

## **Rotherham Schools' Forum**

**Venue: Rockingham PDC**

**Date: Friday, 20 January 2012**

**Time: 8.30 a.m.**

### **A G E N D A**

1. Apologies for Absence.
2. Minutes of the Previous Meeting held on 9th December, 2011 (copy attached). (Pages 1 - 6)
3. Matters Arising from Previous Minutes.

### **FOR INFORMATION:**

4. Explanation of the Schools' Budget Setting Process (report herewith). (Pages 7 - 16)  
  
Joanne Robertson, CYPS Finance Manager, Resources Directorate, to report.
5. Thornhill Primary School Pupil Number Change (report herewith and reference made within report for item 6). (Pages 17 - 20)  
  
Helen Barre, Service Leader, School Admissions, Organisation and SEN Assessment Service, Schools and Lifelong Learning, CYPS, to report.

### **BUDGET SETTING / DECISIONS:**

6. Exclusion of the Press and Public.  
  
The following item is likely to be considered in the absence of the press and public as being exempt under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended March 2006) (information relating to the financial or business affairs of any particular individual (including the Council)).
7. Outline of Main Pressures on 2012/13 Budget (report herewith). (Pages 21 - 22)  
  
Joanne Robertson, CYPS Finance Manager, Resources Directorate, to report.
8. Early Years PVI Budget Requirement (report herewith). (Pages 23 - 28)

Aileen Chambers, Childcare Sustainability Manager, Early Years & Childcare Strategy, Children and Young People's Services, to report.

9. Exclusion of the Press and Public.

The following item is likely to be considered in the absence of the press and public as being exempt under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended March 2006) (information relating to the financial or business affairs of any particular individual (including the Council)).

10. Draft 2012/13 Budget (distributed in December for information, report herewith). (Page 29)

Joanne Robertson, CYPS Finance Manager, Resources Directorate, to report.

11. Exclusion of the Press and Public.

The following item is likely to be considered in the absence of the press and public as being exempt under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended March 2006) (information relating to the financial or business affairs of any particular individual (including the Council)).

12. Consultation Responses: Distribution of Extended Services to Individual Schools (report herewith). (Pages 30 - 33)

Vera Njelic, Principal Finance Officer, CYPS Business Partnering Team, Resources Directorate, to report.

13. Exclusion of the Press and Public.

The following item is likely to be considered in the absence of the press and public as being exempt under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended March 2006) (information relating to the financial or business affairs of any particular individual (including the Council)).

14. Commissioning Item (circulated with December's meeting papers).

Clare Burton, Commissioning Officer, Resources Directorate, to report.

15. Exclusion of the Press and Public.

The following item is likely to be considered in the absence of the press and public as being exempt under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended March 2006) (information relating to the financial or business affairs of any particular individual (including the Council)).

16. Calculation of Centrally Retained - 2009/10 to 2012/13 Estimate (report herewith). (Pages 34 - 39)

Joanne Robertson, CYPS Finance Manager, Resources Directorate, to report.

**PENDING FUTURE DECISIONS:**

17. Rotherham Charter for Parent and Child Voice
18. Date and Time of Next Meeting - Friday 2nd March 2012 at 8.30 am - Rockingham Teachers' Centre

Dates of future meetings:-

Friday 13<sup>th</sup> April 2012 (Easter holidays – to be rescheduled)  
Friday 22<sup>nd</sup> June 2012

**ROTHERHAM SCHOOLS FORUM  
FRIDAY, 9TH DECEMBER, 2011**

**Present:** - David Silvester (in the Chair)

**Primary Schools:** - Angela Heald, John Henderson, Donna Humphries, Sue Warner, Kay Jessop and Geoff Jackson

**Secondary Schools:** - Paul Blackwell, Roger Burman, David Butler, Bev Clubley, John Day, David Pridding and Stuart Wilson.

**Early Years:** - Margaret Hague.

**Extra Representation:** - Michael Waring and Nick Whitaker.

**Non-School:** - Councillor Simon Currie, Sue Brook, Val Broomhead and Geoff Gillard.

**Also in attendance:** - Dorothy Smith, Clare Burton, Jonathon Baggaley, Stuart Booth, Joanne Robertson, Vera Njelic, Andrea Baldwin and Steve Cope.

Apologies for absence were received from Joyce Thacker, Karen Borthwick, David Sutton and Lynne Pepper.

**34. MINUTES OF THE PREVIOUS MEETING HELD ON 7TH OCTOBER 2011**

Agreed:- That the minutes of the previous meeting, held on 7<sup>th</sup> October, 2011, be approved as a correct record.

