;
2. Mid-range PVIs with between 17 and 24 children per session;
3. Large PVIs with 25 or more children per session;
4. Children's Centres;
5. Maintained school nursery classes;
6. Maintained nursery schools.

NB All children must be aged 3 or 4 and qualify for the free entitlement for the purpose of these calculations.

1.1.3. **Graduate Leader costs** - the quality supplement is to recognise the need to contribute towards the additional costs of PVI settings with graduate leaders; the basic rate for maintained settings already reflects the cost of teachers.

1.1.4. **Childminders.** This is a developing area for funding the free entitlement. Childminders must be qualified to at least NVQ level 3 and accredited with the LA through a quality network in order to take part in the scheme. A network is being piloted within the LA which will be reviewed and then developed during 2011. Information from the DfE² and from neighbouring authorities identify hourly base rates, excluding supplements, ranging from a lower quartile of £3.25 to an upper quartile of £3.73. We propose to include childminders in our proposed formula for settings with 1 to 32 children, which provides for £3.85 per hour.

1.2. Supplements

The following supplements are proposed:

1.2.1. **Deprivation Supplement.**

This is based on the following two factors:

- i. Sixty percent is distributed with reference to the Index of Multiple Deprivation (IMD) for the home address of children at each setting. The IMD for each child will place him or her into one of four bands. Each band is allocated one of the following weightings:

² DfE recently published report 'Early Years Pathfinder Formula Analysis'

Band	Level of Deprivation	Weighting
1	Least deprived	0
2		1
3		2
4	Most deprived	4

- ii. Forty percent is allocated with reference to the number of children from targeted underachieving ethnic groups.

1.2.2. Quality Supplement

1.2.2.1. A quality supplement is provided to PVI settings (who do not receive the higher level of funding provided to schools to employ teachers or school funding for training). The supplement is designed to help improve all settings from satisfactory to good when inspected by Ofsted or from bronze to silver in our local Quality Improvement Accreditation Scheme. A further supplement will be paid to recognise the cost of continuing to deliver high quality provision and to recognise the additional cost when a graduate leader is employed.

1.2.2.2. The following extract sets out the Accreditation Scheme in more detail

The Haringey Quality Improvement Accreditation Scheme has been created to run alongside the EYSFF to support settings to improve. Those settings that achieve accreditation at bronze level will be invited to work with the Authority to improve their provision with the aim of achieving a silver level accreditation the next year. A quality supplement will be paid to the setting, subject to resources being available, once an action plan with timescales has been agreed with their Advisory Teacher.

1.2.3. Flexibility Supplement.

1.2.3.1. We know from research that 3 and 4 year old children benefit most from attending regular 2-3 hour nursery education sessions every day. If these sessions are extended to a full day there is no difference in educational outcomes for the child. If the sessions are taken in blocks across fewer days then the outcomes for the child are not so good.

1.2.3.2. However, the needs of the parents and family and their economic status also have an impact on the development of children. The Government, therefore requires Local Authorities to provide parents with a flexible offer of provision for the education of 3 and 4 year olds

1.2.3.3. A flexibility supplement based on providing a top up to the basic rate direct staff cost for those settings offering a flexible entitlement. The local definition of flexibility is:

1. 3 hours a day over 5 days per week, taken with two providers
2. Free entitlement taken over a minimum of 3 days per week
 - a. 5 hours +5 hours + 5hours
 - b. 6 hours + 6 hours + 3 hours
 - c. 3 hours +3 hours +3 hours+ 6 hours
3. Free entitlement taken over a full year instead of term time only, for example.
 - a. Over 48 weeks – 11.8 hours per week
 - b. Over 50 weeks – 11.4 hours per week

1.2.3.4. The flexibility supplement will be £0.5 per hour.

1.2.4. **VAT Supplement.** We need to ensure equity between those settings able to recover VAT and those that cannot. The original proposal was a supplementary hourly rate of £0.07 for the settings who cannot recover VAT based on the prevailing rate of 17.5%. The increase in VAT rates to 20% in January 2011 it is proposed to increase the supplement to £0.08 to maintain parity.

