

**Consultation - Bradford District Early Years Single Funding Formula 2016/17**

Introduction

This is a statement for consultation, which summarises the basis on which the Local Authority proposes to fund settings across the Bradford District for the delivery of the 2, 3 and 4 year free entitlements to nursery provision in the 2016/17 financial year, using the Early Years Single Funding Formula (EYSFF).

Please read this summary alongside the [timetable document](#Timetable), which is attached as an appendix.

No regulatory changes are being made by the DfE to the operation of the EYSFF in 2016/17 and the Authority continues to have flexibility at a local level to agree our own funding approach.

Therefore, following discussion with the Early Years Working Group and the Schools Forum, the Authority proposes to use the same approach to the calculation of funding allocations for the 2016/17 financial year as used for 2015/16.

The Authority does propose however, to change the way funding is paid to Private, Voluntary and Independent Providers, so that funding is paid, from April 2016, on a monthly advances basis. This proposal is explained further below. Please note that this does not change how funding allocations are determined, just how these allocations will be physically paid to providers. Maintained schools and academies are already paid on a monthly advance basis and the Authority intends to continue the current methodology.

Additional Important Information

1. National Funding Formula

The DfE has signalled the intention to move to a National Funding Formula (NFF). We await further announcements, which will confirm the implementation timescale and what the DfE proposes the NFF will be. We anticipate, based on recent announcements, that implementation will take place from April 2017. We expect more detailed consultation shortly on this, which will enable us to assess the extent to which our current funding approaches will change and the implications on individual settings. The key aspect of a national formula, which will have an impact on funding in the District, is the value of hourly rates that are set, recognising that we currently fund the 3 and 4 year old free entitlement at a higher hourly rate than the basic national average and the average of our statistical neighbour authorities. A NFF may mean a reduction in funding for Bradford Early Years settings if the national rate is set near to the current national average. For awareness, Bradford’s 2014/15 per hour funding rates for the 3 and 4 year old free entitlement were greater than our than the median average of our statistical neighbours as follows:

* PVI Providers +£1.30
* Classes +£0.76
* Schools +£0.42

The DfE however, has recently published a ‘call for evidence’ asking for feedback from authorities and early years providers on the sufficiency of funding rates nationally, responding in particular to widespread concern that the extension of the free entitlement to 30 hours for working parents will not be deliverable on current funding rates. The Government has made a commitment to increase national early years funding rates. It is realistic therefore, to anticipate that a future NFF funding rate would be set at a level higher than current national averages.

1. Extension of the free entitlement to 30 hours for working parents

The Government has announced plans to raise the free entitlement for 3 & 4 year olds from 15 hours per week to 30 hours per week where both parents are working either part time or full time for the equivalent of 8 hours per week at the national minimum wage. This will be piloted in some areas from September 2016 with full implementation planned from September 2017. Bradford has expressed an interest in being a pilot authority. We will not know until later in the year if we have been selected.

1. Other Information

Please be aware that the hourly base rates shown in the technical statement are indicative only at this stage and will not be confirmed until the Schools Forum makes recommendations on the overall budget in January. The indicative base rates shown are the 2015/16 rates. Settings should be aware that, due to overall DSG budget pressures, it may be possible to retain a cash flat position in 2016/17.

The Minimum Funding Guarantee (MFG) will continue to be applied to EYSFF Base Rates in 2016/17. This means that, was the Schools Forum to decide to reduce base rates in 2016/17 to manage DSG affordability, then the maximum reduction would be limited to 1.5% of the indicative base rate values shown in this draft technical statement. Please be aware that deprivation rates are not covered by this MFG.

All funding relating to Early Years SEN resourced provisions is excluded from the operation of the Early Years Single Funding Formula. Settings will not receive EYSFF funding for children placed in resourced provision. Instead, settings will be funded via the High Needs Place-Plus model.

We expect the Early Years Pupil Premium to continue in 2016/17. However, the DfE has still to confirm rates of funding. At this point providers should base estimates on the 2015/16 rates of up to £300 per year, or £0.53 per child per hour, for each eligible child. Paragraph k in the [Technical Statement](#TechnicalStatement) gives further information.

Proposed Move to Monthly Advances – PVI Providers

Currently, although funding allocations for maintained schools and PVI providers are calculated on the same basis, allocations are paid differently. In simple terms, the Local Authority makes payments to maintained schools and academies according to a well-established monthly profile, so that schools receive funding in 12 instalments. These instalments are referred to as ‘advances’. Payments are made to PVI providers on a termly lump sum basis, at the start of each term, with adjustments made to the next term’s payment for any over or under payment relating to the previous term.

A consequence of making payments at the start of each term is that settings that close during the term, or settings that have significantly reduced number from those originally estimated, are overpaid, with subsequent recovery. The Local Authority has encountered difficulties with recovering overpayments. This includes additional time chasing settings for repayment, but also, over the last 12 months, the Authority has been unable to recover amounts from some closed settings, resulting in debt charges to the DSG. In seeking to avoid this, but also recognising the significant operational advantages, for both the Authority and providers, we propose to move to a system of monthly advances for PVI providers, from April 2016.

The outline of the Authority proposal is shown below, and in the attached technical statement. We welcome feedback from PVI providers on the details of how a monthly advances system can be effectively operated.

