

West Berkshire Schools' Forum	
Title of Report:	Early Years Funding 2013/14
Date of Meeting:	21st January 2013
Contact Officer(s)	Claire White
For Discussion	

1. Three and Four Year Old Funding

1.1 There are minor changes required in 2013/14 to the Early Years Single Funding Formula (EYSFF) for 3 and 3 year olds in nursery provision. The current method used to fund providers is compliant with the revised rules, but the way the formula is set out requires change.

1.2 The Early Years Block of the DSG grant will not be finalised until summer 2014. It is to be based on 5/12 of the January 2013 census numbers, and 7/12 of the January 2014 census numbers. It is therefore very difficult to predict what the actual funding allocation will be. When comparing funding based on the January 2012 census to expenditure based on actual hours of provision paid for in the last year (January to December 2012) there is a small shortfall in funding. However, due to the unpredictability of the funding, the Steering Group are looking at leaving the funding rates largely unchanged for 2013/14, after the minor changes to the formula have been taken into account.

1.3 The final formula and funding rate proposals will be brought to the next meeting of the Schools' Forum.

2. Two Year Old Funding

2.1 The funding for two year olds has now been added to the DSG, and the local authority is required to set the funding rate as part of the EYSFF. The guidelines state that providers are to be funded on the basis of a flat hourly rate with no additional supplements.

2.2 Two lots of funding have been received. £771k for delivering the free statutory entitlement for the 20% eligible children (from September 2013). £303k is a notional amount and is for creating non-statutory places in preparation for the 40% eligible 2 year olds from September 2014.

2.3 The DSG funding for the statutory requirement has been calculated by the DfE based on their estimate of 252 eligible children at £5.36 per hour. The DfE has applied different funding rates to local authorities depending on area cost adjustments – the average is £5.09 per hour.

2.4 The number of pupils eligible is based on the percentage of the total number of four to six year olds eligible for free school meals multiplied by the population estimates for 2 year olds in each local authority.

2.5 The Early Years Steering Group is recommending a flat hourly rate of £5.26 per hour. This is based on a ratio of 4 children to one adult (nursery nurse) using the following calculation:

Annual Salary/Resource cost of £20,000 / 4 children / 0.6 PTE = £3,000 pa
£3,000 / 38 weeks / 15 hours = £5.26 per hour

2.6 This compares favourably with the current rate of £4.85 per hour.

2.7 The DSG funding allocation will also need to cover central costs for determining eligibility of children for this provision.

2.8 The funding is not ring fenced, and it is not expected that there will be take up from as many as 252 children. Any 2 year old funding not used could be set against the funding requirement for three and four year olds. It would, however, be a high risk strategy to increase the funding rate for two year olds above the baseline, as future years DSG funding could be based on actual take up.