

## City of Westminster

<b>Committee:</b>	<b>Date:</b>	<b>Title of Report:</b>
Westminster Schools Forum	7 <sup>th</sup> October 2013	Review of Early Years Funding
<b>Classification:</b>		<b>Information paper of:</b>
For General Release		Head of Resources
<b>Wards involved</b>	All	
<b>Policy context</b>		
<b>Financial Summary</b>		

## 1. Background

- 1.1 The number of pupils that are used to calculate the Dedicated Schools Grant (DSG) for Westminster has previously included a top-up for 3 year olds to 90% of the 3 year old population. This has brought in an additional £1.1m to Westminster. The DfE have confirmed this funding will end in the 2014/15 financial year, with a 50% reduction in the current 2013/14 financial year.
- 1.2 The Westminster Schools forum requested a full review of all Early Years funding from the Dedicated Schools Grant to develop a sustainable future funding model. In addition, work was undertaken to develop models for the possible continuation of targeted full time places to support the most disadvantaged.
- 1.3 A key consideration was to ensure a robust transition strategy was developed for the introduction of the agreed future funding model.
- 1.4 The element of the Dedicated Schools Grant for Early Years in 2013/14 was £10.037m and is detailed in the table below.

<b>Sector</b>	<b>Budget £000's</b>
Private, Voluntary and Independent	3,229
Maintained Nursery	2,250
Nursery Classes Primary Schools	4,558
<b>Total Funding</b>	<b>10,037</b>

- 1.5 Westminster currently funds 722 full time pupils across nursery and primary schools. The provision of these full time places costs an additional £1.591m.
- 1.6 The four nursery schools between them receive £1,214,099 of sustainability lump-sum funding; this should also form part of any review that takes place. This sustainability funding contributes to a high unit cost of providing education in the Nursery Schools.
- 1.7 The current calculation methodology for hourly rate allocations across all providers does not form part of the review. A recent review of the hourly rates has been carried out and therefore does not need to be revisited. Details of hourly rates are shown at Appendix A.

## **2.0 Analysis of Funding**

- 2.1 The table at Appendix B details the take up of both full and part places for the 2012/13 financial year. The analysis shows an average of 152 surplus part time places in nursery classes in primary schools. This has resulted in the recoupment of £171k from schools for the 2012/13 financial year. The number of surplus places in the autumn term was 256 places; this represents 40% of the total part time places.
- 2.2 The 595 full time places were consistently filled during all three terms, with over capacity in the summer term 2012.
- 2.2 The current forecast for the 2013/14 financial year is consistent with the 2012/13 outturn position with a projected financial recoupment of surplus places totalling £183k. The development of the new model needs to reflect the current take up of part time places.
- 2.3 The current funding model for Nursery schools guarantees a level of funding, regardless of take up of places through the sustainability mechanism. Therefore the place analysis excludes nursery schools. The review of funding arrangements detailed at 3.2 will review this area as part of the wider review of nursery schools funding.

## **3.0 Nursery Funding Analysis**

- 3.1 The schools forum requested an analysis of the funding of Nursery Schools across the tri borough. The analysis shows a variation of £ £3,652.18 between the highest (£6,852.52) and lowest cost (£3,227.34) of a 15 hour part time place across the tri-borough.
- 3.2 A meeting has taken place with officers from the Local Authority and the four headteachers of the Westminster Nursery Schools to discuss the findings and ensure all factors are accurately reflected within the funding analysis. Further analysis of the consistent financial reporting (CFR) outturn data will be undertaken with the Nursery schools to develop future models and a robust model of transition.

3.3 Detailed at Appendix C is the analysis of the twelve nursery school budgets from across the tri borough.

#### 4.0 Potential Models for Targeting of Places

4.1 Models have been developed which target funding for the continuation of full time places to support the most disadvantaged children. The consultation detailed at 5.2 will develop the models further to minimise turbulence and allow for clear communication with parents and medium term effective budget arrangements to be put in place.

4.2 The three models detailed at Appendix D target places using both Free School Meals (FSM) and IDACCI at both 20% and 40% most deprived as the measure for the allocation of places. Both models also include any child who is Looked After by the Local Authority. This is consistent with eligibility criteria for two year places and allows for the expansion of the two year programme in future years

4.3 There are currently 722 full time places in the funding model for 2013/14. A summary of the three models detailed in 4.2 is shown in the table below and the detailed analysis at individual school level is shown at Appendix D.

Model	2013/14 Full Time Places	Revised Full Time Places	Reduction in Places	2013/14 Funding £	Revised Funding £	Reduction in Funding £
<b>FSM</b>	722	264	<b>458</b>	1,591,763	594,439	<b>995,325</b>
<b>IDACI (20%)</b>	722	122	<b>600</b>	1,591,763	289,907	<b>1,301,856</b>
<b>IDACI (40%)</b>	722	313	<b>409</b>	1,591,763	721,440	<b>870,323</b>

#### 5.0 Proposals for Consultation

5.1 The original timescale proposed a consultation during June and July 2013 and the findings reported back to the October 2013 with the intention to introduce the new models from September 2014.

5.2 Following feedback from schools it is proposed to delay the implementation of any new model until the financial year 2015 -16. A workshop has been arranged for the 11<sup>th</sup> October 2014 to agree the final consultation document. The proposed consultation will focus on the following areas and the initial draft is shown at Appendix E.

- 1) The current allocation of both full time and part places.
- 2) The criteria for future targeting of full time places.
- 3) Models for the delivery of part time places to increase participation.
- 4) Transitional arrangements and communication with parents

5.3 The table below outlines the proposed timescale for the initial review of full time places

<b>Actions</b>	<b>Date</b>
First Meeting of the Working Group.	March 2013
Second Meeting of working Group	May 2013
To agree proposals for Consultation with Schools by the Schools Forum.	May 2013
Analysis of current funding arrangements and development of proposed models	June 2013 – August 2013
Report to Schools forum	October 2013
Headteachers workshop	11 <sup>th</sup> October 2013
Consultation with Schools to	November 2013 – December 2013
Report to schools forum January 2014	January 2014

## **5.0 Recommendations**

5.1 To approve the revised timetable and the continuation of funding for full time places for the 2014/15 financial year.

5.2 To review and approve the scope of the consultation with schools and other stakeholders.

## **6.0 Appendices**

Appendix A: Nursery funding rates 2013/14

Appendix B: Analysis of Surplus Places 2012/13

Appendix C: Tri- Borough Nursery Budget Analysis

Appendix D: Full time Place Allocation Models

Appendix E: Proposed Consultation