In overview:

* Initial payment figures for each term will be calculated using Confirmed Indicative Budgets, as they are now.
* From these, 12 ‘standard’ advances will be calculated for payment between April 2016 and February 2017, with 2 payments to be made in April 2016. The first April payment is the April payment and will be paid into bank accounts on or around 7 April 2016\*. The second April payment is the May payment and will be paid into bank accounts on or around 22 April 2016\*.
* Subsequent payments will be paid monthly in advance into bank accounts between 21 and 25 of each month\*. A payment schedule detailing the monthly payments dates will be available in April 2016.
* Settings will have received their 12th standard monthly advance in February 2017, with a further 13th payment in March only being made where funds are still owed following the confirmation of the January Census numbers.
* Where a PVI setting experiences exceptional cash flow difficulties, they should contact the Local Authority to discuss the matter further. Contact details can be found in Section 3 of this document

The proposed framework by term is as follows:

* **Summer Term** funding from the Confirmed Indicative Budget is divided by 5 (no. of months in term) for 5 equal payments to be made between April and July.
* 2 payments are made in April, firstly for April and then for May. Payments for the remaining 3 months of summer term will be paid in May, June and July respectively.
* Any positive or negative adjustment following the re-calculation of funding using May Census actual numbers will be added to or deducted from the July advance.
* Where the July advance is insufficient to recoup the full value of any negative adjustment, the August advance will also be reduced. Where a negative balance is still outstanding after this, a deduction will be made from September advance.
* **Autumn Term** funding (either from the Confirmed Indicative Budget or from a revised calculation where the Authority has been notified of a change in numbers) is divided by 4 (no. of months in term) for 4 equal payments to be made between August and November.
* The payment for September will be made in August, with payments for the remaining 3 months of the term made in September, October and November.
* Any positive or negative adjustment following the re-calculation of funding using the October Census actual numbers will be added to or deducted from the November advance.
* Where the November advance is insufficient to recoup the full value of any negative adjustment, the December advance will also be reduced. Where a negative balance still outstanding after this, a deduction will be made from January advance.
* **Spring Term** 80% of spring term’s funding (either from the Confirmed Indicative Budget or from a revised calculation where the Authority has been notified of a change in numbers) is divided by 3 (no. of months in term) for 3 equal payments to be made between December and February.
* The payment for January will be made in December, with payments for the remaining 2 months of the term made in January and February.
* Any positive adjustment following the re-calculation of funding using the January Census actual numbers will be paid in a single additional payment at the end of March. This payment will include any funds owed from 20% of the termly amount being withheld from the initial advances calculation.
* A setting that has still been overpaid, after the 20% that was withheld from the initial calculation has been taken into account, must repay the value of overpayment by cheque by **30 April 2017.** Where a cheque is not received by 30 April 2017, the Local Authority will deduct the value of the outstanding overpayment from the next available monthly advance in the summer term. This is likely to be in May 2017.

\* Please note that all dates are subject to confirmation.

An example of how the payments and adjustments will be calculated and applied:





**If you wish to provide feedback on the proposal to move to monthly payments for PVI provider, or on any aspect of the proposed funding approach for 2016/17, please contact the following officers:**

* **Maintained settings: Dawn Haigh, 01274 433775,** **Dawn.Haigh@bradford.gov.uk**
* **PVI settings: Jaclyn McManus, 01274 431965,** **jaclyn.mcmanus@bradford.gov.uk**

 **Samantha Padgett, 01274 431386,** **Samantha.padgett@bradford.gov.uk**

**The deadline for responses is Friday 16 October 2015**

Responses to this consultation will be considered by the Schools Forum at its meeting on 22 October 2015.



**Bradford District Early Years Single Funding Formula 2016/17**

**(DRAFT AUTUMN 2015)**

**1) The Basic Early Years Single Funding Formula (EYSFF) for 3 and 4 year olds in 2016/17 is:**

***(a + b) x c + (d + e) = Total EYSFF Funding 2016/17***

*a) Setting Base Rate (£ per child per hour)*

*b) Setting Deprivation & SEN Rate (£ per child per hour)*

***(a + b) = Setting’s Total Funding Rate***

*c) No. of Free Entitlement Hours delivered at the setting (per year)*

*d) Funding for Sustainability (where applicable)*

*e) Funding for Children Looked After (where applicable)*

For example, assuming that all children at a setting take 15 hours entitlement per week for 38 weeks per year, funding using the EYSFF in 2016/17 will look like:

*a) Setting Base Rate £4.13 \*\* Classes Base Rate*

*b) Setting Deprivation & SEN Rate £0.37 \*\* illustrative only*

***The setting’s funding rate = (£4.13 + £0.37) = £4.50***

*c) No. of Free Entitlement Hours delivered at the setting (per year)* ***= 39,660*** *calculated as follows:*

 ***Children Hours Delivered***

*i Summer Term 78 14,040 (78 x 15 hpw x 12 weeks)*

*ii Autumn Term 62 13,020 (62 x 15 hpw x 14 weeks)*

*iii Spring Term 70 12,600 (70 x 15 hpw x 12 weeks)*

***Sub Total EYSFF Funding = £4.50 x 39,660 = £178,470***

*d) Sustainability £0*

*e) Funding for Children Looked After £1,000*

***Total EYSFF Funding = £178,470 + £0 + £1,000 = £179,470***

**2) As in 2015/16, the 2 year old offer in 2016/17 will be funded via a simple flat rate. The value of rate for all providers is indicatively set at £4.85 per child per hour. Funding will be calculated on a termly count of children, in the same way that participation is calculated for 3 and 4 year olds, but incorporating a 2nd headcount date.**

