



Haringey Council

The Children and Young People's Service

CONSULTATION - AUTUMN 2009

Title:

Consultation on an Early Years Single Funding Formula

Purpose of the Consultation.

All councils must implement, in consultation with its schools forum, an Early Years Single Funding Formula (SFF). This consultation paper sets out a proposed formula that has been developed by a working party consisting of officers and representatives of all relevant settings.

The consultation responses will be considered by the Schools Forum in January 2010 and a recommendation made to Haringey Council. The formula, as finally agreed, will be implemented for the local authority's 2010-11 financial year, i.e. April 2010 to March 2011.

This consultation therefore seeks the views of all relevant stakeholders on the proposed formula in order to inform the Schools Forum recommendation to Council.

Consultees:

Governors of maintained schools and nursery schools.
Head teachers of maintained schools and nursery schools.
The Ofsted registration holder of all private, voluntary and independent settings providing the free entitlement.
All members of the Haringey Schools Forum.
Children's Centre managers
Haringey Councillors.
Any other interested parties.

How to Respond:

You may like to use the response form at the end of this document, alternatively if you wish to respond more fully in a separate letter that will be acceptable. However, we would ask that all responses reflect clearly the details of the person responding and the capacity in which the response is being made. The postal and e-mail addresses for return are included on the form and all responses must be received by 14th January 2010.

Equality Impact Assessment.

As with all major changes there is a need to ensure that the approach being proposed does not result in unexpected or unintended consequences when considered alongside other policies either of the Council or the government.

Equalities Impact Assessments (EIA) allow us to assess the effects a policy, strategy or function may have on people depending on their ethnicity, disability, gender, age, religion and belief or sexual orientation.

Work is underway on assessing the impact of these proposals. Haringey Council and the Schools Forum will take the outcome of the assessment into account in their deliberation of the proposed formula and its finalisation.

Contents

1. **Background to Proposed Changes.**
 - Haringey Council Policy on Early Years.
 - Equal opportunities.
 - Funding the Free Entitlement.
 - Current Funding Arrangements.

2. **Proposed Early Years Single Funding Formula.**
 - 2.1. Principles underpinning the Single Funding Formula.
 - 2.2. Flexibility.
 - 2.3. Resources for Formula Funding.
 - 2.4. Quality Measures.
 - 2.5. Interaction between Haringey's Schools Funding Formula and Early Years Single Funding Formula.
 - 2.6. Settings.
 - 2.7. Basic hourly rates.
 - Direct staffing.
 - Indirect staffing.
 - Learning resources.
 - Premises costs.
 - Basic Rates – Summary.
 - 2.8. Supplementary rates.
 - VAT.
 - Deprivation Funding.
 - Flexibility Supplement.
 - Quality Supplement.
 - Profit Supplement.

3. **Sustainability, the Minimum Funding Guarantee and Transitional Relief.**
 - Introduction.
 - Sustainability.
 - The Minimum Funding Guarantee.
 - Transitional Arrangements.

4. **Pupil Count.**

5. **Payments and In Year Adjustments.**
 - Introduction.
 - Maintained Provision.
 - Private, Voluntary and Independent Provision.

6. **Longer Term Developments.**
 - Full time places.
 - Review of formula.

7. **Further Information.**
 - Contact Details.
 - Road Shows.

8. **Glossary.**

Tables.

- Table 1. Hourly Rates for Direct Staffing Costs.
- Table 2. Hourly Rates for Indirect Staffing Costs.
- Table 3. Total Basic Hourly Rates before Supplements.
- Table 4. Flexibility Supplement

Appendices.

- Appendix 1 Cost per Hour Analysis by Sector.
- Appendix 2 Assumptions used in Proposed Allocations.
- Appendix 3 Exemplifications.

Response Form.