**35. MATTERS ARISING FROM PREVIOUS MINUTES**

(1) Constitution

It was agreed that the Constitution of the Rotherham Schools Forum be amended to enable a representative of the Rotherham Teaching Schools Alliance (David Ashmore) to attend all meetings held in the period until 31 March 2012.

(2) Removal of Rotherham Schools Forum Budget – Transfer to Rotherham School Improvement Partnership

David Silvester introduced this item which concerned an amount of approximately £1,500. A suggestion was made that meetings of the Rotherham Schools Forum might take place at venues in the various learning communities around Rotherham. Important factors were the adequate size of the meeting room, to accommodate all members, as well as there being car parking facilities at or near to the venue.

It was agreed that the budget be transferred and Vera Njelic will ensure the necessary recoding of the precise amount being transferred.

**36. SCHOOLS RETAINING OVER 8% OF SCHOOL BUDGET**

David Silvester introduced this item stating that there are five schools carrying

forward between 9% and 12% of the schools' budgets from the 2010/11 financial year into the current 2011/2012 financial year. The reasons for the carry forward were matters about learning communities, Sure Start and premises/building issues.

The Schools Forum noted that it was important to study the schools' history to establish their needs to carry forward these amounts. It was considered reasonable for there to be year-on-year budget variations.

It was also noted that there may eventually be a change in HM Government policy about this issue of schools being allowed to carry forward budget amounts.

The Schools Forum concluded that there are logical, common sense reasons for the five schools carrying forward these budget amounts.

Agreed:- That the five schools be permitted to carry forward the budget amounts from the 2010/11 financial year to the 2011/12 financial year.

### **37. EXTENDED SERVICES 2012 - 2013**

David Silvester presented a report about funding for Extended Services. The report stated that the coalition Government merged a number of former Standards Fund Grants into the Dedicated Schools Grant for 2011/12 under the guiding principle that schools were to be given freedom and flexibility across all their budgets to choose how best to support their pupils. Any previous targeting of funds and earmarking of specific amounts was removed.

For 2011/12, the Schools Forum agreed that funding levels for Extended Services be maintained through the Dedicated Schools Grant at the same levels as they were provided for in 2010/11 and Rotherham Borough Council continued to direct and manage this funding. The agreement was for one year only. Therefore, schools must decide how this funding (£1,487,545 in 2011/12) should be distributed in 2012/13.

The key issues for consideration are:-

i) do schools wish to continue to ring-fence and therefore target funding for extended services in 2012/13 ?

ii) do schools want the Borough Council to retain funding for extended services and deliver services on their behalf (ie: this is the current position), or do schools want the freedom and flexibility to choose how resources are deployed ?

iii) is the current mechanism for the distribution of funding appropriate, or does it need to be amended ?

Reference was made to the need for formal consultation with all schools and learning communities, in accordance with the schools' financial regulations. Clarity would be sought on this matter, prior to the next meeting of the Schools Forum.

The Schools Forum considered that learning communities are the way forward

and therefore the delegation and distribution of the Extended Services' funding to learning communities are necessary.

Agreed:- (1) That the Rotherham Schools Forum notes that HM Government's removal of ring-fencing from the former Standards Fund Grants, including the former 'Extended Services Grant', gives schools the freedom to decide how this funding is deployed to best meet the needs of pupils; therefore, from 2012/13, this funding shall be delegated to schools and form part of the 'Individual Schools Budget', with each school receiving an allocation through an agreed formula.

(2) That a decision on the recommendation that the £1.487 millions (an estimated £36 per pupil) shall continue in part, to be funded on the basis of free school meals, is deferred until the next meeting of the Rotherham Schools Forum, pending further discussions within the various learning communities.

(3) That the financial implications of the options listed in the report, now submitted, must be included in the further report to be submitted to the next meeting of the Rotherham Schools Forum (nb: this information will be distributed to Schools Forum members, if possible, during the current Autumn School Term).

### **38. TRADE UNION BUDGET REVIEW**

The Schools Forum discussed the budget for the facilities time for local Trade Union officials. The proposal is that funding continues to be met from the Dedicated Schools Grant. Until the 2011/12 budget for Trade Union facilities time was set, the allocation was £112,000 per annum. The Schools Forum had previously decided that for 2011/12 the budget would be halved, with an allocation of £56,000 per annum being made.

Reference was made to the workload of trades union officials.

Agreed:- That the current allocation of £56,000 be maintained for Trade Union facilities time for the 2012/2013 financial year.