1.3. Other considerations within the formula

1.3.1. **Nursery School Formula.** The three nursery schools provide a specialised service and have a higher risk of becoming unsustainable. The formula provides a lump sum element, based on that previously applied through the Minimum Basic Allocation. The formula will also continue to fund the Special Educational Needs places previously provided, these will be earmarked for SEN Panel allocations. In the longer term, these will be part of the review of full-time places.

1.3.2. **Full-Time Places.** We are reviewing the use of the existing Full Time (FT) places in maintained settings. In the meantime, we will use a full time supplement to fund the existing distribution of places.

2. Sustainability, the Minimum Funding Guarantee and Transitional Arrangements.

Introduction

2.1. The Local Authority has a duty to provide sufficient flexible childcare places to meet parental demands. The regulations governing the EYSFF make it clear that funding must, other than in exceptional circumstances, be based on participation and not planned places.

- 2.2. In some instances, there may be a need to provide or maintain places in areas to meet demand that is not financially sustainable on the basis of a simple application of the EYSFF as it currently stands.
- 2.3. In addition, there is a general recognition that implementing formula changes, particularly where additional resources cannot be guaranteed, results in settings that gain or lose money (turbulence). In order to allow settings to manage these changes on a sensible and planned basis transitional arrangements are normally provided. The following paragraphs identify the approach in these areas.

Sustainability

- 2.4. The Authority has an obligation to take into account the sustainability of all settings and is proposing to retain resources that can be targeted on particular settings, outside of the EYSFF, where provision needs to be maintained but where the formula fails to deliver sufficient resource. This approach would apply equally to all settings. In considering what resources would be allocated from this source account would need to be taken of the need to maintain a setting in a particular area and the extent to which further financial support was appropriate given the settings obligation to operate efficiently.
- 2.5. The government has identified maintained nursery school provision as an area where per pupil costs are high and which are therefore susceptible to becoming unsustainable where participation is low. LAs are required to ensure that they do not close as a direct result of the new formula.
- 2.6. In all settings, there is clearly a balance between recognising the on-going need for provision in an area and not maintaining provision that represents poor value for money.
- 2.7. Currently playgroups are awarded sustainability funding to ensure sufficient nursery education places for all 3 and 4 years olds, as well as providing sufficient childcares places for all parents who wish to access them. The future for this funding is dependent on government and council decision on funding availability.

Minimum Funding Guarantee.

- 2.8. The School Finance Regulations require LAs to apply a national Minimum Funding Guarantee (MFG) to the year on year increase in per pupil funding. The MFG applies to maintained nursery schools and nursery classes and for the 2011-12 financial year is negative, -1.5%. It does not apply to PVI settings.

Transitional Arrangements.

2.9. Transitional arrangements are appropriate when a significant redistribution of resources takes place. This prevents excessive turbulence in settings and allows for a smoother adjustment to the changed circumstances by limiting the maximum loss/gain of funding for any setting.

2.10. The maximum reduction in 2011-12, when compared with funding determined under previous arrangements, will be limited to 33% in 2011-12, rising to 66% in 2012-13. No transitional arrangements would apply from 2013-14 onwards. The application of a percentage reduction to settings gaining under the new arrangements will meet the cost of transitional protection.

3. Payments and In Year Adjustments.

Introduction

3.1. Pupils will be counted termly on the basis of participation. The following process will ensure settings are funded on a regular basis to meet their cashflow needs. In the first year of operation, the proposal is to mirror, as far as possible, the existing arrangements as they are understood and will allow the operation of the formula to bed-in. These arrangements are set out below.

Maintained Settings.

3.2. From April 2011, the basis of all early years funding will be the actual termly count of hours of free entitlement provided. The count will use the official DfE pupil level count that usually takes place in the third week of each term.

3.3. Maintained schools will be provided with indicative budgets for the full financial year based on pupil attendance as recorded on the January 2011 PLASC return. Any adjustments due to be made, based on the three termly counts in 2011-12, will be actioned as an adjustment to the schools 2012-13 budget. Revised projections of resources due for 2011-12 will be provided following the termly counts so that appropriate financial provision can be made.

