

DERBYSHIRE COUNTY COUNCIL
SCHOOLS FORUM

8th February 2018

Report of the Strategic Director for Children's Services

Early Years – Responses to the LA's Consultation

1 Purpose of the Report

To inform the Schools Forum of the responses from schools and PVI (Private Voluntary and Independent) providers to the Authority's early years consultation.

2. Information and Analysis

The Authority published its early years proposals for April 2018 on 11th October 2017. In summary the consultation proposed the following:

- To reduce the hourly rate paid to nursery units from £4.53 to £4.30 per hour as part of the transition to a universal rate of circa £4.09 by April 2019;
- To use individual child data instead of the post-code based Index of Multiple Deprivation to delegate funding for deprivation;
- To align the basis on which payments are made to providers to reflect the number of weeks per term, effectively bringing schools and academies into line with PVI (Private Voluntary and Independent) providers;
- To require nursery schools to meet a range of costs from their delegated budgets from April 2018 in order to help ensure the LA meets the national delegation requirements; and
- To seek the views of respondents about how the residual funding gap should be closed in 2019-10.

The consultation document asked for responses to a range of specific questions and 41 responses were received. A summary of the responses to those questions requiring an agree/disagree answer is shown in the table below.

Question	PVI (26)				Schools (15)		
	Agree	Dis-agree	Don't Know		Agree	Dis-agree	Don't Know
Q2a. Do you agree with the proposal to fund deprivation on the basis of individual child data?	14	4	7		12	1	2
Q3a Do you agree with the proposal to align the basis on which early years funding is paid at the earliest practical date?	19	1	5		8	0	7
Q4 Do you agree with the proposal to require nursery schools to meet the above costs from April 2018?	10	6	8		12	1	2

A summary of the responses to the more open questions in the consultation is provided in Appendix 1. Numerically, there is broad support to the proposals, the relatively low level of responses may reflect the fact that the changes have been

trailed in previous documents and briefings with schools and providers. The main concern relates to the proposed reduction in the hourly rate paid to primary and infant schools with a nursery unit. A precis of the responses to this issue is provided in Appendix 1 (Q1.)

The potential funding changes outlined in the consultation will be considered in the Early Years budget paper to this Forum. In terms of this report, the Forum is asked to note the responses to the consultation and support the change to align the basis on which payments to providers are made.

3. Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime & disorder, equality of opportunity, human resources, legal & human rights, environmental, financial, social value, health, property and transport considerations.

4. Background Papers

Papers held in Children's Services Finance.

5. Officer's Recommendations

The Forum is asked to:

- (i) note the responses to the early years consultation and offer any further views to the Authority; and
- (ii) support the change to align the payments to all early years providers on a weeks per term basis.

JANE PARFREMENT
Strategic Director for Children's Services

Q1. The views of providers are sought on the proposed reduction in the hourly rate paid to Nursery Units from April 2018.

It is suggesting that funding is cut significantly, especially for nursery units, of which we are one. This means that provision will be expected to remain the same but on less money. This could jeopardise the future of the nursery unit within our school, who do a great job in nursery education. The expectation is that nursery units and nursery schools provide the same with a qualified teacher heading up the department - yet this proposal gives a bias towards the nursery school, with them getting 12% more in funds, which doesn't seem fair. Does this represent equity of service provision?

I worry that you will lose a lot of nursery units if you are not careful, although this proposal ultimately seems to be heading towards private nursery provision across the board, which although will possibly be perfectly adequate, there will undoubtedly be a loss of quality provision, currently gained in nursery units and schools, in favour of the cheap option! Yet again, as a country, letting ourselves lose the traditional approach and something we are inherently good at.

The reduction will have a detrimental impact on early years provision.

The proposals show a complete disregard for the quality of education that nursery units are striving to provide. Nursery units are expected to be staffed on the same levels as nursery schools- i.e. qualified teachers. PVI's are not and, therefore, their costs are much lower. This option is unfairly biased towards nursery schools. They would receive 12% more funding than nursery units. Our school would receive approx. £26k per year, which equates to a teacher or 1.5 TAs. We would not be able to sustain our provision if this proposal was implemented.

The proposed reduction in the hourly rate paid is supposed to level the playing field across all providers. However, it must be taken in to account that Nursery Units within schools MUST have a fully qualified teacher present and as such impacts significantly more on staffing costs than in private sector nurseries. Add to this the strict staffing ratios required and schools are effectively being penalised. This is not a fair funding proposal.

For our 26 place nursery, where we can accommodate up to 52 15 hour places, the reduction from £4.53 per hour to £4.30 per hour from April 2018 would result in a reduction of income of up to £6,800 if all places were taken up, with a further reduction in income of up to £6,200 in April 2019 if the hourly rate was reduced further to £4.09. It will be very challenging for the school to subsume an up to £13,000 reduction over a two year period and would require us to reflect on the sustainability of our nursery provision.

I believe that Nursery education/funding is more important than ever, we have an ever increasing number of children whose parents are returning to work that would previously have qualified for the Path funder funding. These children need access to good quality Early Years education.

The governing body do not agree with the proposal as this would leave our nursery unit financially unviable and we would be forced to close it. The school is already facing considerable financial strain in the current financial climate. We would query why the nursery school enhancement is keeping their overall rate so high in comparison and would suggest that this is altered to share the financial burden more equally and fairly.

The proposed reduction has particular implications for units that are running at less than full capacity. Staffing costs are a significant part of the budget, which include teaching staff, Teaching Assistants and midday staff as well as a contribution to the Head-teacher's salary. There are no savings to be made in staffing as ratios are the determining factor. It is difficult to see how any adjustments can be made in provision in order to absorb the reduction in funding.

Q2b. Do you agree with the proposal to fund deprivation on the basis of individual child data?

This would seem a much fairer approach

I agree that resources will be better targeted at need

This is better if the data held is correct. If data relies upon parents/carers notifying a school then this will be flawed data.

The EYPP funding is child led funding that ensures those children who meet the eligibility criteria receive additional funding to support their progress wherever they attend EY provision. The deprivation fund should continue to be provided based on the IMD measure as this ensures that providers in areas of disadvantage receive additional funding to meet the specific challenges of working in an area of disadvantage, regardless of whether children are eligible for EYPP funding.

Q3a. Do you agree with the proposal to align the basis on which early years funding is paid at the earliest practical date?

Schools employ staff for 39 weeks of the year and funding is for 38 weeks. Is this taken account of somewhere else? Schools don't have the ability to be flexible with staffing as PVI's do.

For it to be practical it also has to be fair to nurseries and staff. A rapid fall in income will have a knock on effect, especially with the proposals for nursery units.

Q4a. Do you agree with the proposal to require nursery schools to meet the above costs from April 2018?

Nursery schools already receive a higher level of funding than nursery units

Whilst it is not ideal that nursery schools have to find these additional costs from within their budget, it is more in line with nursery units

As a state maintained school the same should apply across the spectrum

It is unfortunate that any of the schools should be facing funding cuts but it is difficult to argue that one sector should be better placed to absorb costs than others.

We don't know the actual cost of some of these services to our nursery school and therefore we do not know how much this will affect the school's budget in real terms. No additional funds to provide for maternity leave cover and insurance could have a significant detrimental effect on our small school's budget

As a nursery school we reluctantly agree with this as we acknowledge that savings have to be made