

Schools Forum 13^h February 2013

Early Years Single Funding Formula for providers of free education to three and Four Year-olds – Update Report

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Executive Summary:

A report was due to be brought to Schools Forum setting out adjustments to budget shares for 2012-13 under the old Early Years Single Funding Formula (EYSFF) for 3 –4 year olds and provisional budget shares for 2013-14 under the new formula due to be agreed by Cabinet on 12th February 2013.

A full data set of autumn 2012 and summer 2012 is outstanding for 34% (16) schools and 49% (33) PVI sector providers. This equates to 42% (49) across PVI and school providers. Without this data the schools finance cannot finalise 2012-13 budget shares which were originally calculated using actual data for the calendar year 2011. Data submitted has to be verified before it is used to calculate budget shares. This has implications for setting the provisional EYSFF for 2013/14 as any under/overspends from 2012-13 are used to determine the 2013-14 budget envelope. A revised cut-off date of 22nd February 2013 has been set for receipt of all outstanding pupil data.

School Forum members to note the proposed action by the Local Authority which must have budget shares ready for approval by Cabinet when it meets on 19th March 2013:

- 1.0 For those early years providers who have supplied all their data for the calendar year 2012 their budgets shares for 2012-13 will be adjusted for actual pupil data and their 2013-14 budgets will be based on actual pupil data for 2012.
- 2.0 For those schools and providers who have not submitted all their pupil data for the calendar year 2012, payments for March 2013 will be suspended and final calculations of their 2012-13 budgets, and any adjustments in funding arising from that will not be made until the Local authority is satisfied that these settings have proper processes in place for timely submission of the required data.
- 3.0 For those schools and providers who have not submitted all their pupil data for the calendar year 2012, provisional budget shares will be based upon the most up to date data available LESS 10%. 2013-14 budget shares will not be adjusted in-year when outstanding data is provided. Like all other early years providers who did submit their data in a timely manner, their 2013-14 provisional budgets will not be adjusted until the actual pupil data for 2013 is received in January 2014.
- 4.0 The Early Years Team will be consulting schools and PVI settings on the quality factor over the next two months. A report will be brought to Schools Forum in May setting out the quality measures agreed. In the meantime, budget shares for 2013-14 will be based on the existing quality factor. The EYSFF for 2013-14 will be updated early in the new financial year once the actual basis of the quality measures is confirmed with schools and providers.

Absence of Census Data for Calendar Year 2012

At its meeting of 5th December 2012 members were advised of the key dates and issues facing the budget setting process for the 3-4 year olds.

At the time of writing the report the Local Authority was awaiting 34% (16) of schools and 49%(33) of PVI setting to provide the summer and autumn terms data. The calculation of 2013-14 Budget Shares cannot be completed by the Local Authority in the absence on this information and the expected report for Schools Forum has had to be postponed to the 13th March 2013 meeting.

Members are asked to note the budget setting process cannot be delayed any further as the Local Authority has to give early years providers their budget share by 31st March 2013 and this needs to be approved by Cabinet at its meeting on 19th March 2013. There are plans to move to an hourly rate calculation rather than budget shares in the future and this will be progressed in due course.

Those providers who have failed so far to provide all their pupil data for the 2012 calendar year by January 11th 2013 will be given **until Friday 22nd February 2013** to supply this data. After this date it will not be possible for the early year team and finance teams to be able to verify and calculate the formula in time for Schools Forum call over on the 6th of March 2013.

It is hoped that all settings will respond with all their data by 22nd February 2013, but if they do not the Local Authority will act in the following way:

- For those schools and providers who have not submitted all their pupil data for the calendar year 2012, payments for March 2013 will be suspended and final calculations of their 2012-13 budgets, and any adjustments in funding arising from that will not be made until the Local Authority is satisfied that these settings have proper processes in place for timely submission of the required data.
- For those schools and providers who have not submitted all their pupil data for the calendar year 2012, provisional budget shares for 2013-14 will be based upon the most up to date data available LESS 10%.

The budget share for 2013-14 will be updated in February 2014 upon receipt of the pupil data for the calendar year 2013. Those schools who have submitted all their data for the calendar year 2012 will have their budgets calculated as agreed by Schools Forum using the 2012 data.

Quality Supplement Factor

The Quality Childcare Project Group in consultation with current FEE providers, from both PVI settings and schools, agreed to calculate a new quality supplement see appendix A. Further consultation is due to be completed by inviting providers to consultative groups and wider consultation via completion of a survey. So as not to delay the budget setting process the EYFF for 2013/14 will be initially calculated using the exiting quality banding and updated once the new elements have been agreed early in the new financial year. The Quality Supplement envelope is approximately £800k. The funding will be redistributed using the new basis within the figure and not impact the other areas of the EYFF.

Action by Schools Forum:

To note:

- 1.0 the delay in the budget setting process caused by the failure of some schools and PVI settings submitting their actual pupil data for summer and autumn 2012 by the well publicised deadlines.**
- 2.0 the Local Authority proposal to consult further on the Quality Factor and set provisional budget shares for 2013-14 using the 2012-13 quality bandings and amend in-year after further consultation and a report to Schools Forum in May 2013.**
- 3.0 that the Local Authority will withhold payments due for March 2013 for any provider that has failed to provide full pupil data for the calendar year 2012 by 22nd February 2013.**
- 4.0 that for any provider that has failed to provide full pupil data for the calendar year 2012 by 22nd February 2013, the local authority will set their provisional budget share for 2013-14 will be based upon the most up to date data available LESS 10%.**
- 5.0 that for those schools and PVI settings who have supplied all the pupil data for the 2012 calendar year their budget will be set in line with the process agreed by School Forum in December 2012.**