3.4. Schools will continue to receive monthly cash advances in the normal way including resources for the provision for their early years free entitlement.

Private Voluntary and Independent Provision (PVI)

3.5. PVI settings will also be provided with indicative budgets for the full financial year using data collected through the January Early Years Census together with data from the previous financial year. The indicative allocation will be based on 2 terms using the January data and 1 term using the preceding years autumn term data.

3.6. In order to ensure that all PVI settings have sufficient cashflow in advance of the actual termly count being completed, it is proposed that at the beginning of

each term a monthly cash advance based on 1/12th of the annual indicative budget is paid. An adjustment will then be made as soon as the detail of the actual termly count are known.

Summary of Consultation Responses.

Appendix 3a

Forty-one responses were received. Of these three were from nursery schools, 12 from PVI settings and 26 from 24 primary schools, including two schools for which responses were received from both the head teacher and the governing body.

I have set out below a summary of the responses by question, in some cases officer comments have been added in italics.

Consultation Question 1: Should the premises allocation for PVI setting be a uniform hourly rate or should there be more differentiation between the different kinds of settings?

PVIs. All responses agreed that there should be differentiation to ensure those with higher costs are adequately compensated. Savings from those with costs below the proposed rate should be utilised to fund those with higher costs. Banding may be an option but settings should be reviewed annually to ensure correct banding.

Primary Schools. Many responded that they had insufficient information on which to comment but then added comments such as 'will depend on setting', 'PVIs use all sorts of premises', 'PVIs paying no or peppercorn rents should not be funded', 'should reflect actual rent', 'rent mortgage costs should be excluded unless a lot more detailed information is available', 'Where PVIs face little costs for premises, this should not be an opportunity to augment their coffers'. These riders support a differentiated approach.

Nursery schools. One response doubted the existence of sufficiently detailed information on PVI costs and noted very wide variations reported by pathfinder LAs. The comment suggests a uniform rate would be simpler to manage if an average and viable cost can be evidenced.

Officer comment. The response supports a differentiated approach, but a concurrent exercise asking PVIs for information on premises costs produced a disappointing response (eight) and insufficient information on which to base payments based on actual costs. The exercise will be repeated with the aim of eventually introducing a differentiated factor.

Consultation Question 2: Do the settings proposed and the underlying assumptions adequately reflect your own setting and costs?

PVIs. One setting thought so, others simply said 'No', one commented that the rates reflected the minimum cost of starting salaries and did not allow scope for rewarding experience. The same responder commented that the ratios were also the maximum allowed and that many settings operated good practice through more favourable ratios

to allow for breaks, absences and key worker continuity. The pay rates do not reflect current market rates. One responder commented that the assumptions did not reflect their circumstances as their curriculum & staffing resources were unique in the industry.

Primary Schools. The overwhelming response was that the hourly rate did not adequately reflect the true costs faced by nursery classes and that nursery classes were under-funded. Some thought nursery school funding too high. One response thought PVI costs remarkably low (this is not supported by other comments in the same response). I have summarised the main contentions below and *added officer comments in italics*:

1. Direct staffing costs. The 30 hours in the basic hourly rate did not reflect the 32.5/36 hours and 40 weeks staff are required to work. Staff in PVIs were believed to be paid only for contact hours.
The responses from primary schools did not take account of the additional 10% of teacher hours funded through the PPA supplement in the indirect costs. A flexible offer will attract additional funding..
2. Additional staff costs needed to cover break between sessions.
An element has now been added to reflect this..
3. Some teachers are on upper pay scale.
Additional UPS costs are met through the Teacher Pay Grant element of the school specific funding.
4. The formula does not recognise the payment of TLR points.
Schools will continue to receive the Minimum Basic Allocation within the School Specific funding formula.
5. Why should PVIs/profit making settings receive deprivation funding, especially those in more affluent areas? One school recommended bandings of 0, 0.5, 1.5 or 2 and 4. The allocation of £267k to PVIs was questioned.
A deprivation supplement is the only supplement we must have and it should apply to all settings. We have revised the proposed deprivation supplement to target funding at individual children rather than settings and revised the weightings to 0,1,2 and 4. The £267k was derived by grossing up the current nursery AEN to reflect the total population of those taking up the free entitlement.
6. The funding rate for nursery schools is too high.
The methodology for nursery schools has been reviewed and the proposal is now for a lump sum and a lower hourly rate.
7. Will the funding of one person to support transition to 15 hours continue.
No.
8. Head teachers mainly on Group 3.
We have revised the spinal point for head teachers to LS25, the average point for head teachers of schools with nursery classes..
9. Admin grade and % too low.
Admin grades reflect the average of junior administrative posts in primary schools.
10. No premises costs are included for schools.

