

<b>MEETING:</b>	<b>SCHOOLS FORUM</b>
<b>DATE:</b>	<b>1 OCTOBER 2010</b>
<b>TITLE OF REPORT:</b>	<b>EARLY YEARS FINANCE REPORT</b>
<b>OFFICER</b>	<b>GENERAL INSPECTOR FOR EARLY YEARS</b>

**CLASSIFICATION:** Open

## **Wards Affected**

County-wide

## **Purpose**

To provide the Schools Forum with an overview of the central funding for Early Years in Herefordshire in 2010.

## **Recommendation**

**THAT Schools Forum:**

**(a) review the use of early years finances in January 2011 following guidance from Government on allocation of the Sure Start Grant and statutory requirements for early years.**

## **Key Points Summary**

- The central funding for Early Years education in Herefordshire covers staffing costs, early support (early intervention) and training.
- Early years receives funding from three sources: DSG, Standards Fund and from the 'Outcomes, quality and access funding stream in the Sure Start Grant.
- All DSG spending on early years (except salary costs) in 2008, 2009 and 2010 was offset by the underspend in Sure Start Grant at the end of the financial year.
- Uncertainty about the future of Sure Start Grant after March 2011 prevents long term financial planning in early years. Currently decisions are made year by year depending on the SSG allocation.
- Substantial changes have been made in 2009/10 to ensure most effective use of existing budgets and to plan for sustainability including a reorganisation of the team, changes to the training/CPD programmes and provision of resources.
- The Early Years Adviser, Louise Jackson manages the central funding for early years and reports to the Manager for Inclusion and Improvement at a monthly finance meeting.

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Further information on the subject of this report is available from  
Louise Jackson, General Inspector for Early Years on (01432) 263504

- The Early Years Team has a statutory duty to provide qualified teacher input into EYFS provision based in schools, children's centres, private, voluntary and independent settings and in home based childcare. In Herefordshire we have approximately 450 early years settings.
- The Early Years Team must provide challenge and support to meet the 'Early Years Outcomes Duty' (appendix 1) and impact is measured against National Indicators 72 and 92. Ambitious targets are set annually by the DFE and monitored termly.
- In Herefordshire there is a minimum requirement for six qualified teachers to provide qualified support and challenge across all early years settings. In Herefordshire, the role of Early Years Consultant was introduced in September 2009 which combined the roles and responsibilities of EY Advisory Teacher, Children's Centre Teacher and Area SENCo. In this way it has been possible to meet minimum statutory requirements within current budget constraints.
- In Herefordshire the sources of funding for early years training are separated into three strands:
  1. Standards funding is 'passport' to schools so that it can be used most effectively on site.
  2. DSG funding for training is used to cover courses applicable to schools.
  3. SSG funding for training is used to cover courses and programmes aimed at pre-schools/nurseries.
- Since September 2008 the EYFS framework has covered education and care from 0-5 years so all SSG funded courses are available to schools and settings.

## **Alternative Options**

- 1 If a decision is made to withdraw DSG funding from early years in Herefordshire; salaries, early support and training will need to be covered by the Sure Start Grant. There has been a commitment by Government to continue with Sure Start Grant until March 2011. Significant cuts are expected to impact on Sure Start Grant in the future, with the possibility of it being withdrawn altogether.
- 2 To maintain an early years team which can meet minimum statutory requirements for qualified teacher input into schools, private and voluntary early years settings including children's centres and childminders; and a team that can deliver the statutory 'Early Years Outcomes Duty' a central team is required which is not dependent on grant funding.
- 3 A further review of early years finances will be necessary following the Government spending review in October. The DFE are currently reviewing the Early Years Foundation Stage and guidance on assessment and reporting for early years. Any changes to the statutory requirements for delivery, assessment and reporting on the early years foundation stage will impact on financial planning for the future.

## **Reasons for Recommendations**

- 4 A financial review of early years finances will be carried out in January 2011 following advice from Government on grant funding and statutory requirements in early years.
- 5 The Adviser for Early Years will continue to work towards increased sustainability within current financial budgets.

## Introduction and Background

- 6 Schools Forum have requested information on the allocation and use of DSG funding in early years. In 2010 a budget of £478,900 was allocated to early years from DSG funding.
- 7 The table below shows the proportion of funding used centrally for early years.
- 8 Whilst there are considerable variations, it should be noted that some of these Local Authorities e.g. Dorset have separate teams, one for early years and childcare (PVI settings) and a central team for EYFS in schools. The Dorset figures relates to the childcare team only. In Herefordshire central funding is used to provide one EYFS team which covers Primary Schools, PVI settings, and home based childcare.