(footnote – Susan Brook (NASUWT) was not present in the meeting during consideration of this item)

### **39. CARBON REDUCTION COMMITMENT**

Carbon Reduction Commitment Energy Efficiency Scheme, the statutory carbon dioxide emissions trading scheme for the United Kingdom. The Scheme began on 1 April 2010, with a four years' introductory phase and there will be two further phases, each one lasting six years. The Borough Council, as a registered participant in the scheme, is required to produce carbon emission reports and all state-funded schools are required to be included. However, the legislation may change, so that the Academies may eventually not have to be included in the Borough Council report, but instead produce their own reports.

Discussion took place on the cost implications for the Education service and for schools. It was noted that older, less energy efficient buildings may be penalised by this carbon tax. Advice and assistance was available from the Borough Council, to enable schools to improve their energy efficiency.

In future, carbon allowances will have to be purchased by schools, on the basis of the amount of carbon emissions in the previous year. The purchase of carbon allowances will be mandatory from 2012. Schools will be individually charged for their element of the allowances.

Agreed:- That this matter be acknowledged as being a significant budget pressure and considered further as part of the Dedicated Schools Grant for 2012/2013.

#### **40. PFI CHARGES**

Jonathon Baggaley presented a report which explained that Rotherham Borough Council's Private Finance Initiative (PFI) contract with Transform Schools (Rotherham) Limited (TSRL) lasts for a period of 30 years from 1st April 2004. The contract is a standard PFI design, build, finance and operate contract, with TSRL being a company established specifically for the purpose of this contract. All of the companies involved in the PFI arrangement are Balfour Beatty group companies. The contract has involved the transfer of all the risks associated with school buildings and their operation and maintenance, to the PFI contractor.

The report included the future implications for school budgets and the Dedicated Schools Grant. It was noted that separate legal agreements would be required with any PFI Academy (school) to ensure that they continue to pay their premises budgets to the Borough Council, enabling the Borough Council to fund its payments to the PFI contractor on the Academies' behalf.

Concerns were expressed about the historical issue of non-PFI schools having to contribute to the costs, via the Dedicated Schools Grant, an arrangement applicable from the very beginning of the contract.

Agreed:- (1) That the contents of the report be noted with concern.

(2) That this matter be acknowledged as being another significant budget pressure and considered further as part of the Dedicated Schools Grant for the 2012/2013 financial year.

#### **41. BUDGET SETTING INFORMATION**

Joanne Robertson presented a report providing information about the Dedicated Schools Grant (DSG) budget setting (nb: the report will be distributed to Schools Forum members by electronic mail). A number of specific budget pressures would affect the Dedicated Schools Grant budget for the 2012/13 financial year:-

: Early Years Places (in maintained, private, voluntary and independent schools);

: the carbon reduction commitment;

: Private Finance Initiative : increasing costs;

: Borough Council savings proposals affecting Children and Young People's Services (nb: the precise impact upon the DSG is not yet known).

The report included details of the centrally retained element of the Dedicated Schools Grant.

Agreed:- That the contents of the report be noted.

**42. COMMISSIONING ITEM - VALUE FOR MONEY REVIEW OF EDUCATION CATERING SERVICE**

Further to Minute No. 9 of the meeting of the Rotherham Schools Forum held on 24<sup>th</sup> June 2011, consideration was given to a report presented by Clare Burton concerning the review the Education Catering Service. This review, utilising the EFQM Excellence Model, had enabled an assessment of both the value for money and the quality of the service. The conclusion of the review is that there is an opportunity to modernise the service, improve quality and increase value for money. The report contained various options describing alternative ways in which these objectives may be achieved.

It was noted that:-

i) there had been a limited response only to the consultation process, from parents and from the head teachers of the 30 plus schools invited to comment;

ii) a number of schools were already making their own individual arrangements for the provision of school meals to their pupils.

Agreed:- (1) That the contents of the report and the outcome of the value for money review of the Education Catering Service be noted.

(2) That this matter be considered further at the next meeting of the Rotherham Schools Forum.

**43. HOSPITAL TEACHING SERVICE**

Consideration of this item was deferred until the next meeting of the Rotherham Schools Forum, to be held on 20<sup>th</sup> January, 2012.

**44. INFORMATION ITEMS**

The Rotherham Schools Forum noted, for information, the contents of the following reports:-

(1) Schools Financial value Standard

(2) Roma / Slovak communities – distribution of funding

(3) 16-19 Funding Formula Review Consultation (all post-16 providers were encouraged to respond to the consultation).

**45. DATE AND TIME OF NEXT MEETING**



Agreed:- That the next meeting of the Rotherham Schools Forum be held on Friday, 20<sup>th</sup> January, 2012, at the Rockingham Teachers' Centre, beginning at 8.30 a.m.