These remain within the site-specific allocation of the main school funding formula.

11. Nursery classes take far more administration than other ages.
12. The formula does not reflect indirect costs such as SENCO, admin officer, site manager and catering costs.
The formula recognises admin officer costs and the continuation of site and school specific funding will provide a contribution to the other costs.
13. The payment of a graduate supplement was opposed by many primary school respondents. Many argued that if graduates had chosen to work in the PVI sector they had done so in the knowledge of the relative pay scales.
This ignores the desire to improve quality of provision by attracting high calibre employees and the legislation requirement that all settings have a suitably qualified leader.
14. One school reported a contact ration of 1:10 in its nursery class.

Nursery Schools. Work is continuing to ensure a consistent understanding of data collection, funding for SEN places and lump sums. The model will have to continue to be assessed and developed. Loss of funding over transitional period will be an issue as costs will not be reducing over this period.

The proposed model has replaced the high hourly rate with a lower rate and a lump sum. SEN places will continue to be on a planned place basis.

Consultation Question 3: Do you agree with the introduction of a one-off lump sum to help PVI settings from bronze to silver accreditation levels?

PVIs. One playgroup said no. They thought they would never be in a position to afford 'a full-time teacher' and therefore not achieve a silver accreditation. They saw this as diverting funding to children centres and nurseries and away from smaller settings. Another response commented that a lump sum would be beneficial if it covers the costs associated with the higher accreditation. The same responder thought the hourly rate for the graduate leader would be better as an annual lump sum to ensure greater stability.

Primary Schools. Almost all responses objected to this, the main argument against being that schools do not receive funding for training. One response asked this to be applied to maintained as well as non-maintained settings. One school expressed the view that the maintained sector should not subsidise the private sector for work it should undertake for itself. There was also a common view that quality in schools was higher because teachers were employed in primary classes.
All schools are in receipt of Standards Fund and Standards Grant funding. Schools are funded for the employment of a teacher; the graduate supplement is to recognise the additional cost of those PVI settings seeking to employ suitably qualified staff.

Nursery Schools. Concerns were expressed that assessment may be subjective and lead to lengthy appeals. Very clear criteria is therefore necessary – perhaps based on

OFSTED judgements and paid to settings with good or outstanding judgements to promote expectation that all settings should reach high standards. Payments should encourage financially viable settings to reach certain standards rather than just funding already adequate settings.

Consultation Question 4: Should there also be a further supplement to recognise continuing high quality service such as gold/gold star?

PVIs. A concern was expressed, as with Q2, that this would channel money away from smaller settings to those with teachers. This responder made the point that qualified staff did not necessarily have skills or experience suited to working in early years. Another responder supported the supplement on the grounds that having attained higher standards there were ongoing costs to maintain that standard and that the supplement should apply to silver, silver*, gold and gold* accreditations. Not to recognise the continuing costs could act as a perverse incentive.

Primary Schools. The majority said no but without expressing further comment; some linked it to responses to question 3.

Nursery Schools. Doubt was expressed as to whether this was needed in the 'market driven system we are supposed to be moving to.

Consultation Question 5: Should there be a quality supplement for nursery schools to reflect the recommended ratio of 1:10?

PVIs. If this is to recognise good practice it should be payable to all nurseries that follow this practice. Many PVI settings run over their ratio to improve practice and for parity, this should also be funded. Alternatively, if the ratio is to reflect the hours when a 1:8 ratio is applicable then this could be reflected as a supplement.

Primary Schools. Generally the response was a flat no, or only if it applied to all settings, but one response commented that the lower ratio implies recognition of differential quality and that a decision on this cannot be taken in isolation but needs to take account of whether nursery schools serve the neediest sections of the population.