**SECTION 1**

**a) There are 3 ‘Setting Base Rates’ for 3 and 4 year olds in 2016/17:**

|  |  |
| --- | --- |
| **Type of Setting** | **Indicative Base Rate Value** |
| Maintained Nursery Schools*\*includes £0.06 for school meals and kitchen repairs* | **£5.71\*** |
| Maintained Nursery Classes in Primary SchoolsNursery Classes in Academies | **£4.14** |
| Private, Voluntary & Independent (PVI) Settings, including Childminders | **£4.63** |

* The Base Rates are expressed as values of funding per child per hour. These rates are calculated on a ‘needs-led’ basis, reflecting the actual costs of delivery of the free entitlement and that these costs are different for different types of setting.
* All settings of the same type are funded on the same Base Rate.
* The Base Rates are fixed at the point the 1st draft of Indicative Budgets are published, which for 2016/17 is in February 2016 (please see the [timetable](#Timetable)).
* For Primary schools with Nursery classes, funding allocated to support whole school costs remains fully within the Primary school funding formula (e.g. rates).

**b) The value of a setting’s ‘Deprivation & Special Educational Needs (SEN) Rate’ for 3 and 4 year olds is based on the measured level of deprivation of children taking the free entitlement at that setting**

* All Local Authorities are required by the Department for Education (DfE) to have a deprivation factor within their EYSFF. This funding is allocated, in addition to the Base Rates, specifically to:
	+ Support raising the educational outcomes and life chances of children from more deprived backgrounds
	+ Support the reduction of the attainment gap that currently exists between children from more deprived and children from more affluent backgrounds
	+ Support settings for the additional costs associated with the delivery of the free entitlement to children from more deprived backgrounds and to children that have additional lower level educational needs (Early Years Action, Early Years Action +).
	+ Please note that this funding does not replace the provision and processes in place within the Bradford District to support children with higher level special educational needs.
* As with the Base Rates:
	+ A setting’s ‘Deprivation & SEN Rate’ is expressed as a value per child per hour,
	+ These rates are fixed at the point the 1st draft of Indicative Budgets are published, which for 2016/17 is in February 2016,
	+ All hours delivered at a setting are funded at the same Deprivation and SEN Rate.
* Unlike the Setting Base Rates, Deprivation and SEN Rates vary according to the measured level of deprivation of children attending each setting. Each setting’s Deprivation and SEN Rate is calculated using the Index of Multiple Deprivation and the postcodes of children taking up the free entitlement at the setting, recorded in the January 2016, January 2015 and January 2014 censuses (3 year rolling average). Because of the time lag in data, the Local Authority appreciates that using this approach may produce some anomalous funding results, especially for smaller settings. We will keep this approach under review.
* Rates of funding have been calculated, based on the estimates of funded hours delivered used to calculate the Indicative Budgets, using the Index of Multiple Deprivation (IMD) scores linked to individual children’s postcodes. Where this data for an individual setting cannot be properly determined or is not available, and for settings that newly establish during the year, the setting’s deprivation rate will be calculated using the average IMD scores for all providers of this type. This is especially applicable for Childminders.

**c) Each setting is funded on the number of 3 and 4 year old free entitlement hours recorded as delivered in a single census taken each term**

* Each setting’s no. of funded free entitlement hours delivered for the 2016/17 financial year is the sum of:
	+ Summer term (beginning 1 April 2016): the total of free entitlement hours delivered per week recorded in the census taken on 19 May 2016, x 12 weeks
	+ Autumn term (beginning 1 September 2016): the total of free entitlement hours delivered per week recorded in the census taken on 6 October 2016, x 14 weeks
	+ Spring term (beginning 1 January 2017): the total of free entitlement hours delivered per week recorded in the census taken on 19 January 2017, x 12 weeks
* ‘Hours delivered’ are the free entitlement hours children are registered to take at that setting, taken from the contracts signed with parents for that term. ‘Hours delivered’ is not affected by the actual attendance of children at the time the censuses are taken.
* The dates for the censuses are the same for both maintained and PVI settings. The dates are those set by the DfE for the maintained termly censuses. One of the reasons for this is so that the census data for each setting can be cross checked to identify duplicate children.
* For maintained schools, the free entitlement hours information will be taken by the Local Authority from the data recorded in the “funded hours” field in the censuses, which schools submit to the DfE via the COLLECT website. PVI settings will be required, as is the process now, to complete a pre-populated form and to return this directly to Bradford Council EYCP via Bradford Schools Online.
* Adjustments will be made to the funding of settings that open or close (or cease to deliver free entitlement hours) mid-term, to reflect the proportion of the term applicable.
* No adjustment will automatically be made to funded free entitlement hours for starters or leavers after the census date in each term. However, exceptional circumstances can be considered where a setting admits a significant number of children after the census has been taken that term. Please see paragraph i below.
* An adjustment to funded hours delivered will be made specifically for the autumn term only, recognising that in this term the intake of children into nursery provision is often staggered into maintained settings and that eligible children may start the term at a PVI setting and then move to a maintained setting before the October census. Where a child started the autumn term at a PVI setting and has moved to a maintained setting prior to the October census, an adjustment will be made to split the funding for the autumn term, based on the number of weeks that a child has attended each setting. This adjustment applies for the autumn term only.
* For the purposes of calculating Indicative Budgets for all settings before the start of the financial year, estimates of the funded free entitlement hours that will be recorded in each of the censuses will be used. Adjustments will then be made in year, where actual numbers are different from these estimates. Please see paragraph e below.
* PVI settings, please note that, due to the very tight timescale for processing information, the count of funded free entitlement hours from the January 2016 census, which will be used to calculate 1st draft Indicative Budgets, will be taken from the census summary each setting provides, rather than from the full census return. If this summary is obviously incomplete or incorrect, the Local Authority will use the count from the January 2015 census. Settings will of course be able to revise the estimates before the Confirmed Indicative Budgets are published. Providers are required to complete the ‘Update to Termly Estimates Form’ issued by Bradford Council in order to revise the estimates used in the indicative budget. Providers must provide a valid reason for the amendment in order for the revision to be considered and applied.

