

REGULATORY AND OTHER COMMITTEE REPORT

NAME OF COMMITTEE:	Schools' Forum
DATE OF MEETING:	25 January 2012
SUBJECT:	Early Years Single Funding Formula (EYSFF) - Nursery Schools
REPORT BY:	
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IS THE REPORT EXEMPT?	No
IS REPORT CONFIDENTIAL?	No

SUMMARY

The purpose of this report is to provide an update to the Schools Forum on proposed changes to the Early Years Single Funding Formula (EYSFF) following implementation in April 2011. Officers have reviewed the formula to ensure that the funding levels are sustainable for providers when offering the flexible early year's free entitlement. Feedback from all sectors has been considered.

A Ministerial Statement announced that all Local Authorities (LAs) would be required to implement the EYSFF from April 2011, in order to improve fairness and transparency in the funding systems and to support diversity of provision.

The formula for Lincolnshire was developed following the DfE guidance along with the key principles of objectivity, consistency, stability, transparency, justifiability and simplicity. Based on the DfE recommended theoretical cost model / evidence based approach, an hourly base rate was determined for each sector, i.e. for nursery schools, primary schools and infant schools with a designated nursery class, and PVI providers, which took into account the staffing and non-staffing costs required to deliver the free entitlement. The EYSFF was calculated at an hourly rate per pupil for each type of setting. Differences in the hourly rates reflected justifiable and transparent cost differences between the sectors.

DISCUSSION

Following an officer review of the EYSFF, it was identified that a Special Educational Needs Allowance and Teaching & Learning Responsibility payment would need incorporating into the

Nursery Schools hourly rate to support the requirements of the school. Officers undertook an in depth analysis of the factors relating to the funding for Nursery Schools in Lincolnshire and consulted with both the Headteachers of the Nursery Schools and their Governing Bodies. Other early year's sectors were considered, however costs had either been built into their hourly rate when the formula was implemented or it was considered not to be required.

Special Educational Needs Allowance

Statutory Provisions: The School Teachers Pay and Conditions Document (STPCD) provides that teachers may receive Special Educational Needs allowances in respect of certain work with children with special needs. This work would include the following:

- involves a substantial element of working directly with children with special educational needs;
- requires the exercise of a teacher's professional skills and judgement in the teaching of children with special educational needs; and
- has a greater level of involvement in the teaching of children with special educational needs than is the normal requirement of teachers throughout the school or unit within the school.

From September 2010, an SEN Allowance range was introduced in place of the previous two separate SEN allowances. Where an SEN allowance is to be paid, its value is usually determined by the governing body, taking into account the structure of the school's SEN provision, any qualifications and expertise relevant to the post and the relative demands of the post.

Headteachers of the Nursery Schools were able to demonstrate that the above requirements were met by their SENCOs and required to support the school and it is therefore, felt to be appropriate to recommend the inclusion of an SEN1 allowance for Nursery Schools within the hourly rate. Consultation also took place with the Lincolnshire Head of Service for Additional Needs and he confirmed that this was appropriate and in line with the statutory guidance. This would increase the Nursery Schools hourly rate by £0.05.

Teaching & Learning Responsibility (TLR) Payments

Detailed within the STPCD, TLR payments reward additional leadership and management responsibilities undertaken by classroom teachers. Governing bodies are required to determine the overall number of TLR payments available in the school and the levels and values of those payments.

The STPCD sets out criteria for TLR payments. 'In order to qualify for any TLR payment, teachers must undertake a "significant responsibility ... not required of all classroom teachers" in relation to the leadership and management of teaching and learning etc.' Nursery Schools have no additional leadership and management posts to undertake the duties of the Headteacher in their absence or to lead on key areas. This causes organisational issues when the Headteacher is not present in school for any reason.

The STPCD provides two payment bands, the TLR1 and TLR2, which govern the values of TLR payments. A TLR1 would be awarded for substantial line management within a school. Based on the guidance and the arrangements of a Nursery School, it is proposed that a TLR 2 is applied to cover designated aspects of the Headteacher's role as required.

The total cost for this additional factor would be £3148 per school and £0.06 as an hourly rate. This would increase the Nursery Schools hourly rate by £0.06.

