



Haringey Council

The Children and Young People's Service

Report to Haringey Schools Forum – 26th February 2014

Agenda Item

8

Report Status

For information/note
For consultation & views
For decision

Report Title: Update on the implementation of changes to full time nursery class place provision for 3 & 4 year olds in Haringey's Schools.

Authors:

Ngozi Anuforo, Early Years Commissioning Manager

Contact 020 8489 4681 Email: ngozi.anuforo@haringey.gov.uk

Steve Worth, Finance Manager (Schools Budget)

Contact: 020 8489 3708 Email: Stephen.worth@haringey.gov.uk

Purpose: To inform Schools Forum members of the final stages to implementing the changes to the full time nursery place provision in Haringey schools agreed by Cabinet in 2012.

Recommendations:

1. That Schools Forum notes the new profile of full time place provision across Haringey's nursery school classes and nursery schools from September 2014 ;
2. That Schools Forum notes that the future of full-time places will be considered as part of the wider review of Early Years Block funding necessitated by the decision to fund two year old places at £6 per hour.

1. Introduction

- 1.1 The purpose of this paper is to inform Schools Forum of the implications, for those schools currently offering full time nursery class place provision, of implementing the final stages of the changes to Haringey's full time nursery place provision agreed by Cabinet in February 2012.

2. Background

- 2.1 In February 2012, Cabinet agreed to a reduction and re-profile of the number of full time places provided in Haringey schools following a review of the delivery of the 15 hour per week free entitlement for 3 and 4 year olds in Haringey and the provision of full time (30 hour per week) places for 3 and 4 year old across Haringey's schools.
- 2.2 The reduction in full time places was deemed necessary to release the appropriate levels of Dedicated School Grant (DSG) funding to support an increase the take up of part time, 15 hour per week, places to a projected 90% in 2014. Since that decision, national funding changes have increased the imperative of reducing any unfunded nursery places, that is, provision in excess of the statutory 15 hours.
- 2.3 The current profile of take up for Haringey's three and four year olds can be broken down as follows;

Table 3: Comparative summary of take up rates for 3 & 4 year olds

Benefitting from the free entitlement	2009	2010	2011	2012	2013
Haringey 3 year olds	78%	76%	80%	82%	84%
Haringey 4 year olds	91%	92%	89%	95%	95%
Haringey 3 & 4 year olds	84%	83%	84%	88%	90%
England for 3 & 4 years olds	95%	94%	94%	95%	96%
London for 3 & 4 years olds	89%	88%	88%	90%	91%

- 2.4 In 2012, key priorities for improving access to the free entitlement for 3 and 4 year olds in the borough were;
- To increase the number of part time places ensuring sufficient places are available in the areas of greatest need
 - To increase the take up of the free entitlement for 3 year olds to 90% by 2014 in line with national expectations
 - To ensure that our most vulnerable and disadvantaged 3 and 4 year old children benefit from access to free, good quality early education

- 2.5 The re-profiling of a reduced number of full time nursery class places across our schools, based on deprivation indicators, was to ensure that the remaining funded full time place provision was better targeted to those who need it most. **Appendix 1** provides an overview of the reallocation of full time places between schools, and the reductions to be proposed from September 2012.
- 2.6 Initial changes were implemented from September 2012. A reduced overall full time nursery class provision was to be implemented as follows;

Table 1: Profiled projected rate of reduction in the number of full time places - 2012

	September 2011	September 2012	September 2013	September 2014
No. of places in school nursery classes	560	406	254	101
No. of places in nursery schools	115	70	42	17
TOTAL	675	476	296	118

- 2.7 Following the Cabinet decision, further discussions with schools as part of the implementation of the changes, led to a request from schools for a degree of stability. In May 2012, it was agreed that for September 2012, a revised allocation of full time places would be implemented and would incorporate the following approach for 2012 and 2013;
- The allocation implemented for September 2012 would be in place for two academic years (2012 and 2013).
 - Where full-time places are allocated, these will be in blocks of at least 10 to support viability.
 - Full time places will not be allocated to schools falling into an Ofsted category of concern.
 - Existing full time place allocations will be re-negotiated and may revert to the provision of only the statutory 15 hour per week free entitlement where the status of the school changes as a consequence of their Ofsted inspection or through a decision of the Governing Body

As a consequence of these revisions, the projected rate of reduction was amended as follows:

Table 2: Amended projected rate of reduction in the number of full time places

	September 2011	September 2012	September 2013	September 2014
No. of places in school nursery classes	560	276	276	101
No. of places in nursery schools	115	75	75	17
TOTAL	675	351	351	118