**d) Only children eligible for the 3 and 4 year old free entitlement will be funded**

* The EYSFF for 3 and 4 year olds will only allocate funding for children in settings that are accessing the free entitlement from the term after their 3rd birthday. The 1 September, 1 January and 1 April are taken as start dates for each of the terms. The offer has been extended to eligible 2 year olds, but this does not mean all children accessing provision under aged 3 are eligible for EYSFF funding.
* The maximum number of hours any child will be funded for is 15 hours per week. This is the same for any child regardless of their age, so a four or five year old child staying in nursery (rather than starting Reception) will only be funded for 15 hours per week, unless funding for the additional 10 hours is specifically agreed with the Local Authority.
* Full Time Places have now ceased to be funded.
* Although a child can take up their entitlement over two settings, the maximum entitlement is still the equivalent of 15 hours per week over 38 weeks per year. Where a child attends two settings, the Local Authority will fund each setting on a pro-rata basis only up to a maximum of 15 hours. Where a child attends two settings, the individual settings should ensure they are aware of the free entitlement hours being accessed by that child at another setting; this should help to avoid funding discrepancies regarding duplicate pupils. This may involve discussion with the settings involved where the pro-rata split is not clear from the census returns.
* Maintained schools and academies will only be funded up to the maximum of their published admission number on a termly basis, expressed in hours e.g. a 52 place nursery’s maximum number of hours per week will be 52 x 15 = 780, so in 2015/16 for the summer term the maximum will be 780 x 12 weeks = 9,360; for the autumn term 780 x 14 weeks = 10,920; for the spring term 780 x 12 weeks = 9,360.
* Although a child can stretch their entitlement over more than 38 weeks, the Local Authority will fund settings on the basis that all children are taking their entitlement over 38 weeks. It is for the individual setting to then manage funding. To ensure settings are funded correctly, these children should still be recorded in the censuses as accessing 15 hours where they access an annual total of 570 hours (equivalent to 15 hours x 38 weeks).

**e) The Confirmed Indicative Budget published in March 2016 only gives an estimate of funding**

* A 1st draft Indicative Budget for 2016/17 for all settings will be published at the end of February 2016. This budget will:
	+ Show a setting’s Base Rate and Deprivation and SEN Funding Rate, which are fixed for 2016/17
	+ Be calculated on hours at setting information taken from the previous 3 termly censuses i.e. estimating that a setting’s numbers to be recorded in the following 3 censuses will be the same as the previous 3 censuses
		- May 2015 for an estimate of the May 2016 census
		- October 2015 for an estimate of the October 2016 census
		- January 2016 for an estimate of the January 2017 census
* Settings will then have the opportunity to revise their estimates, should they wish, to incorporate their latest information on admissions for the coming financial year. PVI providers must complete and submit the ‘Update to Termly Estimates Form’ to inform the LA of the revisions required. This form can be downloaded from Bradford Schools Online.
* A Confirmed Indicative Budget for 2016/17 will then be published in March 2016. This budget will be used to begin payments to maintained schools and PVI providers (see paragraph g below)
* To accompany the Confirmed Indicative Budget, a ready reckoner will be provided by the Local Authority in March 2016 for settings to use to anticipate the value of potential adjustments to funding and to plan their provision and cash flow accordingly.

**f) A setting’s actual funding will be adjusted from the Confirmed Indicative Budget to reflect differences between estimated and actual free entitlement hours delivered**

* Adjustments to funding will be calculated following each of the termly censuses:
	+ Please see the [timetable](#Timetable) for when adjustments will be published and actioned in 2016/17. These adjustments will alter the amounts of funding physically paid to settings.
	+ The adjustments will reflect the differences between the estimated and actual funded hours delivered,
	+ A ready reckoner will be provided by the Local Authority, alongside the Confirmed Indicative Budget in March, which settings can use to anticipate these funding adjustments and plan their provision and spending accordingly,
	+ A statement of the value of adjustments will be published in advance of the adjustments being actioned. Please see the [timetable](#Timetable).
* Additional notes on the calculation of funding adjustments:
	+ The value of adjustments is influenced by the accuracy of the estimates of funded hours in the Confirmed Indicative Budgets published in March,
	+ These adjustments can be both positive and negative,
	+ All adjustments for the 2016/17 financial year will be actioned before 31 March 2017 i.e. in year,
	+ Funding adjustments will take account of any sustainability funding; the ready reckoner provided by the Local Authority will incorporate this.
	+ Because of the very tight timescale for processing the data after the January 2017 census, the adjustments for the spring term 2017 for PVI settings will be based on the summary information. Where amendments to funding are subsequently identified e.g. for duplicate children, following the processing of the more accurate individual child level census data, these amendments will be incorporated into the adjustments made for the funding for the summer term 2017 following the May 2017 census. Where a setting does not pay back any money owed to the Local Authority at year end via cheque the value of funding owed will be taken from the setting’s summer term payment,
	+ Where closed or closing settings owe funding to the Local Authority that cannot be recovered through the adjustment of advances the setting will be asked to pay the funding back via cheque.