Mainstreaming of Grants

The Government decided to mainstream a number of grants totalling £67m in to the DSG in 2011/12. However, due to the short timescale available, the Schools Forum supported the LA's proposal to replicate the 2010/11 funding arrangements in 2011/12, and then conduct a thorough review. The mainstreamed grants funding in 2011-12 was £0.223m across the five Nursery Schools and it is proposed this funding remains within this group of schools'. The DfE' recommend that Local Authorities move away from historic allocations and the proposal is to follow the same principles of the EYSEFF and incorporate such funding within the Nursery Schools hourly rate per child. Nursery Schools were located in areas of high deprivation within Lincolnshire and deliver a high quality provision, and this funding helps those schools' maintain this support to deprived and challenging

children. It is proposed that the hourly rate increases by £0.74. For a Nursery School that is full (104), the funding will provide an additional Teaching Assistant support in each class when delivering the early year's entitlement. Full protection of mainstreamed grants will be applied in 2012-13 for the Nursery Schools to ensure a smooth transition of funding systems.

Receipt of the mainstreamed grants would ensure continued TA support for targeted groups of children. The Nursery Schools admit a significant number of children who benefit from individual/small group support, thereby providing early intervention strategies for a high number of the most vulnerable children. This additional support is currently being provided for various groups, prioritising these vulnerable children, for example, children from families who are involved in Child Protection/TAC. Other groups include children with SEN, particularly those with communication, language and literacy needs, children requiring support with their Personal Social and Emotional Development, and children from lower/higher than average abilities.

The EYSFF rate for Nursery Schools would increase from £5.09 to £5.94 per hour for 2012-13 based on the recommendations made above.

Inclusion Funding

There are currently, some anomalies in the way in which funding is allocated to children with additional or special educational needs who are at school action or school action plus and accessing a place in a Nursery School.

The funding available to Nursery Schools is allocated on a termly basis, but this has the potential to be delayed in its availability to support the child. Early intervention is vital to support young children's progress and these children have only one year in the Nursery School. However, children with additional or special educational needs who are at school action or school action plus level and are placed in an early years setting can access an Early Years Inclusion Fund through the Birth to Five Service. This is designed to be easily accessed and respond quickly to meet the needs of the child.

The Early Years Inclusion Fund is administered by the Birth to Five Service and supports the inclusion and participation of children aged 0-5 who are living in Lincolnshire, and who have severe/complex additional or special educational needs and are attending an Early Years setting. Applications may be made from private, voluntary and independent settings that are in receipt of Early Years Entitlement (EYE) funding. Funding can only be granted for support during a child's free entitlement time of 15 hours accessed in a setting, or equivalent time for children not yet in receipt of funding.

The funding is organised in bands and is shown below:

2011/12

	Maximum funding (15hrs per week)	
Band (based on National Minimum Wage at £6.08)	Autumn 2011 (14 weeks)	Spring and Summer 2012 (12 weeks)
Band 1 (10 minutes per hour)	£212.80	£182.40
Band 2 (20 minutes per hour)	£425.60	£364.80
Band 3 (30 minutes per hour)	£638.40	£547.20
Band 4 (40 minutes per hour)	£851.20	£729.60
Band 5 (50 minutes per hour)	£1064.00	£912.00
Band 6 (60 minutes per hour)	£1276.80	£1094.40

All Inclusion Fund applications are assessed by a panel of Lincolnshire County Council Officers. The Panel's decisions are based on the information received with the appropriate application form and funding is awarded in line with clearly specified criteria.

It is therefore, proposed that the children in Nursery Schools are able to access funding through the Inclusion Fund in the same way as children in early years settings. This will ensure greater transparency in accessing funding streams and will support early intervention. It will also ensure greater continuity of funding as children move between setting and school.

RECOMMENDATIONS

The Schools Forum is asked to:

- a. Note the content of this report.
- b. Consider and comment upon the recommendations made within the report.

BACKGROUND PAPERS

The following reports were relied upon in the writing of this report.

PAPER TYPE	TITLE	DATE	ACCESSIBILITY
Report to Schools Forum	Early Years funding arrangements from 2011/12	26 January 2011	County Offices, Newland, Lincoln, LN1 1YQ
Report to Schools Forum	Early Years funding arrangements from 2010/11	7 October 2009	County Offices, Newland, Lincoln, LN1 1YQ
Report to Schools Forum	Early Years funding arrangements from 2010/11	22 April 2009	County Offices, Newland, Lincoln, LN1 1YQ