

Schools Forum Early Years Working Group (SF-EYWG)

Date: 6th January 2017 at the PDC

Time: 9am

Name	Designation/ Representation
Melian Mansfield (MM)	CHAIR
Ngozi Anuforo (NA)	Early Years Commissioning Manager
Luisa Bellavita (LB)	PVI Settings Rep
Zena Brabazon (ZB)	Rowland Hill
Peter Catling (PC)	Woodlands Park Nursery School & Children Centre
Charles Cato (CC)	Early Years Finance
Lou Colley (LC)	PVI Settings Rep
Duwan Farquharson (DF)	Willow
Dawn Ferdinand (DaF)	Willow
Nick Hewlett (NH)	Interim Principal Advisor for Early Years
Emma Murray (EM)	Primary Head Rep
Yoke O'Brien (YO)	Finance Business Partner (Schools)
Karyn Parker (KP)	Childminders
Susan Tudor-Hart (STH)	PVI Settings Rep
Christine Yianni (CY)	Business Support Officer
Sarah Hargreaves (SH)	Clerk

Also present: Herbert Nally, (HN) Pembury House Finance Officer

1. **Welcome and Apologies**

- 1.1 The Chair welcomed everyone to the meeting and introduced Herbert Nally from Pembury House.
- 1.2 Apologies were noted from: Duwan Farquharson, Lou Colley, Ngozi Anuforo. Subsequently apologies were received from Karyn Parker.
- 1.3 Susan Tudor-Hart apologised for missing the December meeting, but she had been in hospital.

2. **Minutes of the meeting of 15th December 2016 and matters arising**

- 2.1 Pt 5.3 It was clarified that c3p referred to approx. 3 pence.
- 2.2 The minutes were **agreed** and will be returned to Ngozi for safe keeping at the next meeting.

3. **Matters arising from the minutes of 15th December**

- 3.1 Pt 3.5 **Members would like to have an indication as to how long the LA will be able to continue funding settings at £6ph.** This is currently being reviewed but the £6.00 per hour will be retained in 2017/18. In the stage 1 consultation there is a proposal to taper the 2Y0 funding at £6.00 per hour in 2019/20. The Two Year Old programme funding is ring-fenced so there is little flexibility on what it can be spent on. There is a discussion being held about funding some of the high needs block pressure from the ringfenced 2Y0 funding. However no decision has been made.

Action CC

- 3.2 Pt 3.8 It was noted that the LA will cease funding for the full-time places from September 2017.
- 3.3 Members asked for a figure for the **total funding** for Early Years programmes, across all funding streams, to be provided.. **Action CC**
- 3.4 Pt 5.2 It was clarified that there is no upper limit within the funding envelope on what can be paid to settings via the base rate, as long as the agreed minimum is paid.
4. **Proposed Early Years Funding Formula and Consultation**
- 4.1 Concern was expressed that the final consultation document would be going straight to Schools Forum on **Jan 16th** without having been seen by this group. Charles to check when would be the latest it could be sent for SF circulation. **Action CC**
- 4.1.1 Concern was expressed that there is no linkage between the 1st and 2nd consultation exercises and that responders may have consultation fatigue.
- 4.1.2 **Members asked what would happen to the results from the resident's survey, to which there had been a good response.** There will be a separate report produced.
- 4.2 It was **agreed** that additional narrative was needed for those not familiar with the proposals. This should state that it is acknowledged that deprivation affects children and the borough is aiming to provide the fairest allocation of a finite pot of money. It is important that it is clear that the supplement funding is not additional money, just a different way of distributing it. The amounts stated are averages; not every provider will receive the amounts listed. Pt 3.5.3 from the December minutes to be emphasised; namely that the base rate is expected to cover core costs and the supplements are to enable extra work with children. Charles agreed to finalise a sentence along the lines of:
"The Government has given the borough a fixed amount of money and set a maximum hourly rate of £5.66; of this X will be retained by the LA, X will be paid in a base rate and X will be paid via supplements." **Action CC**
- 4.2.1 Explanations are needed with each question to guide responders as to the key issues for them to consider.
- 4.2.2 It was clarified that the deprivation scores are based on the residential postcode of the children attending the setting; not the setting itself.
- 4.3 It is assumed that most comments which will be received will be on the Universal Base Rate.
- 4.4 Several members stated that they wished "Flexibility" to be considered more fully as a discretionary supplement and for the consultation document to allow responders the option of expressing their views on including it. It was felt that currently it looks as though the decision has been made not to include Flexibility as an option, rather than giving responders the opportunity to have a view. This is compounded by that fact that it is only "Quality" on which views are currently sought. **Action CC**
- 4.5 Concern was expressed that there is a lack of visibility in the figures provided, for those not familiar with the work so far. It was **agreed** that the text from Appendix One should go into pg 3 of the consultation document as background information. **Action CC**
- 4.6 Providers are concerned about the disruption to their businesses with very little notice. NH explained that although the base rate does not have to be allocated in April 2017, if the funds are not passed through to providers that LA will have a pot of money which it cannot spend as it is not allowed to hold onto more than 7% of the funds.
- 4.7 Members discussed at length the viability of introducing the new formula in April 2017, but with transitional protection for those settings likely to lose out the most.
- 4.8 It was **agreed** that funding for deprivation factors should not be set up to be in conflict with sustainability funding as both are important.
- 4.9 Members asked how other LAs are approaching the issues. HN said that Gloucestershire had put their details on their website, so all providers know what they will be receiving and why. Everyone was encouraged to look at their site. **Action All**
- 4.10 NH reminded members that Charles and Christine were providing business support sessions for providers on thinking through their business models from April.
- 4.11 A discussion was held as to whether it was viable to have different pots of money for different types of providers (childminders, PVIs, nurseries etc) for the Quality supplement, eg for staff release time, to provide training, as different groups have different needs.