**g) In 2016/17 the way in which funding is physically paid, and the timing of adjustments to payments, will be on a monthly basis for both Maintained & PVI settings**

* Maintained schools already have a well-established monthly advances payment system and EYSFF funding will be allocated using this. Schools are already familiar with the way in which these advances are set at the start of the financial year, but are then adjusted to take account of changes in funding (e.g. for statemented SEN) during the course of the year; in June, September, December and March. The adjustments to EYSFF funding will be incorporated into the September 2016, December 2016 and March 2017 advances adjustments. Please see the [timetable](#Timetable).
* The move to monthly payments for PVI providers constitutes a change on 2015/16 arrangements. However, this change does not affect the way in which funding allocations are calculated; it simply adjusts the timing of funding payments.
* **Summer Term** funding from the Confirmed Indicative Budget is divided by 5 (no. of months in term) for 5 equal payments to be made between April and July.
* 2 payments are made in April, firstly for April and then for May. Payments for the remaining 3 months of summer term will be paid in May, June and July respectively.
* Any positive or negative adjustment following the re-calculation of funding using May Census actual numbers will be added to or deducted from the July advance.
* Where the July advance is insufficient to recoup the full value of any negative adjustment, the August advance will also be reduced. Where a negative balance is still outstanding after this, a deduction will be made from September advance.
* **Autumn Term** funding (either from the Confirmed Indicative Budget or from a revised calculation where the Authority has been notified of a change in numbers) is divided by 4 (no. of months in term) for 4 equal payments to be made between August and November.
* The payment for September will be made in August, with payments for the remaining 3 months of the term made in September, October and November.
* Any positive or negative adjustment following the re-calculation of funding using the October Census actual numbers will be added to or deducted from the November advance.
* Where the November advance is insufficient to recoup the full value of any negative adjustment, the December advance will also be reduced. Where a negative balance still outstanding after this, a deduction will be made from January advance.
* **Spring Term** 80% of spring term’s funding (either from the Confirmed Indicative Budget or from a revised calculation where the Authority has been notified of a change in numbers) is divided by 3 (no. of months in term) for 3 equal payments to be made between December and February.
* The payment for January will be made in December, with payments for the remaining 2 months of the term made in January and February.
* Any positive adjustment following the re-calculation of funding using the January Census actual numbers will be paid in a single additional payment at the end of March. This payment will include any funds owed from 20% of the termly amount being withheld from the initial advances calculation.
* A setting that has still been overpaid, after the 20% that was withheld from the initial calculation has been taken into account, must repay the value of overpayment by cheque by **30 April 2017.** Where a cheque is not received by 30 April 2017, the Local Authority will deduct the value of the outstanding overpayment from the next available monthly advance in the summer term. This is likely to be in May 2017.

Where a PVI setting experiences exceptional cash flow difficulties, they should contact the Local Authority to discuss the matter further. Contact details can be found in Section 3 of this document.

* The monthly payment will incorporate payments for 2 Year Olds, 3 & 4 Year Olds, Early Years Pupil Premium, Looked After Children and any other applicable funding due from Bradford Council to providers.
* Funding for Looked After Children and Early Years Pupil Premium are calculated on a retrospective basis and will be added to monthly advances as a lump sum in September, December and March.
* Settings will receive one single payment each month combining all the funding and grants applicable for that month. A breakdown of the values paid for each section of funding and/or grants can be obtained from the Advances Update Schedule. This will be updated and published on Bradford Schools Online monthly. We strongly recommend providers download this schedule every month.

**h) Funding for Children who are Looked After in 2016/17**

* Funding for Children who are Looked After in Early Years will be allocated on the following basis:
	+ Whether a child is Looked After will be recorded in the censuses, subject to audit by the Authority.
	+ Every setting is allocated an additional £333 per Looked After Child per term recorded in the censuses (£1,000 on a full year basis if a child is counted in all 3 termly censuses). This is allocated on a per child basis and is not affected by the number of hours the Looked After Child actually takes at the setting
	+ This funding only applies to children that are registered as currently in care
* Funding for Children who are Looked After in Early Years settings will be allocated on a retrospective basis within the termly adjustments framework, following the census each term.
* For maintained providers, the funding for all Children who are Looked After in schools will be allocated separately from formula funding and will be allocated on a termly basis. This change is in response to the introduction of the specific element of the new Pupil Premium, to ensure that we have a single joined up approach to providing additional funding support for these children. Please see the guidance notes, which will accompany the full budget statements for maintained providers, for more details.