1. Background to Proposed Changes.

- 1.1. In June 2007, the Department for Children, Schools and Families (DCSF) announced its proposals to give every family with three and four-year-old children an entitlement to 15 hours of early years education provision for each child, **free at the point of delivery**.
- 1.2. The proposals also required all Local Authorities (LAs) to develop a local Single Funding Formula (SFF) for funding the free entitlement from April 2010. The formula will apply to Local Authority maintained nursery schools, nursery classes in primary schools, some provision in children's centres and to Private, Voluntary and Independent (PVI) settings.
- 1.3. The Government intends that the SFF will:
 - Support the extension of the free entitlement for every child from 12.5 hours to 15 hours and allow increased flexibility in meeting the needs of parents and children.
 - Address issues of inequality in current funding arrangements.
 - Improve transparency in the funding of a child's entitlement in whatever setting the entitlement is taken.
- 1.4. These proposed arrangements are set out below and will almost certainly result in a shift in resources between settings. Whilst the extension from 12.5 to 15 hours per week has been supported by additional government funding, there are no further resources from the government to support the implementation of the Single Funding Formula (SFF). Further information on the Single Funding Formula can be found at:

<http://www.dcsf.gov.uk/everychildmatters/earlyyears/fundingreform/fundingreform/>

and

<http://www.publications.parliament.uk/pa/cm200809/cmselect/cmchilsch/uc1065/uc106502.htm>

Haringey Council Policy on Early Years.

- 1.4.1. The Authority is required to meet the requirements of the Children's Act and in particular the need to provide sufficient flexible childcare within its area. The variety of arrangements that exist within Haringey reflects the approach that provision should be across the full range of potential providers on the basis of what works best.
- 1.4.2. The continuation of high quality, sustainable provision in a range of settings which match, as closely as possible, parental and children's needs underpins the Authority's approach in this area.

- 1.4.3. This provision will be led by the statutory framework for the Early Years Foundation Stage (EYFS) which brings together: Curriculum Guidance for the Foundation Stage (2000), the Birth to Three Matters (2002) framework and the National Standards for Under 8s Daycare and Childminding (2003), building a coherent and flexible approach to care and learning.
- 1.4.4. All providers are required to use the EYFS to ensure that whatever setting parents choose, they can be confident that their child will receive a quality experience that supports their development and learning.
- 1.4.5. The position in Haringey has been achieved through encouraging the creation of provision where shortfalls have been identified. Going forward the authority has appointed a Childcare Commissioner who will assume responsibility for commissioning and decommissioning provision as needs change.
- 1.4.6. The Authority has also supported for a number of years, full-time provision in the maintained sector which was originally targeted at the most deprived areas of the community; this recognises the particular challenges faced by the most deprived in accessing provision and achieving better outcomes. The introduction of the EYSFF provides an opportunity for the authority to review the funding, location and rationale for continuing to provide these places.
- 1.4.7. The proposed EYSFF has considered the approach to the funding of these places and puts it on a basis consistent with the free entitlement. A fundamental review of the rationale and location of these places will be undertaken during 2010-11 with a view to making any necessary changes from 2011-12 at the earliest.

Equal Opportunities

- 1.4.8. In 2007 the Council's main decision making body (The Cabinet) resolved in principle to increase the amount of resource distributed by way of deprivation factors. This reflected a policy intended to narrow achievement gaps between the more and less deprived areas of the Borough. Whilst the proposed EYSFF recognises deprivation on a basis consistent with the methods currently used, the balance between the individual factors will be considered by the Schools Forum and the Council as part of the 2010-11 budget setting process. The approach adopted will be informed by the availability of resources and the Equalities Impact Assessment (EIA) currently underway.
- 1.4.9. The Council's Equal Opportunities Policy commits the Council to carrying out Equality Impact Assessments as a means of ensuring that the Council meets its statutory duties under the various equalities

statutes and regulations and also as a matter of good practice. This allows the Council to be able to identify where inequality could be occurring and act to prevent or mitigate its effects in employment or service delivery.