Summary of LA central spending on Early Years		
Comparison of Early Years spend (not GSSG) with statistical neighbours	Expenditure for Education of Children under 5s in Private/voluntary/independent settings (1.0.9 ) £ per pupil	Central expenditure on Education of Children under 5s (1.3.5 ) £ per pupil
<b>England Average (mean)</b>	<b>110</b>	<b>55</b>
<b>England Average (median)</b>	<b>99</b>	<b>20</b>
<b>England - Min</b>	<b>0</b>	<b>0</b>
<b>England - Max</b>	<b>409</b>	<b>912</b>
Median	<b>129</b>	<b>33</b>
Min	<b>99</b>	<b>0</b>
Max	<b>154</b>	<b>187</b>
Herefordshire	124	21
Somerset	137	33
Devon	136	187
Shropshire	118	10
Cornwall	129	181
Suffolk	117	30
Norfolk	99	20
Wiltshire	144	175
Dorset	143	0
Gloucestershire	154	169
East Sussex	126	78



- 9 The early years funding from DSG is used to cover salary costs of an early years team of consultants and coordinators, training and early support (early intervention) The table below shows the breakdown of costs:

<b>Funding Source</b>	<b>Detail</b>		<b>2010/11 budget allocation</b>
DSG	Early Years Teachers	E4018	163,700
DSG	Early Years Teachers	E4024	75,196
DSG	Childcare Training Staff	E4042	78,267
<b>DSG</b>	<b>Total Salary Costs</b>		<b>£317,163</b>
DSG	Discretionary Support U4's	E3035	59,585
DSG	Early Birds	E4000	2,655
<b>DSG</b>	<b>Total Early Support Costs</b>		<b>£62,240</b>
DSG	Early Years Training	E4001	99,497
<b>DSG</b>	<b>Total Training Costs</b>		<b>99,497</b>

## Key Considerations

### Key considerations for EY salary costs:

- 10 There is a statutory requirement to provide qualified teacher input into PVI settings and EYFS in schools and meet the Early Years Outcomes Duty.
- 11 To minimise salary costs the new posts of 'Early Years Consultants' covered the previous roles of Quality Improvement and Workforce Development Officer, Early Years Mentor Teacher, Children's Centre Teacher, Advisory Teacher and Inclusion Coordinator. The job descriptions, roles and responsibilities are in line with national guidance from the DFE.
- 12 Six F/T Early Years Consultants were appointed and one Senior Consultant replaced 18 part time teachers/officers who had previously covered the different roles. The reorganisation was carried out within budget constraints.
- 13 All Consultants are experienced, qualified teachers, accredited trainers in early intervention and SEN, they are able to work across the early years sector. They were appointed to allow maximum flexibility for the future.

### Key considerations for Early Support costs:

- 14 Early identification and intervention was identified as a key priority in the children's plan.
- 15 The discretionary grant is used in private and voluntary settings to support the implementation of early intervention programmes. A separate report has been submitted outlining the impact of this funding on children, and schools.
- 16 The EarlyBird Programme is an early intervention programme for preschool children with autism. The 12 week programme is delivered annually in the Summer Term and supports children and families on transition into school. This programme is crucial in supporting parents to understand their child and make informed choices about education and care.

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- 17 Funding is used to support effective early identification and early intervention. Successful intervention depends on trained, qualified staff in early years. This funding is especially important since the loss of the team of 'Inclusion Coordinators' in early years. Early Years Practitioners must carry out assessments, referrals and early intervention programmes. They are often involved in supporting the family during investigation, referral and diagnosis.
- 18 All Early Support costs in 2007/8, 2008/9, 2009/10 were covered by the underspend in Sure Start grant.