# **Schools Forum 20<sup>th</sup> January 2012**

## **Setting the Total Schools Budget 2012/13**

RMBC Resources Directorate:  
Financial Services 19/12/11

# Budget Setting

- Timescales
- Dedicated Schools Grant (DSG)
- DSG Calculation
- Estimated Total Schools Budget 2012/13
- Individual School Budgets
- Centrally Managed Service Budgets
- DSG and the Children and Young People's Service Budget

# Timescales

- Process commences Aug/Sept
- Government Notices of settlement
- ( Formula Grant and EIG) Nov/Dec
- Overall Council and CYPS budget determined March
- Detailed budgets based on Cost of Service less top slicing of savings targets

# Dedicated Schools Grant

- Since 2006/07 – ring fenced, specific grant

- Scope – Schools Budget

LA Maintained Schools

LA Education Services

Combined Services

# How is DSG Calculated?

- By Central Government
- Based on pupils in LA area
- Indicative DSG based on pupil number estimates & estimated GUF issued Nov/Dec
- Final figures based on Jan pupil Census issued May/June
- Further adjustments where Academies open mid financial year.

# How is DSG Calculated?

- Rotherham – estimated pupil numbers were: 40,430.0
  - Estimated GUF: £5,141.30
  - DSG = £207.863 million
  - Estimated Academies recoupment: £18.550 million
  - Adjusted to estimated 2011/12 DSG = £189.313 million
- 
- Rotherham – actual pupil numbers were: 40,429.0
  - Actual GUF : £5,141.30
  - DSG = £207.858 million
  - Actual Academies recoupment: £25.209 million
  - Actual 2011/12 DSG = £ 182,649 million

# Estimated Total Schools Budget 2012/13

- Rotherham – estimated +150 pupils on 2011/12
- Actual GUF : £5,141.30 (same as 2011/12)
- Estimated DSG = £208.634 million
- Actual Academies recoupment: £25.700 million
- Estimated 2012/13 DSG for Rotherham Schools(excl academies)= £ 182,649 million
- Plus YPLA (Post 16 Threshold + Post 16 SEN) approx. £1.3m (2012/13 figure not confirmed)
- Less/plus carry forward