- 1.4.10. The Council is committed to reflecting the full diversity of the community we serve and to promoting equality of opportunity for everyone. It is committed to ensuring equal access to our services by all citizens on the basis of need and to provide services in a manner that is sensitive to the individual whatever their background. These principle are reflected in the way that we are aiming to implement the Early Years Single Funding Formula (EYSFF).

Funding the Free Entitlement.

- 1.5. The Council will determine, in consultation with the Schools Forum, the resource available for early years education funding in 2010-11. This will come from the Dedicated Schools Grant (DSG)¹ and the Flexible Entitlement Grant² and decisions on its distribution may have an effect on all schools, including secondary and special schools, and not just those providing early years education. The Council and Forum will also consider the longer-term provision of full time places, although any changes that result from this will not be implemented until 2011-12 at the earliest. In some cases, the method of counting the number of children to be funded will also change with the introduction of termly counts, replacing the single annual count for maintained nursery classes, and the removal of planned places in maintained nursery schools, (the only exception allowed by national regulation is for places for those children with special educational needs).
- 1.6. The current provision for early year's education comes from the DSG and other grants and is paid to settings in the various ways set out below.

Current Funding Arrangements - Nursery Classes.

- 1.7. Nursery classes are funded through Haringey's Schools Funding Formula. The formula includes specific funding for nursery age pupils based on numbers recorded on the school's January census return. The main element of pupil funding is the Age Weighted Pupil Unit (AWPU), which allocates an amount per pupil in each age group; the school also receives deprivation funding for its pupils based on the relative level of deprivation in the area in which the pupil lives and, in some cases, the pupil's ethnicity where the pupil belongs to an ethnic group specifically targeted for raising attainment. In addition to pupil specific funding, schools receive allocations for premises, based on floor areas and the

¹ DSG includes the resources paid to PVI settings which is generally referred to as Nursery Education Grant.

² Formerly known as the Pathfinder Grant.

condition and suitability of its buildings. Schools also receive a lump sum allocation as a contribution to fixed costs such as for management.

- 1.8. Funding is generally for a pupil attending for 12.5 hours a week but in a limited number of agreed cases, a full time place is funded.

Current Funding Arrangements - Nursery Schools.

- 1.9. These are funded on the number of planned places rather than on actual pupils present. The allocation per planned place is at the same AWPU rate used in nursery classes. Other funding elements are on the same basis as nursery classes except that the lump sum contribution to management costs is larger to reflect the relatively high management overheads in smaller establishments.

Current Funding Arrangements – Children’s Centres.

- 1.10. Most of a children’s centre core work is funded by the Sure Start grant and is outside the scope of the SFF; however, centres providing the free entitlement for three and four year olds currently receive funding for this in the same way as PVI, as set out below.

Current Funding Arrangements - Private Voluntary and Independent Settings.

- 1.11. These establishments provide the LA with termly pupil counts and receive funding based on a single hourly rate. This is frequently referred to as the Nursery Education Grant (NEG).

Current Funding Arrangements - Flexible Entitlement (Pathfinder) Grant.

- 1.12. In addition, the DCSF has made available additional grant funding for Haringey to increase the free entitlement from 12.5 hours to 15 with improved flexibility across all settings.

2. Proposed Early Years Single Funding Formula.

2.1. Principles Underpinning the Single Funding Formula.

- 2.1.1. The DCSF expect the SFF to be as transparent and simple as possible and ensure that provision of the entitlement is free at the point of delivery; it is therefore not a subsidy. It should be based on the same factors and apply to all settings providing the free entitlement. It is not expected that funding levels and methodologies will be the same for all sectors but it is expected that differences will be based on need and variations in costs, are understood and can be justified. The DCSF requires that the formula includes recognition of relative deprivation. The DCSF expects that there will be incentives incorporated in the EYSFF to improve the quality of provision. The underlying core

principles have been set out by the DCSF in their interim and practice guidance papers; they are that the SFF should:

- Support effective and efficient distribution of resources at a local level, while aiming to be as simple as possible;
- Promote diversity and choice so that parents are able to access the free entitlement more flexibly;
- Promote a high quality of provision in all settings;
- Be based on common information from both the PVI and maintained sectors, taking into account all costs and sources of income;
- Take into account the same factors when deciding the level of funding for each sector, ensuring that decisions are transparent and differences between sectors are justifiable and demonstrable;
- Take into account the sustainability of the market and the statutory duty of the local authority to provide sufficient childcare and consider the need for stability in both sectors;
- Avoid perverse incentives;
- Fund settings on the basis of participation, not places. Any exceptional use of place-led funding should be based on clearly defined local imperatives;
- Enable transition from the current to the future funding mechanism to be planned and managed carefully, and based on clear impact assessment.
- Sustain the provision of high quality education provided by maintained nursery schools, particularly in areas of high deprivation where the early year's needs of children are greatest.

2.2. Flexibility.

2.2.1. The DCSF also expect parents to be able to access the free provision in a way that best suits their needs. However, flexibility in providing the free entitlement has to be tempered by the best interests of the child and by the practical limitations in meeting every demand that a parent may make.

2.2.2. It is proposed that, in Haringey, the following models reflect a flexible offer to parents:

- 15 hours across a minimum of 3 days per week.
- 15 hours across a maximum of 5 days a week for 38 weeks per year.
- Parents cannot access free provision for a standalone block of less than 2 hours or for more than 6 hours in one day.
- Parents cannot access free provision for more than 12 hours if accessing the offer over 2 days.

2.2.3. Research has shown, and it is the Authority's view, that the optimal offer for educational development is to spread provision over the maximum number of days; less frequent longer sessions do not have the same impact.

2.2.4. In addition settings are encouraged as part of delivering the entitlement flexibly to work in partnership with up to a maximum of 2 other settings, including childminders.

2.3. Resources for Formula Funding.

2.3.1. We are inviting consultees to consider the principles underlying the proposed formula, but illustrative rates are provided to aid your deliberation. However, the total financial resource to be distributed by the formula will be a decision for Haringey Council in consultation with the Haringey Schools Forum. No additional money, other than for the extension of the free entitlement from 12.5 to 15 hours, will be available from external sources. Decisions on the 2010-11 budget have not yet been taken and for that reasons hourly rates and other figures presented here are illustrative and will be likely to change.

2.4. Quality Measures.

2.4.1. The development of the quality in all EY settings to be defined as at least 'Good' when judged by Ofsted (or our internal quality assurance tools) is a key focus within the Haringey CYPs Plan. The quality supplement will be used to encourage settings to continually improve the quality of their practice and provision in order to make a difference to the children of Haringey.

2.5. Interaction between Haringey's Schools Funding Formula and Early Years Single Funding Formula

2.5.1. Maintained settings receive resources from the authority through either the schools' or the Children's Centre funding formulae that fund certain costs attributable to the whole of the school population including those accessing the free entitlement. It is consequently necessary to ensure that double funding is avoided i.e. that costs are only reflected in one or other of the formulae.

2.6. Settings.

2.6.1. The proposed SFF recognises that different settings face different cost drivers and have access to a variety of resources in addition to those provided through the formula. To better recognise these differences the proposed SFF has the following basic rates:

1. Small PVIs with between 1 and 16 pupils per session;
2. Mid-range PVIs with between 17 and 24 pupils per session;
3. Large PVIs with 25 or more pupils per session;
4. Children's Centres;
5. Maintained school nursery classes;
6. Maintained nursery schools.

2.7. Basic Hourly Rates.

Direct staffing.

2.7.1. This element is to reflect the cost of 'classroom' staff and takes into account:

- The relative pay rates in the different sectors for teachers, lead and support workers;
- The different contact ratios in different sectors.
- The need for 'classroom' staffing cover at all times.
- An allowance for employers' costs such as National Insurance and pension contributions.

2.7.2. Pay rates in maintained schools, nurseries and children centres are based on rates being paid by the LA, scaled back to a 15 hour cost basis.