3. National context: changes to DSG funding for the free entitlement

- 3.1 In 2012, the Department for Education (DfE) announced changes to funding arrangements for the free entitlement. From April 2013 the Council would be funded on a participation-led basis meaning that DSG funding levels would be determined by the numbers of 3 and 4 year olds actually taking up their 15 hour free entitlement place.
- 3.2 Before the introduction of this change, the Council received funding based on 90% of Haringey's 3 year olds taking up their free entitlement regardless of actual levels of take up. This allowed the surplus DSG funding to be used by the Council to fund the additional hours provided to children accessing a full time place.
- 3.3 For September 2013, full time place provision for 3 and 4 year olds has been primarily funded through the provision of transitional protection for the 90% take up funding guarantee from previous financial years. This transitional protection will no longer be available from April 2014. The Early Years Block report presented to Forum in December 2013, took account of this reduction in funding and the planned reduction in full-time places from September 2014. Funding for the summer term was, in part, from the roll-forward of funding 'clawed' back from nursery schools and classes as a result of lower than budgeted take-up of places from September 2012.
- 3.4 In the original 2012 proposals, some protection through the Minimum Funding Guarantee for schools losing places was assumed. Subsequent changes to national regulations mean that this is no longer the case and a school will need to manage the change in numbers through an increase in part-time places, charging for non-statutory provision or reducing its offer.

- 3.5 In Haringey, there is a need for participation rates for 3 year olds to be improved in order to meet DfE's expectations of 94% take up (as set by DfE in 2013). This represents a 10 % increase on current levels of participation in the borough and will mean ensuring that a further 358 3 year old children are taking up a part-time place.
- 3.6 The impact of achieving a 94% take up rate amongst Haringey's 3 year olds will mean an additional £1.148m in DSG funding.

4. Changes to full time place provision for September 2014 and September 2015:financial implications

- 4.1 The Early Years Block agreed for 2014-15 assumed the reduction to 118 places for September 2014. If this is not achieved there will be a funding gap of £2,411 for a full year for each pupil in excess of this.
- 4.2 It is acknowledged that the planned reduction of our current number of full time nursery places to the 118 places agreed by Cabinet in 2012 will have a significant impact on those schools offering full time places.
- 4.3 In order to mitigate the impact of these changes and enable schools to plan effectively, the planned reduction will be implemented over two stages. For September 2014, current allocations will be reduced by 50% providing an overall total of 236 places, with the reduction to the planned 118 places being implemented for September 2015. **Appendix 2** shows the planned place allocation for September 2014 and September 2015 by school.
- 4.4 The number of places and projected costs are shown in **Table 3** below;

Financial Year	Total Number of Places	Cost in Financial Year	Additional Cost
		£000	£000
2014-15	236	565	93
2015-16	118	279	0

- 4.5 Maintaining additional places in 2014-15 would generate an additional cost of £93K in 2014-15 and a further £48k in 2015-16. It is possible to absorb this within the projected under spend within the Early Years Block attributed to two year old programme funding. However, it should be noted that these additional costs will reduce the time-span for introducing compensatory savings to accommodate the higher rate for two year funding, requiring savings to be identified within the 2016-17 financial year. The numbers and costs projected are based on the maximum number of places, if actual take-up is below this, as is generally the case in nursery classes, the costs will be lower.

4.6 A central budget of £67,000 is retained to support the provision of targeted places for our most vulnerable children. This provides the capacity for additional part-time hours to be offered to approximately 28 children over and above their free entitlement.

5. The provision of full time places in Haringey for September 2016 and beyond

5.1 The provision of full time nursery class places after the academic year September 2015 needs to be considered as part of the wider review of early years funding following the Forum's recommendation to increase the contribution rate for two year olds to £6 per hour.

5.2 Increasing participation in the 3 and 4 year old free entitlement is a key priority for the Council. Achieving the DfE's target of 96% of all 3 and 4 year olds; with a 94% of all 3 year olds taking up their place forms part of the strategic planning for early years in Haringey which will seek to build on the work started in 2011 that has contributed to a steady increase in participation rates year on year.

5.3 The Council report annually to the DfE on 2, 3 and 4 year old participation in the free entitlement and will be monitoring participation closely. Plans are in place to further promote the free entitlement in the borough and support children to access places; particularly where parents are experiencing barriers to their child accessing a place.

5.4 Developments in Early Years Strategy and proposals for the future use of the early years block will be reported to the Forum in due course. Haringey's Early Years Partnership Board, which will provide a steer for the development of early years strategy and include representation from the Schools Forum, will identify and assess options. The Early Years Working Group will be consulted initially on options before wider consultation with all relevant parties prior to recommendations being made to the Forum and Cabinet.