**i) Approach to funding Sustainability Issues in 2016/17**

* The EYSFF in 2016/17 continues to include a “sustainability” factor, which works on a sliding scale basis to allocate funding specifically to Nursery schools in addition to the funding per children per hour. This factor ensures that funding allocations continue to reflect specific:
	+ Site related costs: buildings and grounds maintenance costs, rates and insurance,
	+ Costs relating to supporting Newly Qualified Teachers and safeguard as a result of re-deployment,
	+ Fixed type costs incurred by maintained settings in leadership and management and administration and premises staffing.
* The Minimum Funding Guarantee (MFG) applies to the EYSFF for all providers in 2016/17. The EYSFF MFG is set at -1.5% and applies only to the Base Rates. This means that if the Base Rate reduces from one year to the next, the value of this reduction would be limited to 1.5% (excluding one off monies allocated in the previous year). Please be aware that deprivation rates are not covered by this MFG.
* Both maintained and PVI providers can access dedicated business support, provided by Bradford Council EYCP, for advice on any budget or sustainability issues.
* The Schools Forum has established a process, which is currently used to consider the allocation of additional funding, on a one off basis, to Primary schools facing exceptional cost pressures during the financial year. Requests for funding, submitted by schools, are reviewed on an individual case basis against set criteria. The most common reason for requests is a significant increase in pupil numbers during the financial year, where the school has had to make additional provision, such as setting up a new class. This established process will be used in 2016/17 as the basis on which to consider the allocation of additional funding to any maintained or PVI setting that may face exceptional cost pressures. A likely common reason for setting’s asking for exceptional funding will be where a setting has admitted a significant number of children after the census has been collected for that term. In such cases, exceptional circumstances will always be measured in terms of the level of additional cost pressure faced by the setting in admitting these children, rather than simply measured by the number of additional children not counted in the census.

**j) Resourced SEN provision in Early Years settings – Children’s Centres Plus**

* Resourced SEN provision for 2, 3 and 4 year olds, Children’s Centre Plus will be funded through the High Needs Place-Plus mechanism. This means that all funding relating to these resourced provisions is excluded from the operation of the Early Years Single Funding Formula. Settings will not receive EYSFF funding for children placed in resourced provision. Instead settings will receive funding via the High Needs Place-Plus model. *Please note however, that how this funding is allocated is currently being reviewed (this review will determine how much is allocated at the start of the year and / or during the year for the movement of children).*

**k) The Early Years Pupil Premium (EYPP) in 2016/17**

* Based on the 2015/16 rate, providers will receive up to £300 per year, or £0.53 per child per hour, for each eligible child.
* Early Childhood Services have access to the DfE’s Eligibility Checking Service which will be used to check whether a child is eligible for the Pupil Premium. Providers will then be funded on a termly basis, along with their main Early Years Single Funding Formula, through the established termly adjustments process. The first allocation of the Early Years Pupil Premium will be from data collected from the May 2016 Census.
* The eligible groups for the Early Years Pupil Premium will be as follows:
	+ children from low income families (defined as meeting the criteria for free school meals);
	+ children that have been looked after by the local authority for at least one day;
	+ children that have been adopted from care; have left care through special guardianship;
	+ and children subject to a child arrangement order setting out with whom the child is to live (formerly known as residence orders)
* As with the school-age Pupil Premium, the Government believes providers are best placed to know how to support their disadvantaged pupils with the Early Years Pupil Premium. Restrictions will therefore not be imposed on how providers spend the Early Years Pupil Premium. Instead, Ofsted will hold providers to account for how they’ve used their Early Years Pupil Premium to support their disadvantaged children through the regular inspection process.
* The DfE’s consultation web-page gives further information on the Early Years Pupil Premium:

<https://www.gov.uk/government/consultations/early-years-pupil-premium-and-funding-for-2-year-olds>

**SECTION 2**

**l) The extension of the free entitlement to 2 year olds**

* Free early education became a statutory entitlement for eligible 2 year olds from 1 September 2013. Eligible children are defined as children who are looked after and children who meet the Free School Meals eligibility criteria. The programme was extended from September 2014 to include around 40% of 2 year olds.
* The EYWG and Schools Forum have previously considered various options to fund the free entitlement for 2 year olds. In 2015/16 these places were funded on a flat rate of £4.85 per hour, with no differentiation for different types of provision. Child numbers were counted and funded in the same way as for 3 / 4 year olds – based on participation recorded at individual settings in the termly censuses, but incorporating a second headcount each term. This second headcount identifies the most vulnerable children that don’t arrive neatly at the start of term (especially the autumn term when the census is taken early in October) and also has supported the adequate funding of settings where there has been some slippage in the timescales of capital buildings programmes. The second headcount supports meeting the key outcome, which is to secure sufficient places on a participation-led funding basis.

* This approach is continued in 2016/17 at a single flat rate per hour, indicatively £4.85 for all children. The Funding Regulations only permit a single flat rate to be used to allocate funding for the 2 year old offer.
* The second head count will be taken on the following dates:
* **Summer term**: 16 June 2016 / **Autumn term**: 3 November 2016 / **Spring Term**: 2 March 2017
* The Local Authority now holds a database of delivery numbers. We anticipate this data will be used to calculate initial 2 Year Old funding allocations as part of the indicative budget publication process.