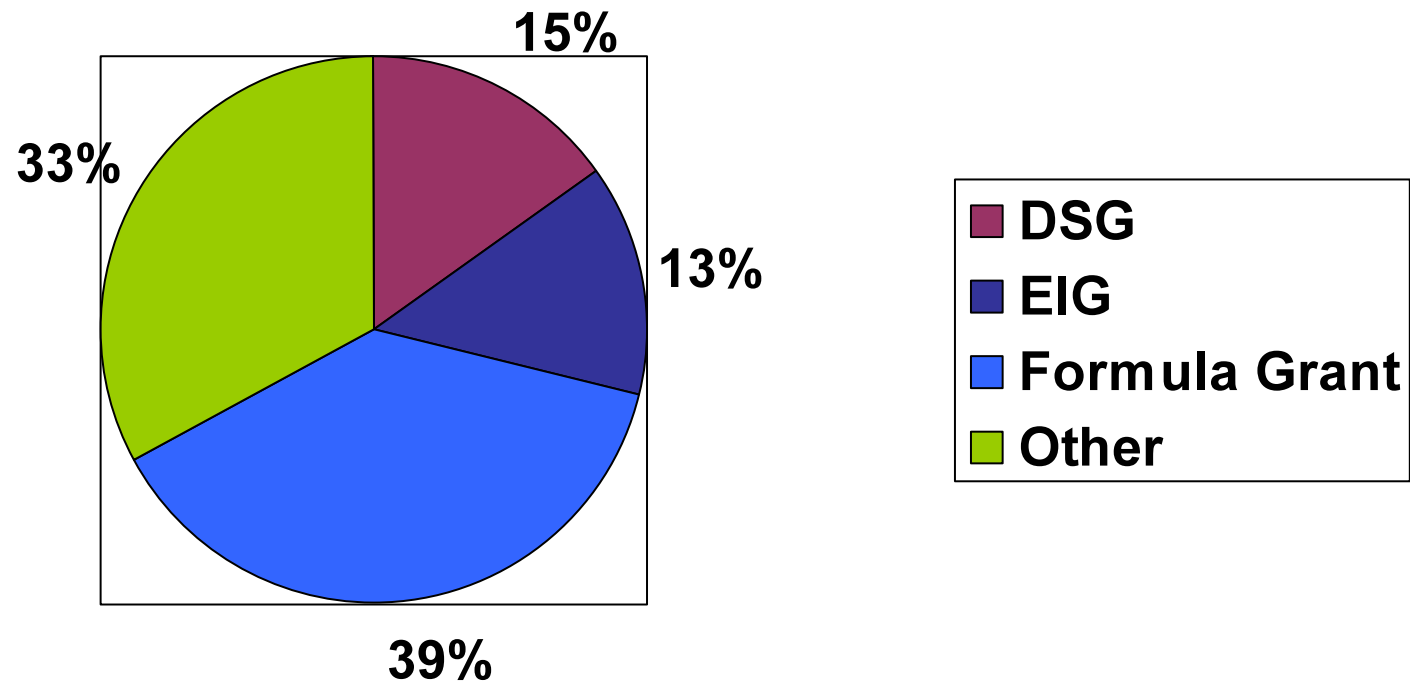
# Individual Schools Budgets

- Funding Formula
  - AWPU
  - Small schools allocation
  - Social Deprivation
  - Premises
  - Free School Meals
- Minimum Funding Guarantee
  - 1.5% decrease per pupil year on year

# Centrally Managed Services

- May be supported by:
  - CYPS Revenue Budget (From Central Government Formula Grant)
  - DSG
  - Early Intervention Grant ( Non-ring fenced grant – Early Intervention and Prevention issues)
- Or a combination

# DSG and the Children and Young People's Service Budget 2011/12



RMBC Resources Directorate:  
Financial Services 19/12/11

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO SCHOOLS’ FORUM</b>
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<b>1.</b>	<b>Meeting:</b>	<b>Rotherham Schools’ Forum</b>
<b>2.</b>	<b>Date:</b>	<b>20<sup>th</sup> January 2012</b>
<b>3.</b>	<b>Title:</b>	<b>Shortfall funding to support the expansion of Thornhill Primary School</b>
<b>4.</b>	<b>Directorate:</b>	<b>Children and Young People’s Services</b>

### **5. Summary**

Thornhill Primary School has pressure on the school’s accommodation from increasing pupil numbers from within the school’s catchment area. Preferences for the school now regularly exceed the number of places (30) available in each statutory year group. There is also pressure on neighbouring schools and some families are in the position of having older brothers and sisters split from their younger siblings and who have to attend alternative neighbouring schools. The CYPS Cabinet Member and Advisers received reports on the 7<sup>th</sup> September 2011 and 9<sup>th</sup> November 2011 at the pre-statutory and statutory consultation stages. No objections have been received. It is expected that the Cabinet Member will give final approval, at the meeting on 17<sup>th</sup> January 2012, to increase the Published Admission Number (PAN) to 45 per statutory year group and 26 full time equivalent F1 places with effect from September 2012.

The additional pupils will not be on roll for the 2012 January School Census return and, therefore, the 2012/2013 individual school budget allocation will be insufficient to fund the additional teaching and support staff required from September 2012.

### **6. Recommendation:**

**It is recommended that Schools’ Forum approve funding from the Dedicated Schools Grant to enable additional teaching and support staff to be deployed from September 2012 to March 2013.**

## 7. Proposals and Details

Thornhill Primary School will be expanded in order to accommodate 45 children per statutory year group (45 x 7 = 315 places) rather than its current capacity (30 x 7 = 210 places). The school would have an amended published admission number (PAN) of 45 per year group. The non-statutory nursery (F1) year group published admission number will also be increased to a published admission number of 26 full time equivalent places.

The number of preferences for entry to Foundation 1 in the last 3 years has been as follows:

09/10 entry = 44  
10/11 entry = 43  
11/12 entry = 42

The potential advantages are that more parents will be able to access their first preference school and will gain a place without having to go through the Appeals process. The admission number of 30 and class size legislation currently restricts the number of pupils entering the school and some families are in the position of having older brothers and sisters split from their younger siblings and who have to attend alternative neighbouring schools. Currently appeals are being held for the school but parents are still unsuccessful due to the restrictions imposed by the class size legislation

The expansion from 30 to 45 places per year is seen as the best way forward in that it will provide the best scenario for Thornhill school, a better scenario for local parents whilst creating a minimal threat to the viability of other local schools.

Three separate meetings were held on the 4th October, 2011 for the Thornhill Governors; and 11th October for Thornhill Staff and Union representatives; and 11<sup>th</sup> October and 23<sup>rd</sup> November 2011 for parents of pupils at Thornhill School. Three meetings were held on the 11th and 12th October 2011 with the Governing Bodies of Ferham, Kimberworth and Meadow View Primary School. A report was shared which set out the proposal, details on births, numbers on roll and admissions preferences. As the number of children attending Thornhill Primary would increase by 50%, it is a statutory requirement for notices on the increase in numbers to be published in the local press and on the school gates, and for any opposition to the expansion declared in writing to the LA. The closing date was 16<sup>th</sup> December 2011 and no objections were received.

Preferences for placement for entry into the Reception (FS2) year in September 2012 will be confirmed following the closing date in January 2012. After January 2012 the primary offer day is 15<sup>th</sup> April 2012 and projections will be continually monitored, updated and shared with Thornhill.

## **8. Finance**

The capital cost of the building project which is currently under way is £0.9M. This building programme will provide two new classrooms and two classrooms in a second Foundation Stage Unit. In addition parts of the existing school will be refurbished to provide an SEN and Multi Use area, additional dining facility and cloakrooms and toilets. The capital cost will include the provision of a specified and agreed number of new classroom and dining tables and chairs and fixed ICT equipment. Funding for the project is from the Basic Need funding allocated by the DfE for the provision of sufficient school places.

There will be a transitional period from September 2012 – March 2013 (7/12<sup>ths</sup>). The additional pupils will not be on roll for the 2012 January School Census return and, therefore, the 2012/2013 individual school budget allocation is insufficient to fund additional teaching and support staff required from September 2012. An initial report submitted to the Cabinet member set out a shortfall of £158,121. This has subsequently been revised to £151, 079.

From the 2013/14 financial year, funding for teaching and support staff will be generated through the AWPU as part of the individual school's budget.

## **9. Risks and Uncertainties**

There are always risks and uncertainties when school place provision is considered since future pupil numbers and consequently, individual school budget funding, are based on estimated projections at a point in time. Local Authorities have a duty, however, to provide sufficient places, promote diversity and increase parental choice.

The neighbouring schools: Ferham, Kimberworth and Meadowview, are supportive of the expansion at Thornhill Primary School particularly in terms of the positive impact for families in improving attendance, punctuality and outcomes for children.

## **10. Policy and Performance Agenda Implications**

The major theme supported by the proposal is 'to ensure that everyone has access to skills, knowledge and information to enable them to play their part in society'. It is likely that the expansion would enable more parents to access their catchment area and first preference school for their child and, therefore, increase that performance indicator.

## **11. Background Papers and Consultation**

Report to Cabinet Member and Advisers on the 7<sup>th</sup> September 2011 and 9<sup>th</sup> November 2011 and 17<sup>th</sup> January 2012; publication of statutory notice 18<sup>th</sup> November 2011 and report to Schools Forum 20<sup>th</sup> January 2012.

**12. Contact Name**

**Helen Barre, Manager, School Admissions, Organisation & SEN Assessment Service, Ext 22656, [Helen.barre@rotherham.gov.uk](mailto:Helen.barre@rotherham.gov.uk)**

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<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO SCHOOLS FORUM</b>
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<b>1.</b>	<b>Meeting:-</b>	<b>Schools Forum</b>
<b>2.</b>	<b>Date:-</b>	<b>20<sup>th</sup> January 2012</b>
<b>3.</b>	<b>Title:-</b>	<b>Early Years PVI Budget Requirement</b>
<b>4.</b>	<b>Directorate:-</b>	<b>CYPS</b>

## 5. Background

Early Education in the Private, Voluntary, Independent sector is provided by a total of 78 providers (including 14 Children's Centres). They provide early education sessions for children from the term after their third birthday until they access school provision at either F1 or F2. A total 25 schools in Rotherham do not offer F1 provision. Nine of those have PVI providers are on school sites who provide F1 provision for the school.

Children are entitled to early education from the term after their third birthday, enabling some children to access 5 terms before they start full time school in September. As this is an entitlement rather than statutory requirement, the budget for this provision is entirely needs led based on parental demand. Take-up of early education for 3 terms in Rotherham is good (approx 96%). Take-up of 4 / 5 terms by children who are eligible is lower either due to either parental choice or lack of awareness, however much work is underway to increase awareness. Availability of early education for 2 year olds will also have an impact on take-up of 3 year old early education as children will move seamlessly into 3 year old early education who otherwise may not have taken the provision up as soon as they were eligible. The increase in provision of early education of 2 year olds will have the positive benefit of ensuring that the most disadvantaged 2 year olds in the borough are better prepared for school.

All local authorities receive funding for 2 year old early education within the early intervention grant at the moment and by September 2013 the offer of early education for disadvantaged 2 year olds will be a statutory requirement. RMBC are currently receiving increased funding for 2 year old early education as part of a DfE trial to build capacity and this year have provided places to 350 two year olds. Funding for 2 year old early education delivery will be provided through the early intervention grant in 2012/13, however the possibility of including 2 year old early education within the DSG in future is currently under consultation.

## 6. Finance

Historically the External Funding team have managed the administration of the funding to PVI providers and have projected the figures year on year, based on previous take-up. This has proved effective in previous years but this year the take-up has been higher than the projections. In previous years, population data has not been taken into account due to

lack of availability of accurate birth data as well as having a relatively stable population size historically. However this year, with availability of more reliable birth statistics, it is apparent that there has been an increase in the 3 year old population. That combined with awareness raising activity and delivery of 2 year old early education has had the positive impact of increasing the number of children accessing early education, leading to an overspend on the 2011/12 budget. The projected total overspend is currently £200,132.

Table 1 on Appendix 1 details early education take-up for 2010/11 and 2011/12. The number of eligible children has increased generally in 2011/12 however the shaded box at Summer 11 highlights the biggest increase in eligible children in this term. This together with an increased take-up level (81.5% compared to 79% in 2010/11) has led to the budget overspend. In Summer 2011, 46 children who were receiving 2 year old early education moved into 3 year old provision, which could also have contributed to the overspend. In total, the 2011 projection figures were exceeded as detailed below:

	3 year olds (pte)	4 year olds (pte)
Summer 2011	172.9	4.5
Autumn 2011	28.6	-14.3
Spring 2012	126	33.3

The reduction in 4 year old places in the Autumn term could be due to the maintained funding adjustments introduced with the Single Funding Formula whereby transitions of children into F1 needs to be undertaken by census date to ensure the children are taken into account for funding calculations.

The Early Years and Childcare Service have carried out budget projections for 2012 / 13 based on previous take-up levels and birth statistics. We have projected the number of 2 year olds who will be moving on to 3 year old early education each term, **however, further analysis would need to be undertaken to determine how many of these are likely to take-up their entitlement in the PVI / maintained sector.** Three budget projections have been included in this report, one based on number of eligible children, one taking into account the projected 2 year olds and assuming initially that they will all take-up their provision in the PVI sector and one assuming all 2 year olds moving into 3 year olds places in the Autumn term will take their place in the maintained sector. We are currently profiling 2 year old delivery for next year and will be able to project movement of 2 year olds more effectively by the end of January 2012

The following table details the number of 2 year olds we expect to take-up a place in 2012/13 and numbers who will become eligible for 3 year old early education during the year:

2 year old place transfers			<i>current children</i>	potential from new starters	potential from new starters	Numbers moving onto 3 year old place
Summer 2012			96			<b>96</b>
Autumn 2012			144	50		<b>194</b>
Spring 2013			12	50	80	<b>142</b>

**Budget Options for PVI Early Education element of DSG based on £3.60 / hour average Single Funding Formula rate:**

**Option 1 - take-up based on 2011/12 take-up levels against number of eligible children**

2012/2013	Eligible 3 / 4 year olds	Projected number of children taking up entitlement	% of eligible children taking up entitlement	Cost	Cost including additional 2 year olds	Cost Assuming all 2 year olds who become eligible for a 3 year old place in the Autumn term move into school
Summer 2012	5305	1787.8	33.7	1,255,036	1,322,427	1,322,427
Autumn 2012	3220	792.1	24.6	598,827.6	745,491	
Spring 2013*	4321	1391.4	32.2	826,491.6	910,839	910,839
				<b>2,680,355</b>	<b>2,978,759</b>	<b>2,832,094</b>

**Option 2 - take-up based on 2011/12 take-up levels against number of eligible children plus 1% increase in take-up**

2012/2013						
Summer 2012	5305	1856.8	35%	1,303,474	1,370,865	1,370,865
Autumn 2012	3220	805	25%	608,580	755,244	
Spring 2013*	4321	1425.9	33%	846,984	931,332	931,332
				<b>2,759,038</b>	<b>3,057,442</b>	<b>2,910,778</b>

**Option 3 - take-up based on 2011/12 take-up levels against number of eligible children plus 2% increase in take-up**

<b>2012/2013</b>						
Summer 2012	5305	1909.8	36%	1,340,680	1,440,363	1,440,363
Autumn 2012	3220	837.2	26%	632,923	779,587	
Spring 2013*	4321	1469.1	34%	872,645	956,993	956,993
				<b>2,846,248</b>	<b>3,176,944</b>	<b>3,030,280</b>

\*Spring increases are based on Spring 2012 projected take-up

For information: Full take-up: assuming the current percentage of children continued to take up their entitlement in the maintained sector, if every additional eligible child was to take up their full entitlement in the PVI sector the total cost would be **£3,771,684**.

### **Additional costs which need to be taken into consideration**

In addition to the above projections, the costs of administration of this funding, including receipt of estimate / headcount information, processing of payments and monitoring of the budget equate to a full time Band F post and the annual charges for the system used to administer the funding need to be taken into account:

Administration of the funding: **£26,809**  
 QA Plus Database Annual Charges **£3,500**

The Early Years and Childcare service recommendation would be to accept Option 2 including the second option allowance for 2 year olds - £2,910,778. This means that a total budget of **£2,941,087** would be required from the DSG for 2012/13.

It should be noted that this is a needs led budget and the above projections have been carried out based on existing information and future expectations, however, actual take-up will always be based on parental choice. A review of the current process of distribution of the funding will be undertaken as well as ongoing analysis of take-up and reports provided to Schools Forum.

### **7. Costs of transition during the Autumn Term**

PVI Early Education providers receive funding based on actual attendance of children. They receive funding termly in advance based on an estimate provided prior to the start of each term and adjustments are made based on actual hours / days that children have taken up based on headcount details provided at the end of each term. With the introduction of the Single Funding Formula, schools receive funding at the beginning of the financial year, based on the previous years take-up and adjustments are made based on the number of children taking up an F1 place at the Census date each term.

Historically, children who have previously accessed early education with a PVI provider have returned to the provider in the Autumn term until they start their F1 place at a school. In some cases this can be for a number of weeks due to staggered transitions into school.

This leads to double funding as PVI providers will be funded for the actual number of sessions taken up by eligible children and schools will be funded for the whole term, assuming children start by the October census date. This year, PVI sector providers were funded a total of £22,850 for children 173 who were also included on the school October census across 43 schools.

There are several options that could be considered in relation to this:

1. No change – continue to allow schools to stagger entry in the Autumn term and allow eligible children to access their entitlement in the PVI sector until they start their school place.
2. Ensure that children all new F1 starters in September are provided with a place at the start of the term. This will have a slight negative impact on sustainability of PVI provision as well a potential impact on smooth transition of children into F1 and a requirement for schools to carry out increased transition support activity in the Spring term.
3. Adjust funding of schools for the Autumn term based on actual start date of children rather than funding for the whole term.

It is important that children are able to access their entitlement. Schools Forum is asked to consider the above proposals and advise whether any of the above or alternative actions should be taken.

### **8. Risks and Uncertainties**

As this is a needs led budget, it is important to take into account the following factors which could have an impact on take-up of early education and therefore budget required:

- Number of eligible children – the projections are based on birth statistics provided by Health. This information assumes accuracy of this data and does not take into account any movement of children into or out of the area.
- Take-up rates – increases in children taking up their full entitlement whether that be for full number of terms entitled to or number of hours (max 15 hours per week) would impact on the budget
- 2 year old early education – the impact of delivery of 2 year old early education places is not currently fully known
- Awareness raising activity could increase take-up levels
- New provision – any new provision opening in the borough could increase take-up
- Parental choice – awareness raising could increase take-up, however, a number of parents may still chose not to take up their early education entitlement
- Changes to the DfE Code of Practice for the delivery of early education – consultation is currently being undertaken but proposed changes include enabling children to take up their entitlement over a minimum of 2 days rather than the current minimum of 3 days. This could increase take-up

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**Table 1: Early Education take-up in 2010/11 and 2011/12**

Take-up of Early Education														
Term/Year	Eligible children	3 Year Olds		4 Year Olds		PVI Children	PVI PTE	Maintained Children	Maintained PTE	TOTAL children	TOTAL PTE	PVI % takeup	Maintained PTE % takeup (as % of pop)	Total PTE % takeup (as % of pop)
<b>2010/2011</b>														
Summer 2010	4750	1424	1163.23	399	360.32	1823	1523.55	2504	2231	4327	3754.55	32.1	47.0	<b>79.0</b>
Autumn 2010	3210	1117	741.24	198	47.76	1315	789	2273	2244	3588	3033	24.6	69.9	<b>94.5</b>
Spring 2011	4358	1223	1121.6	253	225.51	1476	1347.11	2466	2442	3942	3789.11	30.9	56.0	<b>86.9</b>
<b>2011/2012</b>														
Summer 2011	5206	1596	1386.16	394	369.15	1990	1755.31	2530	2490	4520	4245.31	33.7	47.8	<b>81.5</b>
Autumn 2011	3396	1107	785.43	103	33.48	1210	818.91	2412	2392	3622	3210.91	24.1	70.4	<b>94.5</b>
Spring 2012*	4544	1183	1067.6	285	268.6	1468	1336.2					29.4		
Spring 2012**	4544		1193		269.6		1462.6					32.2		

\*estimate figures based on November 2011 data

\*\* projection figures based on November 2011 data plus previous year's increases between Nov 11 and Spring Headcount

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