2.7.3. Pay rates in PVIs are based on a sample of pay rates being offered in the London area on three internet nursery recruitment sites, and have been factored in on the basis of a 15 hour session.

2.7.4. Statutory contact ratios have been used: 1:8 in settings 1 to 4 and as 1:13 in setting 5 and 6. The rates shown are 'per child/per hour' in the session, not the total pay rate of the individual. The assumptions used and a summary of the resulting rates can be seen in appendices 1 and 2 and the hourly rates are summarised in Table 1.

Table 1. Hourly Rates for Direct Staffing Costs.

Staff	Settings (see Section 2.6.1).					
	1	2	3	4	5	6
	£ p/h	£ p/h	£ p/h	£ p/h	£ p/h	£ p/h
Lead worker	1.05	0.70	1.05	1.11	1.22	1.62
Support worker	0.93	1.24	0.93	1.46	0.93	0.62
Total	1.98	1.94	1.98	2.57	2.15	2.24

Indirect staffing.

2.7.5. Allowance has also been made for contributions towards a range of indirect staff costs, including:

- Management;
- Administration;
- Time for planning, preparation and assessment.

2.7.6. The detail of the calculation can be seen in appendices 1 and 2 and is set out as an hourly rate in the following table.

Table 2. Hourly Rates for Indirect Staffing Costs.

Staff	Settings (see Section 2.6.1).					
	1	2	3	4	5	6
	£ p/h	£ p/h	£ p/h	£ p/h	£ p/h	£ p/h
Management	1.06	0.71	0.52	0.16	0.28	1.82
Administration	0.11	0.07	0.06	0.09	0.11	0.81
PPA	0.11	0.07	0.11	0.11	0.12	0.16
Total	1.28	0.85	0.69	0.36	0.51	2.79

Learning resources.

2.7.7. Provision for learning resources has been made at £100 per child per year. This works out to **£0.18** per hour per child. We have recognised that unrecoverable VAT may be an issue for some elements of this cost; this is reflected in the VAT supplementary rate below.

Premises costs.

2.7.8. Premises costs for nursery classes based in maintained primary schools are covered by the premises allocation in the schools' funding formula so, following the principle of not double funding settings, these have not been included for those settings in the costs for the single funding formula. Children Centres premises costs are similarly paid via the Children's Centre Formula allocation and so are also not included.

2.7.9. Nursery Schools are stand- alone facilities that are not funded by any other means, so basic premises costs have been included and result in a per pupil hourly rate of **£1.30**.

2.7.10. The premises costs for Private Voluntary and Independent providers vary enormously; they are both influenced by the size of the individual setting and also can vary depending on the type of premises used e.g. some will be rented at market rates, some will be freehold properties possibly subject to mortgages and some may be

rented at little or no cost. In addition the single funding formula should seek only to provide resources for that element relating to children accessing the free entitlement.

2.7.11. Taking all of these issues into account we are proposing an approach which is based on the formula based allocation used for maintained schools; this has been expressed as an hourly rate of **£0.41**. This provides a consistent approach to the funding of premises costs. We have also recognised that where PVI settings are not VAT registered there will be a further cost attributable to unrecoverable VAT; as this will affect settings differently this will be dealt with as a supplementary rate and is described further below.

Basic Rates - Summary

2.7.12. The Table below aggregates the basic hourly rates described above for Direct and Indirect Staffing costs, learning resources and Premises Costs.

Table 3. Total Basic Hourly Rates before Supplements

Settings (see Section 2.6.1).					
1	2	3	4	5	6
£ p/h	£ p/h	£ p/h	£ p/h	£ p/h	£ p/h
3.84	3.38	3.26	3.10	2.83	6.51

nb may not total exactly due to rounding.

2.7.13. Where agreed full-time places exist (see also Section 6.1) these have been funded at twice the basic rate in the above Table, together with the flexibility supplement described below.

