

Early Years funding formula and rates:

Information in response to questions such as:

How much will funding be for the universal and extended entitlement?
Can we charge?
What can we charge for?
Will the rate be the same for all providers?
What is the payment schedule?

Early Years funding formula and rates:

The government has now finalised the early years funding formula. Solihull council will be getting an increased level of central government funding for early years provision. The increased funding will be passed onto all providers as part of the revised early years funding formula agreed by the council, the details of which are as follows:

The new SMBC rates for early years funding will apply to all providers, including schools. It will be the same rate for the first universal 15 hours and also the extended entitlement [30 hours]. The agreed new SMBC rates for early years funding is as follows:

Base rate: £3.90 per hour for both the universal and extended entitlement.
Additional funding (where eligible): 63p/hr deprivation payment / 53p/hr Early Years Pupil Premium

Where a child is receiving a disability living allowance a further payment of £615 per year is available.

It is not anticipated that the new SMBC funding rates will rise significantly in the future. Schools will not be changing their accounting requirements. The single hourly rate is a government requirement and is not a local arrangement.

Due to the way the government is delivering changes to the funding paid to SMBC, for the 2017/18 financial year PVI and childminders will receive funding of £3.90 per hour and schools will receive funding of £3.80 per hour. Schools will start receiving the full £3.90 per hour in the 2018/19 financial year.

It should be noted that the council do not provide funding based on the quality of care and education at a provider setting as this is not part of the legislation put forward by the government.

Payments are currently made on a termly basis. An advanced payment of 75% of the expected total funding amount is made at the start of the term and the remaining amount at the end of the term based on actual headcount information. The current payment schedule is issued by the SMBC FIS Team on a termly basis and shows the schedule for the next three terms (including the current term).

The revised statutory guidance states that local authorities should pay all providers, particularly childminders, monthly and will be expected to do so from September 2018. If a provider requests and the local authority agree an existing alternative sustainable method of payment may be continued.

The council receives funding from the government based on the number of funded hours being taken at settings at a particular time of the year. This is currently based on the Early Years Census that is completed each spring.

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Additional support for providers:

Whilst SMBC provides business support for new providers it does not currently offer this support for existing providers. We are working with Childcare Works to deliver a "Making the extended entitlement work for you" event on the 15th May 2017. It will cover business support including sustainability. An invite to this event was sent to providers in Jan-17. The invitation letter is available at <http://www.solgrid.org.uk/eyc/communications/>

A document containing further information on getting ready for 30hrs can be found via the following link: <http://www.childcareworks.co.uk/resources/business-planning#filter>.

Additional Charges:

Government funding is intended to deliver 15 or 30 hours a week of free, high quality, flexible early education and childcare.

It is not intended to fund the cost of consumables (such as drinks, meals and nappies) or additional services. Providers are already free to charge parents for such discretionary items provided they are not compulsory.

So, for example, paying for additional services must not be a condition of taking up a free publicly-funded place. The government is clear that the entitlements should be completely free and that parents should not be asked to pay any fee as a condition of taking up their child's place. However, we will make clear that providers can already charge parents for trips and for consumables such as nappies and sun cream, and that this will continue to be the case under the extended entitlement.

Childminders will still be able to charge for any additional hours that are not covered by the funded hours. The parents will be charged a reduced amount by the childminder, as part of the hours delivered will be covered by the 30hr free childcare entitlement. This does not change any individual arrangements that a childminder has with a parent in relation to charging a full day when having to pick up a child at the end of a school nursery session.

Payments for any previously charged for hours, subsequently covered by the free childcare entitlement, will be paid by SMBC via claims submitted by providers. Providers will continue to charge parents for any hours over and above that which is covered by the free childcare entitlement.

Any refunds in relation to funding hours will be covered by the existing arrangements. Adjustments for funding will be covered by claims for early leavers or late starters. Refunds to parents would still need to be made for any payments they have made which need to be reimbursed.