

# Consultation on school, early years and 14-16 funding 2008-11

## Consultation Response Form

The closing date for this consultation is: 1 June  
2007

Your comments must reach us by that date.

department for

**education and skills**

creating opportunity, releasing potential, achieving excellence

**THIS FORM IS NOT INTERACTIVE. If you wish to respond electronically please use the online or offline response facility available on the Department for Education and Skills e-consultation website (<http://www.dfes.gov.uk/consultations>).**

The information you provide in your response will be subject to the Freedom of Information Act 2000 and Environmental Information Regulations, which allow public access to information held by the Department. This does not necessarily mean that your response can be made available to the public as there are exemptions relating to information provided in confidence and information to which the Data Protection Act 1998 applies. You may request confidentiality by ticking the box provided, but you should note that neither this, nor an automatically-generated e-mail confidentiality statement, will necessarily exclude the public right of access.

**Please tick if you want us to keep your response confidential.**

Name Kate Goddard  
Organisation (if applicable) Daycare Trust  
Address: 21 St George's Road, London SE1 6ES

If your enquiry is related to the policy content of the consultation you can contact e-mail: [SchoolFunding.Questions@dfes.gsi.gov.uk](mailto:SchoolFunding.Questions@dfes.gsi.gov.uk)

If you have a query relating to the consultation process you can contact the Consultation Unit on: Telephone: 01928 794888; or email: [consultation.unit@dfes.gsi.gov.uk](mailto:consultation.unit@dfes.gsi.gov.uk)

If you have a query relating to the consultation process you can contact the Consultation Unit on: Telephone: 01928 794888

Fax: 01928 794 311

e-mail: [consultation.unit@dfes.gsi.gov.uk](mailto:consultation.unit@dfes.gsi.gov.uk)

Please tick one of the boxes below that best describes you as a respondent

<input type="checkbox"/> Local Authority	<input type="checkbox"/> Schools Forum	<input type="checkbox"/> Joint LA and Schools Forum
<input type="checkbox"/> Headteacher Association	<input type="checkbox"/> Teacher or Support Staff Union	<input type="checkbox"/> School Leader
<input type="checkbox"/> School Governor	<input type="checkbox"/> Bursar/School Business Manager	<input type="checkbox"/> Other School Staff
<input type="checkbox"/> Early Years Provider	<input type="checkbox"/> 14-19 Provider	<input type="checkbox"/> 14-19 Partnership
<input type="checkbox"/> Parent	<input type="checkbox"/> Pupil or student	<input checked="" type="checkbox"/> Other (please specify)

Please Specify:

National voluntary organisation in the early years field.

Please note that we have only responded those questions that concern the early years sector, as that is our area of expertise.

Are you responding on behalf of an organisation?

Yes

No

Please Specify:

Daycare Trust

Which Local Authority area do you come under?

Comments:

If you are a school respondent, please tick as appropriate

<input type="checkbox"/> Nursery	<input type="checkbox"/> Primary	<input type="checkbox"/> Secondary
<input type="checkbox"/> Special	<input type="checkbox"/> Other (please specify)	

Please Specify:

If you are an early years provider, which setting are you from?

<input type="checkbox"/> Early Years Providers - Private	<input type="checkbox"/> Early Years Provider - Voluntary	<input type="checkbox"/> Children's Centre
--	---	--

Please Specify:

## CHAPTER 2: THE DISTRIBUTION OF DSG TO LOCAL AUTHORITIES

Page 12, para 23

1 Do you agree that the 'proportionality test' should be removed from the criteria used by local authorities and Schools Forums to decide whether there should be a contribution from the centrally retained Schools Budget to local authority combined services budgets in support of ECM outcomes?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

Page 21, para 41

2 Which method of distribution would you prefer for the period 2008-11: Spend plus or single formula?

Spend plus

Single Formula

Comments:

3 Should we move the pupil number count used for Dedicated Schools Grant allocations from January back to the preceding autumn?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

4 In the long term, which method of counting under 5s would you prefer: headcount or provision based?

Headcount

Provision based

Comments:

Daycare Trust believes that the most important aspect of any counting system is that it removes inconsistency between areas and types of provision. For us, the most important thing will be how the local authority then distributes the money it receives to early years providers.

We would suggest that rather than a headcount or a provision-based count, it may be more appropriate to base local authorities' allocations on the population of children in the local area. Given that the free-entitlement should be a universal offer, this would enable local authorities to build up to 100% take up of provision, particularly for three-year olds. This will also be predictable from year to year. This allocation could then be reduced if a local authority has less than 90% (or another appropriate figure) take-up.

We do see the advantages of a provision-based count, and believe that it would be useful to have a system that allows funding to increase as provision increases.

Page 28, para 71

5 Which method of transferring funding for academies should we use: the current method or the recoupment method?

Current

Recoupment

Comments:

Page 28, para 72

6 Should pupils at academies for whom individually assigned SEN resources are allocated, be included on form 8B?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

Page 31, para 81

7 Should we consider using geographical based indicators such as Acorn and Mosaic in the distribution of DSG?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

Page 31, para 81

8 Are there other deprivation indicators that we could consider?

Comments:



Page 32, para 84

9 Should we seek to target funding at pockets of deprivation in less deprived authorities?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

Page 32, para 84

10 If so, which method of distribution should we use?

Per pupil grant

Threshold based

Comments:

Page 33, para 87

11 Would a grant for exceptional circumstances be a helpful addition to the flexibility of the system?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

### CHAPTER 3: SCHOOL FUNDING FROM 2008-09

Page 38, para 99

12 How would you prefer the Central Expenditure Limit to be set: by the current method; or through the simpler comparison between cash increases in Dedicated Schools Grant and ISB?

Current method

Cash comparison

Comments:

Page 41, para 113

13 Do you agree that we should remove the asymmetry from the Minimum Funding Guarantee methodology?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

Page 42, para 116

14 Do you agree that we should allow authorities to agree with their schools changes to the MFG methodology which affect up to 50% of their schools, as opposed to the current 20% limit?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly

disagree

Comments:

Page 43, para 116

15 Are there other changes to the decision making process on MFG variations that you would like to see considered – such as requiring there to be a majority of both primary and secondary school representatives in favour of a proposal?

Comments:

Page 44, para 122

16 Should we continue with the 1% headroom between the MFG and DSG minimum increase or should we reduce the margin?

1% headroom

Reduce margin

Comments:

Page 45, para 126

17 Do you agree that the assessment of cost pressures feeding into the MFG should take account of efficiency savings, and thus lead to a lower level of MFG?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

Page 45, para 126

18 Should we go further than this, and reduce the MFG to below average cost pressures in the second and subsequent years of the CSR?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

Page 48, para 135

19 Would a levy on balances and extra guidance be effective in reducing the current level of excessive balances?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

Page 49, para 139

20 Should we amend the Schools Forum regulations so that other members of school senior management teams, including Bursars, can be elected as schools members?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

Page 49, para 142

21 Do you agree that all local authorities should have non-schools members from the early years sector and 14-19 partnerships?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

Daycare Trust agrees that all LAs should have early years representation on Schools Forums. This is essential if the funding is to be seen as transparent. Furthermore, we believe that PVI settings need to have a voice, as well as maintained sector provision.

Page 49, para 142

22 Should we raise the current maximum proportion of non-schools members above 20%?

<input checked="" type="checkbox"/> Strongly agree	<input type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:

With introduction of 14-19 and early years on Forums, it may be appropriate to change the proportions. This should better reflect the proportion of early years, schools and 14-19 provision in the Local Authority area.

#### CHAPTER 4: FUNDING FOR SPECIALISED DIPLOMAS AT 14-16

Page 54, para 157

23 Do you agree that funding for specialised diplomas for 14-16 year olds should be through a specific formula grant?

<input type="checkbox"/> Strongly agree	<input type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:



24 Are the three models for distributing funding for specialised diplomas at 14-16 to the front line the right range of options?

Comments:

25 Do you agree that we should leave the choice of which option to local discretion?

<input type="checkbox"/> Strongly agree	<input type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:

26 Do you agree that the LSC funding methodology should be used as the basis of setting the cost of partnership provision to schools, with local discretion to reflect the varying costs of provision and funding levels received by schools?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

## CHAPTER 5: EARLY YEARS FUNDING

Page 68, para 207

27 Do you agree that local authorities should introduce a standardised method for calculating the unit of funding for early years provision in maintained and PVI settings for the coming CSR period?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

Daycare Trust agrees that there should be a standardised method for unit of funding between the PVI and maintained settings. This needs to be introduced as soon as possible, both to identify the true cost of provision in different areas and will close the funding gap between provider sectors. We believe there is an urgent need for transparency in funding methods.

We believe there should be a standard amount fundable, based on occupancy, and that the unit of funding must recognise quality. There could be local authority discretion on quality uplift. This would mirror some of the developments in New Zealand, where there is a variable cost component that recognises diversity across providers (eg in terms of operating, labour and property costs). This also gives financial incentives to improve quality, as

providers will receive higher grants if they improve the quality of their setting, eg by training staff or reducing child:staff ratios.

We also believe that a requirement of funding should be that nurseries **must** advertise **free** places – ie that parents who only want to take-up the free entitlement can do so, rather than being coerced into paying for additional hours that they don't want or need. Daycare Trust has heard of a number of examples where parents have not been able to only take the free entitlement, which we believe goes against the government's policy aims.

We also have a number of questions on how a standardised method of counting would be implemented:

- a) How will the counting method include childminders who deliver the early years entitlement?
- b) Although the consultation mentions that with the introduction of the EYFS, maintained and PVI settings will be on an even footing, this will not be the case for all settings, as many PVI settings will not have a graduate leader and will not be operating a 1:13 ratio.
- c) Will this proposal simply retain the status quo, whereby maintained and PVI settings are funded on different levels, albeit with additional transparency?

28 How long would it take local authorities to develop, consult on and implement such a standardised method?

Comments:

29 Do you agree that local authorities should use the same methods to calculate pupil numbers in maintained and PVI settings for the coming CSR period?

<input checked="" type="checkbox"/> Strongly agree	<input type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:

Yes, Daycare Trust does strongly believe that local authorities should use the same methods to calculate pupil numbers in all settings. This will bring more stability to PVI settings, which is very important as sustainability is equally important for PVI as maintained settings.

This will be particularly important with the move to 15 hours flexible provision – otherwise local authorities will not be able to distinguish between settings delivering 15 hours flexible provision and those which only deliver 12.5 hours (such as independent schools).

Furthermore, we also believe that there must be proposals in place to enable schools/maintained settings to offer the 15 hours on a flexible basis from 2010. This will be essential in areas with a high proportion of maintained provision.

Page 70, para 213

30 Do you agree that we should retain a single budget calculation point for early years provision in the maintained sector?

<input type="checkbox"/> Strongly agree	<input type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input checked="" type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:

No. Currently the maintained and PVI sectors are in very different positions with regard to sustainability; with the maintained sector benefiting from yearly headcounts, compared to termly counts in the PVI sector. Daycare Trust believes that there needs to be greater alignment between the two sectors and that we need to move to a more regular count for all early years provision, with funding following the child. This would mean that all providers can benefit from increased funding if they have additional enrolments throughout the year, and will avoid funding being wasted on unfilled places. This would also allow local authorities to effectively allocate funding and ensure places are funded at the maximum level possible.

Page 70, para 213

31 Which of the options at paragraph 211, a-c, or an alternative approach, would improve the alignment of the funding systems for PVI providers and maintained schools and be achievable within funding constraints?

Places       Termly estimates      X Guaranteed Minimum  
 Other.

Comments:

Daycare Trust recommends that option c) is most appropriate. This will allow settings to plan staffing etc. for the whole year. This option should also help incentivise settings to fill their places over the year, which option a) would not.

Page 72, para 220

32 Would moving to a single formula for funding the free entitlement across maintained and PVI providers better enable local authorities to commission flexible provision?

Strongly agree       Agree       Neither agree nor disagree  
X Disagree       Strongly disagree

Comments:

Daycare Trust believes that while a single funding formula in theory sounds like a good idea, it would be too complicated to devise and implement. Local authority managers already struggle with the complexity of early years funding systems, and this may only serve to make it more complicated. There will be funding differences between the sectors, and also between providers within sectors, eg providers delivering sessional or full daycare. For example, there may be different costs for the private and voluntary sectors, but it should not be assumed that voluntary provision is necessarily cheaper. There will also be different costs for childminders.

If there is further detail available about how the formula would be devised and work in practice, and if local authorities and providers both supported a formula, we would be happy to see one in place, providing it is flexible enough to respond to changing patterns of demand and supports those parents who find it most difficult to pay for childcare.

Page 72, para 220

33 If so, over what timescale would it be practical to implement such a formula?

Comments:

Page 73, para 223

34 We would welcome views on whether further changes or guidance are needed to develop this wider function of Schools Forums in relation to the Every Child Matters agenda.

Comments:

35 Would separately identifying funding for the early years entitlement help local authorities to ensure that the free entitlement is funded appropriately?

<input type="checkbox"/> Strongly agree	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:  
Daycare Trust believes that separately identifying funding for the early years entitlement would be very helpful at this stage in developing the entitlement, especially with the move to 15 hours flexible provision. This would improve transparency of funding and ensure that local authorities are able to meet their duties under the Childcare Act.

## CHAPTER 6: SPECIFIC GRANTS

36 Do you agree that we should merge SSG and SSG (P) from 2008 09?

<input type="checkbox"/> Strongly agree	<input type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:

37 In taking forward changes to the distribution of SDG over the period 2008-11, which method of transition would you prefer: (a) a cash (0%) floor; (b) a floor below 0%, to be set by DfES?

Cash (0%)

Below 0% DfES

Comments:

38 Should make payments of specific grants to academies from the Department rather than through local authorities from 2008-09?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:



39 Do you have any other comments about the consultation?

Comments:

40 Please let us have your views on responding to this consultation. For instance did you have any difficulty understanding any of the questions and did you think we had the right number or type of questions?

Comments:

Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

**Please acknowledge this reply X**

Here at the Department for Education and Skills we carry out our research on many different topics and consultations. As your views are valuable to us, would it be alright if we were to contact you again from time to time either for research or to send through consultation documents?

X Yes  No

All UK national public consultations are required to conform to the following standards:

1. Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy.
2. Be clear about what your proposals are, who may be affected, what questions are being asked and the timescale for responses.
3. Ensure that your consultation is clear, concise and widely accessible.
4. Give feedback regarding the responses received and how the consultation process influenced the policy.
5. Monitor your department's effectiveness at consultation, including through the use of a designated consultation co-ordinator.
6. Ensure your consultation follows better regulation best practice, including carrying out a Regulatory Impact Assessment if appropriate.

Further information on the Code of Practice can be accessed through the Cabinet Office Website: <http://www.cabinetoffice.gov.uk/regulation/consultation-guidance/content/introduction/index.asp>

**Thank you for taking time to respond to this consultation.**

Completed questionnaires and other responses should be sent to the address shown below by 1 June 2007

Send by post to: Consultation Unit, Area 1a, Castle View House, East Lane, Runcorn Cheshire WA7 2GJ

Send by e-mail to: [schoolfunding.consultation@dfes.gsi.gov.uk](mailto:schoolfunding.consultation@dfes.gsi.gov.uk)