

# Schools Management Forum

**Report of:** Sheila Marley

**Subject:** Revision of Payment Arrangements for Achieving 2 Year Olds (A2YO) and Early Years (EYSFF) Funding for Schools.

**Date:** 18<sup>th</sup> January 2023

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## Purpose of Report

1. To provide SMF members with appropriate and relevant information in order to consider revising the current payment system and headcount for A2YO's and EYSFF - Universal and Extended Offers, so that schools follow the same processes and payment system as the PVI and Childminders.

## Background

2. Middlesbrough Council receives funding from the Department of Education to provide funding for:
  - up to 15 hours free early learning for the most disadvantaged two year olds
  - 15 hours early education per week for all three and four year olds and the extended offer of 30 hours entitlement for three and four year olds.
  - Early Years Pupil Premium for 3 and 4 year old children who meet the relevant criteria.
  - Disability Access Funding for 3 and 4 year old children with special educational needs and disabilities (SEND) to access their funded early education entitlement.
3. All PVI and childminders use the Headcount Portal to input details of all of their funded children, including those who are eligible for EYPP and DAF.
4. Schools who claim for Achieving Two Year old children and/or the extended offer of 30 hours entitlement for three and four year old children use the Headcount Portal to claim this funding.
5. Schools who claim for only the 15 hours early education for 3 and 4 year olds use their school system to claim this funding.
6. All schools claim for the EYPP funding by completing a spread sheet which is checked and processed through the Eligibility Checking Service by the Family Information Service Team.
7. All schools claim for the DAF funding by completing the application form and returning to the Family Information Service for processing payment.

8. The current number of schools offering funded childcare accessing the Headcount Portal is:
  - Achieving Two Year Old funding – 13 schools
  - The extended offer of 30 hours entitlement for 3 and 4 year old children – 26 schools.
9. The number of schools only offering the universal 15 hours early education per week for all three and four year old children and therefore not accessing the Headcount Portal is:
  - 8 schools.

### **Current Payment System for PVI and Childminders**

10. The Local Authority makes six (6) payments within a financial year; three being based on estimate numbers and three on actual headcount on dates as set out by the DfE.
11. Forecasted payments are based on estimated numbers. Providers are required to input details of their estimate children onto the headcount portal prior to the estimate payment being made at the start of each term. Providers are emailed a notification through the headcount portal when the named term has been opened up to them.
12. Actual headcount figures are input by the Providers by the set headcount date via submission onto the headcount portal and the payment is adjusted accordingly.
13. Providers are required to notify the Local Authority of starters and leavers by inputting the required information onto the headcount portal amendment task, they must also email details to [childcare@middlesbrough.gov.uk](mailto:childcare@middlesbrough.gov.uk). An end date is required for a leaver and for a new starter, details need to be submitted onto the headcount portal with a start date. All new starters must have been attending and claiming funding at a setting/school prior to being included on the amendment task at a new setting.
14. Where children attend more than one Provider payments will be made to each on a proportional basis.
15. If a child moves from one Provider (Provider A) to another Provider midterm (Provider B) payment would be clawed back from Provider A and deducted from the next available payment.
16. Provider B would receive payment for the weeks the child was in attendance with them at the next available payment.
17. The Local Authority makes adjustments for under or over payments following actual headcount returns by appropriate variation to the next payment. Any remaining shortfall may be recovered from any sum due to the Provider, through agreement, such as a percentage taken from next payment, a payment plan or by court order.
18. Early Years Pupil Premium payments are made through the headcount portal. Providers are able to input the National Insurance or NASS number along with the parent's date of birth and surname on the system when they are adding the child. The data is then checked through the Eligibility Checking Service. If a family

chooses not to provide this information the provider has the option to check the decline to provide feature on the system.

19. The Disability Access Fund applications are also made through the headcount portal. The provider is able to upload the application form and relevant evidence into the system for the payment to be raised.

