

Report

Report Title: **Early Years Funding Processes**

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1) Purpose/Background

To look at the two current funding processes in place to pay Private, Voluntary and Independent Sector (PVI) & School based Early Years provision their early years entitlement funding.

Currently the process that is in place for school based early years settings does not allow for adjustments to funding after the set headcount date each term, this option is available to the PVI sector. There have been a number of queries raised to the early years team about the equitability of this and the option for this to be available to school-based settings.

2) Summary

Current funding process for the PVI sector

Settings currently submit their claims via a funding portal, Synergy (this includes EYPP applications).

The termly funding process:

- **Forecast** – Prior to the start of a new term settings submit a forecast to the Local Authority with predicated numbers of children and hours per week for the upcoming term. This forecast is used to determine and/or adjust a providers monthly funding payments for all of the funding entitlements from 9 months upwards.
- **Headcount** - Settings submit actual headcount data through Synergy by the set deadline each term. This data is used to calculate the actual balance due. The monthly payment may increase or decrease depending on this data.
- **Adjustments** - At the end of each term PVI and Childminder settings are able to make adjustments to their data through Synergy. A child may have joined the setting after the headcount date or may have left the setting – these adjustments, both positive and negative, are then used to calculate balancing payments or adjustments to monthly payments.

Current funding process for Schools

Schools currently submit their early years data termly to the local authority, as an additional document based on their termly statutory School Census return. (EYPP applications are submitted separately)

The termly funding process:

2 Year old Funding

- **Headcount** – Schools submit their actual data each term. A one-off payment is calculated and paid each term based on the figures submitted.

3&4 Year Old Funding

- **Forecast** – Schools are emailed each January with a spreadsheet to complete to forecast their hours for the Summer, Autumn and Spring Terms for the following financial year. This information is used to calculate the provisional nursery funding, this is included within the initial school allocations which are sent to schools by 28th February each year.
- **Headcount** – Schools submit their actual data each term. These actual headcounts are then compared to the initial termly forecasts provided by schools. Any increase or decrease in funding is notified to schools via the monthly funding adjustment letters which schools receive.

3) Recommendations

- Schools funding is administered via Synergy. Schools would have an account to upload and submit all funding claims. This would allow for termly adjustments to be made.

- Schools maintain the current funding system, which does not require them to use Synergy. This system does not allow for adjustments to be made due to the complex nature of administering this without using a funding portal.