Nursery Schools. The term 'Quality supplement' was thought to be misleading. The 1:10 ratio reflects the operational needs of the nursery, which provides a mix of 1:13 and 1:8 provision. The responder acknowledged that to retain parity with nursery classes funding for the free entitlement should be at 1:13.

Officer Comment. Following consultation, we are no longer proposing a lower contact ratio for nursery schools.

Consultation Question 6. Do you agree that a uniform hourly rate should be used for the flexibility supplement?

PVIs. One responder commented that this should be banded rather than a flat rate. Bands should reflect the costs of being open for longer than a session and the additional costs of being open all year, such as higher staff costs to cover holiday entitlements that cannot be taken during closed periods. Another responder commented No, the code of practice says that implementation should take the sustainability of the provider into account, that it is unreasonable to pay providers less than the cost of delivery for care and education.

Primary Schools. Some responded that there was insufficient information upon which to base a response, but the majority were of the view that the flexibility proposed was not a viable option in primary schools. Several responders were opposed on educational grounds expressing the view that it wasn't in a child's best interest and that we should be focussed on the child's needs not the parents.

Nursery Schools. This is not mandatory, as part of pilot most maintained settings have reached a balance of what they think is operationally achievable. Flexibility supplement may encourage providers to seek additional funding by encouraging attendance patterns that are detrimental to a child's continuity of learning and relationships with peer groups.

Officer Comment. Whereas we propose to continue with a flat rate flexibility supplement in cases where the local offer is being met, we acknowledge that its scope will be much smaller than originally envisaged and will mostly apply to PVI and nursery school settings. Much of the funding for the supplement has therefore been transferred into the basic hourly rate.

Consultation Question 7 Do you agree with the flexibility options stated above and are there any other flexibility options that should be included in the Haringey local offer?

PVIs. Should include attendance for 12.5 hours over two days, this is specifically used by the Govt as an example of flexibility. Not to allow this would exclude some children currently funded. The consultation gave examples of 'stretched' entitlement rather than an exhaustive list and a question was raised through the consultation as to whether any number of weeks between 39 and 52 would be allowable.

Primary Schools. The majority of responses thought it unrealistic to offer flexibility. Some thought it good in theory but unlikely to be workable in practice. Views expressed included the impracticality of negotiating with other providers. An irregular pattern of attendance would create staffing difficulties and there would be additional

administrative costs. There was a question as to whether flexibility supplement would be attracted by the availability or actual take-up of flexibility. PVI settings had always been more flexible. Again, doubt was expressed about the educational value of flexibility with the view that flexibility would have a negative impact on education, one responder described it as a nonsense. A strong preference was evident that the funding should be retained within the maintained sector.

Nursery Schools. They are sufficient to start with.

Officer comment. See response to question 6.

Consultation Question 8 Should there be a profit supplement and if not should the funding be distributed in some other way?

PVIs. Three responded positively and one did not seem to understand the question. Of the former, one response was simply 'yes'; one that they lost 60% on each free hour provided and would be happy with an amount that allowed them to break even; and one that a 'for profit' setting will set its fee level in the expectation that every child will contribute to that profit factor. If that is not the case the funded child is being subsidised by fee paying children.

Primary Schools. Unanimously opposed, views expressed included, 'disgraceful suggestion' and 'Ridiculous' the majority expressed the view that it was an improper or inappropriate use of public money and that the money should be retained within the maintained sector.

Nursery Schools. Using public money to support profit is not defensible. Need robust procedures in place to monitor how PVIs are spending money in support of the free entitlement.

Officer Comment. We are not proposing to proceed with this supplement. Funding will be incorporated within higher hourly rates.

Consultation Question 9 Appendix 1 exemplifies the effect of the higher hourly rate for nursery schools. Would you support a lower hourly rate supplemented by a lump sum? This would provide greater stability rather than higher funding for nursery schools

PVIs. One responder commented that it is sensible to provide stability for nursery schools but also to provide equivalent stability for the PVI sector. Instability in any setting is caused by variation in headcounts and uncertainty as to future funding, PVIs, like nursery schools were stand alone and did not benefit from economies of scale the lump sum was supported as long as it was paid to PVI settings as well as nursery schools.