2.8. Supplementary Rates

Value Added Tax

2.8.1. As identified above there is a need to recognise the effects of unrecoverable VAT in those settings in the PVI sector that are not registered for VAT. We have recognised that VAT applies only to part of the costs faced by settings and have proposed that a supplementary hourly rate of £0.07 is payable to the relevant settings.

Deprivation funding.

2.8.2. As with the School's Funding Formula, the regulations governing the EYSFF will require the inclusion of a factor to recognise deprivation. This has been reflected as a supplementary rate to avoid the need for multiple basic rates.

- 2.8.3. In local authority maintained nursery settings, there is an allocation for Additional Education Needs (AEN). In the schools funding formula, this allocation is based 60% on the Index of Multiple Deprivation (IMD) based on individual pupil postcodes. The remaining 40% is allocated based on the relevant numbers of targeted ethnic minority groups.
- 2.8.4. In order to determine the resources that might be made available for this factor we have considered, on a per pupil basis, the additional educational needs resource provided to maintained nursery settings in 2009-10. We have then extended this to cover the number of 3 and 4 year olds eligible for the free entitlement in the PVI sector. The additional amount for those in the PVI sector is £271,000, giving a total of £893,000 provided to all settings through this factor
- 2.8.5. In order to allocate this resource we are proposing to replicate, to a large extent, the approach adopted for maintained nursery provision. The proposal reflects 60% of the resource being allocated on the basis of the Index of Multiple Deprivation (IMD) associated with the relevant setting. Each setting has been placed in one of four groups with the following weightings, represented as a ratio to the lowest group.

- Group 1 – 1.0
- Group 2 – 1.5
- Group 3 – 2.0
- Group 4 - 4.0

- 2.8.6. The remaining 40% is proposed to be targeted at specific, underachieving, ethnic minority groups, as agreed annually by the Schools Forum. The relevant hourly rate for this element amounts to £0.47

Flexibility Supplement

- 2.8.7. All settings offering a flexible provision, as defined in 2.2 will receive a flexibility supplement, based on the hourly rates set out in the following table.

Table 4. Flexibility Supplement

Settings (see Section 2.6.1).					
1	2	3	4	5	6
£ p/h	£ p/h	£ p/h	£ p/h	£ p/h	£ p/h
0.40	0.39	0.40	0.51	0.43	0.45

Quality Supplement.

- 2.8.8. High quality provision is dependent on well qualified, skilled and knowledgeable staff, the provision of a rich learning environment with access to sufficient space both inside and outside with a wide range of high quality resources and equipment. We will continue to develop a quality supplement to promote this but initially this will be used to recognise the additional costs faced by those PVI settings with graduate leaders. In 2010-11 grant funding will also be available to centrally fund the cost of courses.

Profit Supplement.

- 2.8.9. The government has made clear in its guidance that it is legitimate for providers to generate surpluses either to provide a return on their own investment or for future re-investment. In Haringey there are a number of providers that exist with 'profitable objectives' and it is proposed to reflect this, for the relevant settings, in the formula through a profit supplement. It is proposed that the supplement will be set at 5% of the basic hourly rate.

3. Sustainability, the Minimum Funding Guarantee and Transitional Relief.

Introduction

- 3.1. The Local Authority has a duty to provide sufficient flexible childcare places to meet parental demands. The regulations governing the EYSFF make it clear that funding must, other than in exceptional circumstances, be based on participation and not planned places.
- 3.2. In some instances there may be a need to provide or maintain places in areas to meet demand that is not financially sustainable on the basis of a simple application of the EYSFF as it currently stands.
- 3.3. In addition there is a general recognition that implementing formula changes, particularly where additional resources cannot be guaranteed, results in settings that gain or lose money (turbulence). In order to allow settings to manage these changes on a sensible and planned basis transitional arrangements are normally provided. The following paragraphs identify the proposed approach in these areas.

Sustainability

- 3.4. The government has identified in particular Maintained Nursery School provision as an area where per pupil costs are high and which are therefore susceptible to becoming unsustainable where participation is low.