- 4.12 It was **agreed** that the methodology used was as important as the amounts of money involved in the case of the allocation of the supplements. The LA should be clear as to the policy choices which are being made behind the proposed funding allocations.
- 4.13 It was noted that setting to setting support is already in place; the proposal is to enhance it, not to develop a new system.

11am Nick Hewlett left the meeting.

- 4.14 It was **agreed** that there should be an additional box at the end of the consultation form for people to add any additional comments they may have. **Action CC**
- 4.15 It was confirmed that the form would be available by email, on-line and as hard copy and would just be going to providers (not the community).
- 4.16 Concerns was expressed that the deadline for responses is January 20th so it will not be possible to report back the findings to the Schools Forum meeting on January 16th.

5. **Implications of the proposed formula**

- 5.1 It is estimated that 45% of PVI providers will lose out under the new formula. Once it has been to Cabinet they will have only one month (before implementation) to inform staff whether they will be made redundant and to draw up new business plans. It was noted that it will be very difficult to draw up business plans when the final figures will not be known until February.
- 5.2 There is a concern that settings will opt out of providing the 30 hour offer.
- 5.3 LBH is promoting the idea of employing higher qualified staff, but this may not be affordable for settings under the new formula. It is not possible to run a setting on mainly NVQ2 staff with a few NVQ3's.
- 5.4 The meeting felt that there could be a benefit of taking money out of the Deprivation pot to provide Flexibility funding. There is a need for a new definition of Flexibility as most settings are already meeting the old criteria. **Action NH, NA**
- 5.5 See 4.16 above; where will this consultation be actioned, as Schools Forum will already have made its recommendations by the time the consultation period ends?
- 5.6 Due to an understanding of the impact of the speed of the proposed changes there was a wish for SF to agree a statement along the lines of:
"For 6 months no setting will gain or lose more than X% so that re-distribution of funds can occur whilst business plans are adjusted."
- 5.6.1 After full discussion it was **agreed** that any mitigation of losses/gains should be for a maximum of one year.

11.50am Dawn Ferdinand left the meeting.

- 5.6.2 A question will be added to the consultation document asking providers if they agree to a proposal to set up a "mitigation fund" to allow providers to be able to plan more effectively for one year. **Action CC**
- 5.6.3 Members asked for a figure as to what the total financial loss for settings could be under the new formula. **Action CC**

6. **AOB:** No items.

7. **Dates of future meetings:**

- 7.1 There will be an **extra** meeting on: **26th January 2017: 3-5pm** at the PDC. The main agenda item will be the feedback on the consultation paper.
 Clerk to inform those not at this meeting. **Action Clerk**

The Chair thanked everyone for attending.

There being no further business the meeting closed at **12.20pm**

Signed:

Date: