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Early Years Budget Share Proposed Changes

Report of the Operations Director, Education

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1. Purpose

- 1.1 To seek the approval of the Forum to consult regarding amending the Early Years budget share process

2. Summary

- 2.1 The paper details proposed changes to the Early Years budget share process to improve the current monthly funding process. Schools Forum is asked to allow officers to conduct a short consultation to all early years' providers. Officers will return in February with the results of the consultation.

3. Background

- 3.1 All early years providers have been funded monthly since April 2017 in line with new requirements from DfE to ensure providers receive prompt payments. The new monthly payments have supported providers with their cash flow, however, after reflection and discussions with providers and other LA's it is proposed to simplify the process.

4. Proposals

4.1 Monthly Budget Share instalments

- To be based on the spring funding return (where possible including adjustment week return). The total hours for 2YO, 3/4 YO and 30H will be multiplied by 3 to give an approximation for the year for the hours delivered;
- As spring census numbers are used for the calculations of funding received by the LA this would mirror same approach for providers
- Using the spring calculation will equate to approximately **87%** of the funding based on 570 hours – this should greatly minimise the

likelihood of needing to clawback any funding which causes confusion to providers;

- Another advantage to this approach is that new providers who open in the Spring will not be penalised as they had no return in the Summer/Autumn and will receive a full budget share.

4.2 Funding return periods

- It is proposed to move the initial funding return and adjustment weeks to be earlier to better serve providers;
- **Spring funding return will remain the same due to Early Years census requirements;**
- The advantage would mean quicker reconciliation payments to providers along with allowing children to start later in each term and providers would still be funded;
- Separating the funding return week from census week for Summer and Autumn should also reduce workload for Schools in those weeks.

4.3 Additional funding

- **CLA** funding to be based on actual children with the provider in each funding period. Payment will be made in each funding period after their return;
- **EYPP** funding to be based on actual children and number of hours they have received in the funding period –this will mean an extra hourly supplement for children paid on submission of funding return / funding return adjustment.

4.4 Proposed timetable

Funding Period	Type	When	Weeks into funding period
Summer 2018	Funding return week	30/04/18 – 04/05/18	5
Summer 2018	Adjustment week	09/07/18 – 13/07/18	15
Autumn 2018	Funding return week	10/09/18 – 14/09/18	2
Autumn 2018	Adjustment week	10/12/18 – 14/12/18	15
Spring 2019	Funding return week	14/01/19 - 18/01/19	3
Spring 2019	Adjustment week	11/03/19 – 15/03/19	11

5.0 Recommendation

Schools Forum is requested to approve officers consulting with all early years providers before the February 2018 Schools Forum meeting to enable any agreed changes to be made for the new financial year (2018/19)