- 3.5. There is clearly a balance between recognising the on-going need for provision in an area and not maintaining provision that represents poor value for money.
- 3.6. The Authority is proposing to retain resources that can be targeted on particular settings, outside of the EYSFF, where provision needs to be maintained but where the formula fails to deliver sufficient resource. This approach would apply equally to all settings.

Minimum Funding Guarantee.

- 3.7. The School Finance Regulations require LAs to apply a Minimum Funding Guarantee (MFG) to the year on year increase in per pupil funding. The MFG applies to maintained nursery schools and classes and for the 2010-11 financial year is set at 2.1% per pupil. It does not apply to PVI settings. The future of the MFG beyond March 2011 is unknown.
- 3.8. This arrangement will, in the short-term, provide some protection for maintained school provision.

Transitional Arrangements.

- 3.9. It is normal to introduce transitional arrangements when a significant redistribution of resources takes place. This prevents excessive turbulence in settings and allows for a smoother adjustment to the changed circumstances. The MFG will act to dampen the impact of funding reductions and the Council proposes to introduce additional arrangements to limit the maximum loss/gain of funding for any setting.
- 3.10. The proposal is that the maximum reduction in 2010-11, when compared with funding determined under previous arrangements, will be limited to 33% in 2010-11, rising to 66% in 2011-12. No transitional arrangements would apply from 2012-13 onwards. The application of a percentage reduction to settings gaining under the new arrangements will meet the cost of transitional protection.

4. Pupil Count.

- 4.1. The current arrangements for counting pupils for funding purposes are set out in section 1. From April 2010, the basis of all early years funding will be the actual termly count of hours of free entitlement provided. The count will use the official DCSF pupil level count that usually takes place in the third week of each term.

5. Payments and In Year Adjustments.

Introduction

5.1. As set out in Section 4 pupils must be counted termly on the basis of participation. There needs to be a process by which settings are funded on a regular basis to ensure that their cashflow needs are met. In the first year of operation the proposal is to mirror, as far as possible, the existing arrangements as they are understood and will allow the operation of the formula to bed-in. These arrangements are set out below.

Maintained Provision

5.2. Maintained schools will be provided with indicative budgets for the full financial year based on pupil attendance as recorded on the January 2010 PLASC return. Any adjustments due to be made, based on the three termly counts in 2010-11, will be actioned as an adjustment to the schools 2011-12 budget. Revised projections of resources due for 2010-11 will be provided following the termly counts so that appropriate financial provision can be made.

5.3. Schools will continue to receive monthly cash advances in the normal way including resources for the provision for their early years free entitlement.

Private Voluntary and Independent Provision (PVI)

5.4. PVI settings will also be provided with indicative budgets for the full financial year using data collected through the January Early Years Census together with data from the previous financial year. The indicative allocation will be based on 2 terms using the January data and 1 term using the preceding years autumn term data.

5.5. In order to ensure that all PVI settings have sufficient cashflow in advance of the actual termly count being completed, it is proposed that at the beginning of each term an estimate of the resources due, based on the data in the table below, will be made. This will form the basis of a monthly advance to each setting. The monthly payment will then be adjusted to take account of the actual data returned on the termly count, for the remainder of that term.

Funding Period	Basis	Example (2010-11)
Summer Term	Preceding January data	January 2010 data
Autumn Term	Previous Autumn Term data	Autumn 2009 data
Spring Term	Preceding Autumn Term data	Autumn 2010 data

6. Longer Term Developments.

Full time places.

6.1. In developing the EYSFF the working group has recognised that a number of settings in the maintained sector are able to offer free full-

time places. These have been recognised in the proposed formula by applying funding rates which are consistent with those determined for the 15 hours free entitlement.

- 6.2. Clearly these arrangements go beyond the government's regulations, which are for 15 hours of free entitlement, and are therefore able to be used in a way which supports the local priorities of the Council. In recognising that the new funding arrangements seek to ensure equity and transparency in the allocation of resources, it is intended that the full time free places will be reviewed during 2010-11 with a view to establishing the priorities for providing free full time early years education; this in turn will inform the process by which settings will be able to offer such places.