**SECTION 3**

**m) Who do I contact?**

* The key Local Authority contacts for any queries about the EYSFF are:

**Maintained settings**: Dawn Haigh, School Funding Team, City of Bradford Metropolitan District Council, 01274 433775, dawn.haigh@bradford.gov.uk

**Private, Voluntary & Independent settings**: Jaclyn McManus, Early Years Childhood Services, City of Bradford Metropolitan District Council, 01274 431965, jaclyn.mcmanus@bradford.gov.uk

**Or** Samantha Padgett, Early Years Childhood Services, City of Bradford Metropolitan District Council, 01274 431386, samantha.padgett@bradford.gov.uk

* Key contact details will be included in all correspondence relating to Indicative Budgets and adjustments to funding

**Appendix: Bradford District Early Years Single Funding Formula 2016/17 Timetable**

Please read this timetable alongside the separate ‘[Technical Statement’](#TechnicalStatement), which explains how the Early Years Single Funding Formula (EYSFF) will be applied across the Bradford District for the 2016/17 financial year.

|  |  |
| --- | --- |
| **Date** |  **Key Activity** |
| **January 2016** | **a) Department for Education (DfE) January Census 21 January** |
| **February 2016** | **a) 1st draft of Indicative Budgets for 2016/17 Published week commencing 22 February*** Maintained settings will be able to access these budgets on the Bradford Schools Online (BSO) website.
* PVI settings will be able to access these budgets on the Bradford Schools Online (BSO) website. Please note budget information will no longer be sent by post.
* The 1st draft of Indicative Budgets for 2016/17 will be based on each setting’s hours delivered recorded in the May 2015, October 2015 and January 2016 censuses i.e. assuming that each setting will be funded for the same number of hours delivered in 2016/17 as in 2015/16.
* Settings will then have approximately 3 weeks to review these estimates of funded hours, with the opportunity to change these up or down, prior to the publication of confirmed Indicative Budgets. PVI settings will need to complete the ‘Update to Termly Estimates Form’ and submit this to the LA. Further details of the checking process will be published with the budgets.
 |
| **February / March 2016** | **a) Spring Term 2015/16 Adjustments Statement Published week commencing 29 February*** A reconciliation statement for all settings will be published, which will show the differences between estimated and actual spring term funded hours delivered and the value of adjustments due.
* Maintained settings and PVI settings will be able to access this statement on the BSO website.

**b) Confirmed Indicative Budgets for 2016/17 Published week commencing 14 March*** The confirmed Indicative Budgets will establish the starting point for funding for the 2016/17 financial year. These budgets will be different from the 1st draft, where settings have asked for their estimates of funded numbers to be altered. Where a setting has not asked for their estimates to be altered, their confirmed Indicative Budget will be the same as their 1st draft.
* The confirmed Indicative Budgets will be published with a warning that these budgets are subject to change, for differences between estimates of and actual funded hours delivered recorded in the termly censuses.
* The confirmed Indicative Budgets will be published in the same way as the 1st draft Indicative Budgets.
* At the same time confirmed Indicative Budgets are published, the LA will provide a ‘ready reckoner’, which settings can use to anticipate likely adjustments to funding for actual funded hours delivered.

**c) Payment of the final 20% for the Spring Term for the 2015/16 financial year (PVI settings) week commencing 21 March*** Where an adjustment is required to the spring term payment as a result of the January 2016 census, the value of additional funding due or funding owed back to the LA will added to or taken from the 20% payment (please see page 6 of the [statement](#TechnicalStatement) for further information).

**d) Monthly Advances for Maintained settings amended to incorporate Spring Term 2015/16 adjustment*** For Maintained settings, the value of LA I01 funding used to calculate the monthly advances will be amended in the final advances update in March 2016 to take account of the adjustment due from the January census. This adjustment will impact on each school’s March 2016 carry forward balances position. Schools should use the ready reckoner provided by the LA to ensure that this adjustment is incorporated by schools in their forecast of their year end balances position.
 |
| **April 2016** | **a) Calculation and Publication of Monthly Bank Account Advances for Maintained settings and PVI Providers*** For Maintained Primary schools with Nursery classes, Nursery Schools and PVI providers, the Early Years Confirmed Indicative Budget will make up part of the school’s Section 251 Budget Statement. Monthly advances for 2016/17 will be calculated from the Section 251 Budget Statements and a schedule & breakdown of payments will be published at the beginning of April.
* Monthly payments for PVI settings for 2016/17 to begin. Settings should consult advances statement published on Bradford Schools Online at the beginning of April.
 |
| **May 2016** | **a) May (Summer Term) Census 19 May 2016*** Maintained settings will submit their termly census to the DfE via COLLECT.
* PVI settings will submit their census directly to Bradford Council ECS via the Bradford Provider Gateway on Bradford Schools Online (BSO). The Gateway will be open to do this from the beginning of term and will close after headcount day.
 |
| **June / July 2016** | **a) Summer Term Adjustments Statement Published week commencing 27 June and payment adjustments PVI settings*** A second head count for 2 year olds will be taken on Thursday 16 June 2016
* A reconciliation statement for all settings will be published, which will show the differences between estimated and actual summer term funded hours delivered and the value of adjustments due. The adjustment will be a positive value (meaning that the LA owes the setting more funding), where the number of hours delivered actually recorded in the May census is greater than the estimate used in the confirmed Indicative Budget. The adjustment will be a negative value (meaning the setting must repay funding back to the LA) where the number of hours delivered recorded in the May census is lower than the estimate used in the confirmed Indicative Budget.