**Key considerations for EY Training costs:**

- 19 Early years training is funded from :
- a. DSG (£99,497)
  - b. Standards Fund (£26,080)
  - c. 'Outcomes, quality and access' funding block from Sure Start Grant (£132,950)
- 20 Funding from DSG is used to fund training and associated resources to support school improvement in relation to the Early Years Foundation Stage, early intervention and transition. (EYQISP/Heads Conferences/Inclusion Conferences/Buddying)
- 21 All the funding allocated for early years training from the Standards Fund in 2009/10 has been 'passport' to schools. (EYFSP Moderation / Smooth Transitions Programme / Building Bridges)
- 22 The memorandum of grant for Sure Start has stated that the costs of early years training should be covered by the grant. In the past all early years training was provided free of charge with supply cover paid for the delivery of national strategies programmes. This will no longer be the case.
- 23 The costs of administration and delivery of all EY training by the School Improvement Service will now be charged – until March 2011 these costs will be covered by Sure Start Grant The Early Years Adviser has allocated £45,500 from 'Outcomes, quality and access' Sure Start Grant to cover EY course costs until March 2011. No supply cover will be paid.
- 24 Strategies employed in 2010 to reduce training costs:
- a. All EY Consultants and Coordinators are experienced/accredited trainers. This reduces costs of employing outside speakers (cost of outside speaker is £1000 - £1800 per day)
  - b. Partnership work with PCT (Speech and Language Therapists), Music Pool and Local Artists has led to shared budgets, joint training opportunities and increased the range of training on offer.
  - c. Use of larger venues so that 50 + can attend each training event. Cost and location of venues is a key consideration. There is a need to convert or adapt school buildings to incorporate an early years training and resource centre on a school site.
  - d. New training programme will be delivered in the afternoon and repeated in the evening in order to cut down on refreshment costs and supply costs.
  - e. Cluster/locality training can be tailored to local needs and delivered by the Early Years Consultant.

- 25 All DSG Early Years training costs in 2007/8, 2008/9, 2009/10 were covered by the under spend in Sure Start grant.

## **Community Impact**

- 26 The Early Years Team although funded centrally has been reorganised to work in localities so that every EYFS teacher, children's centre, nursery and playgroup has a named contact.
- 27 Each Early Years Consultant works with approx.
- 14 Primary Schools,
  - 16 Early Years settings,
  - 2 Children's Centres
  - and is linked to a childminding network.
- 28 They deliver programmes of quality improvement aimed at raising standards and narrowing the gap for the most vulnerable children.
- 29 The EPPE research showed that children who attend high quality early years provision are more likely to achieve in KS1, KS2 and in KS3. If the foundations (dispositions and attitudes) to learning are established in early years this will impact on learning and development in the future. 81% of early years settings in Herefordshire are judged good/outstanding, it is important we maintain (and improve) this quality of provision especially with the high turnover of staff across the early years sector.
- 30 The 'I CAN – Cost to the Nation' report highlighted the importance of speaking and listening in early years. Research shows that children with speech and language difficulties are more likely to become disaffected, disruptive in school and will continue to impact on economic well being in adulthood. Given that up to 50% of children can start school with transient speech and language difficulties, early identification and intervention is a crucial aspect of our work.
- 31 Partnership working in early years can stimulate community cohesion and sets the precedent for information sharing, multi-disciplinary working and collaborative teamwork. Schools rely on the information and support of these 'partnerships' on transition into school, and particularly where the child has an additional need. The personal, social and emotional development of a child in early years can affect their social interaction, communication, behaviour and attitudes throughout their school years and in adulthood. Partnership working in the early years will reduce the risks of disaffection, addiction, mental health and social difficulties in later years.

## **Financial Implications**

- 32 Schools Forum may choose to consider the following options:
- a. To find out if short term savings could be made from DSG in 2010/11 if salary costs for the early years team were covered by Sure Start Grant. In the memorandum of grant it states the purpose of the grant is to "Further develop and establish the role of Early Years Consultant teams to provide challenge and support to settings".
  - b. To find out if savings could be made from DSG if all early support and training budgets for 2010/11 are covered by Sure Start grant as in previous years.
  - c. Any significant changes to early years finances should be delayed until guidance from

the DFE has been issued about the Sure Start Grant, Sure Start Children's Centres, the statutory requirements of the Early Years Foundation Stage and legal requirements across the early years sector.

## **Legal Implications**

- 33 There is a legal requirement to meet the
- 'Early Years Outcomes Duty'
  - To provide qualified teacher input into PVI settings and children's centres.
  - Terms of grant - 'Outcomes, quality and access' Surestart Funding Stream.

## **Risk Management**

- 34 If early intervention and EYFS training programmes are covered by the underspend in Sure Start grant in March 2011 as in previous years there is no risk.
- 35 If the 'Outcomes, quality and access' funding block of the Sure Start Grant was used to cover salary costs of the early years team - this would reduce funding available for early intervention and training. All funding to March 2011 has been allocated. There is a high risk that if funding was withdrawn the quality of provision would be reduced and that systems for early identification and intervention for the most vulnerable children would be lost. We would fail to meet the Early Years Outcomes Duty.
- 36 A decision to change funding arrangements before advice from Government on future funding and statutory requirements for early years could result in the loss of an early years team in Herefordshire. This would impact on children, families, practitioners, schools, children's centres, services for under fives and local communities.

## **Appendices**

Appendix 1- Early Years Outcomes Duty 2010

## **Background Papers**

Letter outlining terms of the Sure Start grant.