Primary Schools. A variety of comments, many thought that more information was needed to form a view, one respondent reiterated their response to Q5 that this might recognise differential quality and that a decision on this cannot be taken in isolation but needs to take account of whether nursery schools serve the neediest sections of the population.

Nursery Schools. Higher costs for nurseries are acknowledged by pathfinder LAs. Nursery schools are stand alone and have relatively high costs compared with nursery classes. The lump sum route will provide sustainability – for the sake of transparency, the formula should make a clear link between the lump sum and square meter allocation.

Officer Comments. We are recommending a lower hourly rate plus a lump sum.

Consultation Question 10 Do the policy principles provide the correct basis for our work in early years?

PVIs. One response commented on the effective support from the Early Yrs Team and the need for this to continue. Additional reference could be made in the policy to continue to maintain the partnership between the EYs Team and the PVI sector

Primary Schools. The majority of responses thought that the principles were appropriate but were not supported by the EYSFF moving money from more to less deprived areas, which would do nothing to narrow the attainment gap.

Nursery Schools. OK given where we are.

Consultation Question 11 Can this policy be strengthened in order to ensure that the most vulnerable children have the highest priority?

PVIs. Yes, it was commented that the admissions criteria is being reviewed. Amendment of the admissions criteria for PVIs would enable them to adopt the placing of LACs as the highest priority and enable the adoption of the rest of the protective measures in the admissions criteria.

Primary Schools. The majority of responders thought that the most vulnerable children would suffer through EYSFF. One responder commented that vulnerable families benefit hugely from FT places.

Nursery Schools. Cannot force 3 & 4 year olds to participate so hard to enforce. Even if given highest priority there will be a time-lag.

Consultation Question 12 Does this policy support the provision of the highest quality of education for those that will benefit the most?

PVIs. The policy is there to support the duty to ensure that there are sufficient good quality childcare places available for all children.

Primary Schools. Responses were either no or that the policy does but the formula does not. One commentator thought that the formula confused babysitting and education.

Nursery Schools. All children should be able to benefit from high quality education. The disadvantage subsidy will go some way towards supporting settings catering for children and families in need.

Consultation Question 13 Is there anything you would like to see added amended or strengthened?

PVIs. One commented that the draft policy was welcomed, subject to concerns raised elsewhere. Another that the funding must reflect the actual cost of provision and not create unnecessary admin burdens.

Primary Schools. Generally, comments were similar to those for Q12, that the principles were good but not supported by the formula, there were also comments that the admissions criteria needs to be written properly and clarified. One responder wanted a separation of education from childminding.

Nursery Schools. Review after a year.

Please identify any possible difficulties that your setting faces in offering the full free entitlement.

PVIs. One responder commented about the practicalities of providing flexible places that leads to an uneven take-up and unfilled hours and a reduced contribution to costs. This will make budgeting and committing to salaries and maintaining high quality difficult. If two days are not allowed it is difficult to see how three days can be offered and will reduce flexibility currently offered. Primary problem is insufficient funding to ensure sustainability without cross-subsidisation. The prohibition on additional funding in the Code of Practice focuses attention on true cost of each place and the risk to sustainability and childcare places if a setting is underfunded.

Primary Schools. Overwhelmingly, the comments were on the difficulty of providing a flexible entitlement and the impact on provision of moving funding away from the most disadvantaged.

Nursery Schools. Flexible arrangement of entitlement over 3 days already in place and little more can be offered. If funding for core day places is removed/reduced it will affect the sustainability of the setting and our ability to target the most disadvantaged. There will need to be an appropriate staffing structure in place by Sept 2011.

Please use this space to make any additional comments you have on the proposed Early Years Single Funding Formula or the Draft Early Years Policy.