.* Both Maintained and PVI settings will be able to access this statement on the BSO website.
* Adjustments will be made to the July 2016 payment for PVI Settings (both positive and negative) for the recalculation of summer term funding from the May Census. The August payment may also be adjusted, where the value of the July advance is not sufficient to enable full recovery of a negative adjustment.
 |
| **August 2016** | **a) Deadline for PVI settings to notify the Local Authority of changes to estimates of autumn term funded hours Monday 10 August** * Where a PVI setting forecasts that their numbers of hours delivered in the autumn term will be significantly different from the estimate used to calculate the confirmed Indicative Budget, the LA can make an adjustment to payments from September to reflect this difference. The PVI setting must inform the LA prior to the deadline date by completing and returning the ‘Update to Termly Estimates Form’. The LA would not expect to need to make such adjustments for maintained schools.
 |
| **September 2016** | **a) Monthly Advances for Maintained settings amended to incorporate Summer Term adjustments*** For Maintained settings, the value of LA I01 funding used to calculate the monthly advances will be amended in September to take account of the adjustment due for the summer term.
* For PVI settings, the September monthly payment will be amended only where, following adjustments to the July and August payments, there is still an outstanding overpayment to recover relating to the summer term.
 |
| **October 2016** | **a) October (Autumn Term) Census 6 October 2016*** Maintained settings will submit their termly census to the DfE via COLLECT.
* PVI settings will submit their census directly to Bradford Council ECS via the Bradford Provider Gateway on Bradford Schools Online (BSO). The Gateway will be open to do this from the beginning of term and will close after headcount day.
 |
| **November 2016** | **a) Autumn Term Adjustments Statement Published week commencing 14 November and payment adjustments PVI settings*** A second headcount of 2 year olds will be taken on 3 November 2016.
* A reconciliation statement for all settings will be published, which will show the differences between estimated and actual autumn term funded hours delivered and the value of adjustments due.
* Maintained settings and PVI settings will be able to access this statement on the BSO website.
* Adjustments will be made to the November 2016 payment for PVI Settings (both positive and negative) for the recalculation of autumn term funding from the October Census. The December payment may also be adjusted, where the value of the November advance is not sufficient to enable full recovery of a negative adjustment.
 |
| **December 2016** | **a) Monthly Advances for Maintained settings amended to incorporate Autumn Term adjustments*** For Maintained settings, the value of LA I01 funding used to calculate the monthly advances will be amended in December to take account of the adjustment due for the autumn term.

**b) Deadline for PVI settings to notify the Local Authority of changes to estimates of spring term funded hours Friday 9 December*** Where a PVI setting forecasts that their numbers of hours delivered in the spring term 2017 will be significantly different from the estimate used to calculate the confirmed Indicative Budget, the LA can make an adjustment to the initial spring term payment to reflect this difference. The setting must notify the LA before the deadline date by completing and returning the ‘Update to Termly Estimates Form’. The LA would not expect to need to make such adjustments for maintained schools.
 |
| **January 2017** | **a) DfE January (annual) Census 26 January 2017*** Maintained settings will submit their termly census to the DfE via COLLECT.
* PVI settings will submit their census directly to Bradford Council ECS via the Bradford Provider Gateway on Bradford Provider Gateway on Bradford Schools Online (BSO). The Gateway will be open to do this from the beginning of term and will close after headcount day.
 |
| **February 2017** | **a) 1st Draft of Indicative Budgets for 2017/18 Published** (see notes for February 2016) |
| **March 2017** | **a) Spring Term 2016/17 Adjustments Statement Published week commencing 27 February*** A second head count of 2 year olds will be taken on Thursday 2 March 2017.
* A reconciliation statement for all settings will be published, which will show the differences between estimated and actual spring term funded hours delivered and the value of adjustments due.
* Maintained settings and PVI settings will be able to access this statement on the BSO website.

**b) Monthly Advances for Maintained and PVI settings amended to incorporate Spring Term 2016/17 adjustment*** For Maintained settings, the value of LA I01 funding used to calculate the monthly advances will be amended in the final advances update in March 2017 to take account of the adjustment due from the January census. This adjustment will impact on each school’s March 2017 carry forward balances position. Schools should use the ready reckoner provided by the LA to ensure that this adjustment is incorporated by schools in their forecast of their year end balances position.
* For PVI settings, any positive adjustment following the re-calculation of funding using the January Census actual numbers will be paid in a single additional payment. A setting that has been overpaid, must repay the value of overpayment by cheque by **30 April 2017.** Where a cheque is not received by 30 April 2017, the Local Authority will deduct the value of the outstanding overpayment from the next available monthly advance in the summer term. This is likely to be in May 2017

**c) Confirmed Indicative Budgets for 2017/18 Published for all settings**  |
| **April 2017** | **a) Calculation and Publication of Monthly Bank Account Advances for 2017/18 for Maintained and PVI settings** |

**The Local Authority has sought to plan this timetable as comprehensively as possible. Please note however, that all dates in this timetable are provisional and subject to change. Where we anticipate that any dates will significantly change, the Local Authority will do it’s best to notify all providers as soon as possible.**

If you have any queries, please contact:

* Maintained settings: Dawn Haigh, 01274 433775 dawn.haigh@bradford.gov.uk
* PVI settings: Jaclyn McManus, 01274 431965, jaclyn.mcmanus@bradford.gov.uk

 Samantha Padgett, 01274 431386, Samantha.padgett@bradford.gov.uk