## **Current Payment System for Schools**

20. The Local Authority will make six (6) payments within a financial year; three being based on estimate numbers and three on actual headcount on dates. NB. Schools are only paid an estimate payment for their universal 3 and 4 year old children.
21. Schools are required to provide details of their estimate numbers to the Local Authority finance department in advance of the headcount. The Local Authority will state the deadline required for receiving the estimate numbers, failure to meet this deadline will mean an estimate payment won't be received.
22. Actual headcount figures will be input by the Schools by headcount date via submission onto the headcount portal. This will only be for those schools who are offering the Achieving Two Year old and 30 hours entitlements. Schools offering the universal entitlement for 3 and 4 year olds only will continue to complete the school census as they would normally.
23. Schools are required to notify the Local Authority of starters and leavers by inputting the required information onto the portal and by emailing [childcare@middlesbrough.gov.uk](mailto:childcare@middlesbrough.gov.uk). An end date will be required for a leaver and for a new starter, details will need to be submitted onto the headcount portal with a start date. The Local Authority has put in place organisational and technical measures to ensure the security of its ICT systems including email in transit. It will not accept responsibility or liability where those transferring data via the portal or sending email to it have not put in place similarly appropriate measures.
24. The School will ensure they submit timely and accurate information, including but not limited to, headcount data, census data, parental declaration proforma and invoices as per the financial guidelines of the Local Authority. The Local Authority will make adjustments for under or over payments following actual headcount returns by appropriate variation to the next payment. Any remaining shortfall may be taken from either future estimates or via an invoice payable to the Local Authority.
25. Where children attend more than one School payments will be made to each on a proportional basis.
26. If a child moves from one School (School A) to another School midterm (School B) payment would be clawed back from School A and deducted from the next available payment.
27. School B would receive payment for the weeks the child was in attendance with them at the next available payment.
28. Schools complete a spreadsheet for the children they wish to claim Early Years Pupil Premium funding. The spreadsheet format is amended to a csv file for uploading onto the Eligibility Checking Service.

29. Schools complete the Disability Access Fund application form attaching the relevant evidence before sending to the Family Information Service team to process.

### **Proposed Payment System**

30. To bring the schools payment system in line with the PVI and Childminders by giving all schools access to the headcount portal. Schools to complete the estimate, actual and amendment tasks on the headcount portal in the same way that the PVI and childminders do.
31. Schools to be paid estimate payments for all of their funded children, including the Achieving Two Year olds and the extended 15 hours entitlement by inputting the details onto the headcount portal estimate task.
32. Schools to input details of all early years children onto the headcount portal, including the universal entitlement for 3 and 4 year olds.
33. The Early Years Pupil Premium payments will be processed through the headcount portal rather than completing the spreadsheet every term.
34. The Disability Access Funding applications can be uploaded into the system for payment.

### **Advantages of the proposed payment system**

35. All of the schools early years payments will be made by the Family Information Service (FIS) team. Currently schools contact FIS querying their indicative (estimate) and reconciliation payments, who have to refer them back to finance for this information. If schools use the portal for their estimates, FIS can see those who haven't started the task and can email them through the system to find out if they intend to submit one, also acts as a reminder to them.
36. It will also help prevent children being double funded. If all schools claim through the headcount portal, the system will tell us exactly what weeks/ hours the schools, PVI and childminders have claimed, without FIS having to chase up with individual settings.

### **Disadvantages of the proposed payment system**

37. The 8 schools who currently only offer the universal entitlement for 3 and 4 year old children are not using the headcount portal so therefore will not be familiar with the product. However full training will be provided to all schools in using the headcount portal and training documentation will be provided following the training. The Family Information Service team are on hand to offer support Monday – Friday 8.30am – 5pm.

### **Recommendations**

38. That SMF members consider the above proposal and take a vote on whether to:

- Implement the revised payment arrangements, or
- Remain with the current payment system.