PVIs. One responder commented that provision needs to be made to review/amend groupings and application of supplements to ensure allocations correctly reflect the setting in question. A formal appeals process may be needed. Another commented that, whilst wholeheartedly supporting efforts to extend quality provision to children from lower income families they believed that this policy will create a two tiered system with small sessional providers ceasing to operate and quality nurseries opting out. Also unhappy that this has been locally rather than nationally implemented. A third responder noted the perception that addressing the funding issues in the PVI sector is perceived as taking money from one sector to give to another. And asks if the MFG can be applied to PVIs.

Primary Schools. Views expressed included future improvements will be impossible and there will be a knock on effect on other KSs. DSG should be top sliced. EYSFF will not support vulnerable children and move funding to less deprived areas. Flexibility should be abandoned. Limited scope to reduce costs in nursery classes.

Nursery Schools. Very complex proposal. Especially for governors not directly involved. Proposals cannot be looked at in isolation, especially when other funding sources are not secure. Potential reduction in quality of provision due to increasing ratios is a concern. Providing a suitable staffing structure to deliver effectively will impact on other aspects of the centre.

Responses from Workshops.

Summary of Issues Raised.

1. Playgroup representatives were concerned that they would be unable to afford qualified staff and this placed in question their ability to achieve a gold rating through the accreditation scheme.

Officer comment. The proposed formula includes a quality supplement that recognises the additional cost of qualified staff and the additional costs of qualifying.

2. Playgroup representatives raised the issue of children who become three during a term but who are not yet eligible for the free entitlement.

Officer comment. Eligibility for the free entitlement is from the start of the term following a child's third birthday. We will look at how this transition can be managed but funding for this is outside the DSG.

3. A major concern of many providers was whether funding will be available for those children whose parents choose not to take up the full 15 hour entitlement. Full-time private providers were also concerned that they may not be able to offer the 15 hours over a minimum of three days and queried whether they could provide 12.5 hours over two days.

Officer comment. If a parent chooses not to take up the full 15 hours, the setting will be funded for the hours taken, subject to the maximum of 12.5 hours that can be taken in less than 3 days.

4. There was concern over the Code of Practice' requirement that ' – local authorities should not fund providers to deliver fewer hours than the statutory 15 hours - - without good reason (for example, limited premises or opening hours).' It was suggested that settings that have only one session a day should fall within the definition of good reason.

Officer comment. We need to ensure our practices do not impact negatively on children. If settings are unable to provide 15 hours because of restrictions on how they operate and they are not then taking fees for extended hours then payments will not be affected.

5. Playgroup representatives were concerned that they did not receive the level of support for inclusion that children centres did and wanted reassurance that they would be supported for children with additional educational needs.

Officer comment. The Deprivation Supplement is based on the funding primary and nursery schools receive to cover deprivation and Additional Educational Needs. This will now be extended to the PVI sector.

6. There was debate about whether having a graduate leader was an appropriate measure of quality or was experience more valuable.

Officer comment. The promotion of graduate leaders accords with both national and local priorities but it is acknowledged that this does not mean that settings without graduate leaders are not providing quality provision.

7. PVI representatives were concerned that the sector was facing increased administrative burdens but did not have the administrative support enjoyed by schools. The EYSFF would introduce additional burdens.

Officer comment. The EYSFF builds in funding for administration and the LA will look at how it manages its information requirements and the impact this has on settings.

8. Concern was expressed that the full time places currently allocated to primary schools were not being properly used, support was expressed for a review that takes account of the needs of the child and targets places at those children who need them most.

Officer comment. A review is being undertaken.

9. Providers were concerned that hourly rates would not cover costs and that increases in rent and VAT would add to problems.

Officer comment. There will be a supplement to cover VAT and hourly rates have been revised. A survey of PVI settings to establish premises costs generated a poor response. A follow up exercise will be undertaken.

10. It was noted that top-up fees were not allowed under current legislation.

11. The formula needs to be kept under review to ensure it is fit for purpose.

Officer comment. Agreed.

12. Concern was expressed about parents moving provision and providers losing out on funding. It was pointed out that the Project Board had been developing parent contracts that set out contract periods and the responsibilities of parents and settings; these are intended to prevent such occurrences.

13. There needs to be clarity about how funding is split when children having more than 15 hours a week at more than one provider.

Officer comment. This would generally be split pro-rata, but further guidance would be developed.