Review of formula.

- 6.3. As with all formula changes there is a need to keep them under review both to ensure that the intended effects are realised and so that it also remains responsive to future changes in need or regulation.
- 6.4. Transitional arrangements have been included to ensure that any unexpected effects are minimised in a single year and it is proposed that the operation of the EYSFF will be kept under review in the first year of operation.
- 6.5. Any future proposed changes will be subject to consultation through the Schools Forum.

7. Further Information.

Contact details.

- 7.1. If you wish to discuss any aspects of this consultation with officers of the Council you should contact:

Service Provision Issues

- Belinda Evans – Head of Children's Network West
belinda.evans@haringey.gov.uk
- Ros Cooke – Sch, Standards Improvement officer (Early Years)
ros.cooke@haringey.gov.uk
- Ngozi Anuforo – Children's Centre Programme Manager
ngozi.anuforo@haringey.gov.uk

Financial Issues

- Neville Murton – Head of Finance (Children's Services)
neville.murton@haringey.gov.uk
- Steve Worth – School Funding Manager
stephen.worth@haringey.gov.uk

Road Shows.

7.2. We recognise that some of the issues raised in this consultation paper may be difficult to understand or that there may be areas where a face to face discussion would be beneficial. In order to facilitate this we have arranged three roadshows where officers from the Early Years Funding Review Group will be available to discuss the consultation proposals. The dates have been notified separately and all are welcome to attend:

Roadshow 1 - 9 December 2009 [6:00 - 8:00pm] West Green Learning Centre @ Parkview Academy, Langham Road, London N15 3RB.

Roadshow 2 - 14 December 2009 [6:00 - 8:00pm] Alexandra Park School, Bidwell Gardens, London N11 2AZ.

Roadshow 3 – 5 January 2010 [6:00 – 8:00pm] St. Thomas More School, Glendale Avenue, Wood Green, London N22 5HN.

8. Glossary:

AEN	Additional Educational Needs.	The additional costs associated with particular pupils or groups of pupils. It includes, but is wider than, the additional costs associated with deprivation.
AWPU	Age Weighted Pupil Unit	The basic per pupil allocation used in funding maintained schools. It varies with age to reflect the relative cost of educating different age groups.
DCSF	Department for Children Schools and Families	The government department with responsibility for funding the early years free provision.
DSG	Dedicated Schools Grant	A specific grant from the DCSF that funds education provision in all settings as well as pupil related expenditure incurred directly by the local authority.
EIA	Equalities Impact Assessment	These allow us to assess the effects a policy, strategy or function may have on people depending on their ethnicity, disability, gender, age, religion and belief or sexual orientation.

EYFS	Early Years Foundation Stage	This is the learning, development and welfare requirement that early years providers must comply with.
EYSFF	Early Years Single Funding Formula	A single funding formula that covers the provision of early years education in PVI settings, maintained nursery schools and maintained nursery classes.
Local Funding Formula		This is a locally agreed methodology for distributing resources between settings. It is constrained by national guidelines.
IMD	Index of Multiple Deprivation	A complex analysis based on a variety of indicators that attributes a weighting for deprivation to relatively small neighbourhoods.
LA	Local Authority	Haringey Council is the local authority for this area.
MFG	Minimum Funding Guarantee	A nationally set minimum per pupil increase in maintained school funding.
Maintained Schools, Maintained Nurseries.		Schools and nursery schools funded by a local authority through its schools' funding formula.
PLASC	Pupil Level Annual School Census	A count of all pupils in maintained schools that takes place on the third Thursday of January.
PVI	Private, Voluntary and Independent.	In the context of this consultation, PVIs are early years settings providing the free entitlement but independent of the local authority. The setting may be privately owned or a voluntary group.
Schools Forum		A statutory body in each LA area. The LA is required to consult with its Forum on proposed changes to the local funding formula.
SFF	Single Funding Formula	See EYSFF