

## Outline of Proposed Counting, Data Collection and Payment Arrangements September 2017 to March 2018

### PVI Settings

- Providers will continue to be paid monthly. *The September 2017 – December 2017 monthly payments will be based on confirmed indicative budget figures, unless settings have submitted a completed Changes to Estimate Form. The September 2017 to December 2017 payments will be adjusted to reflect the confirmed summer term numbers. The January 2018 – March 2018 monthly payments will be adjusted to reflect the confirmed autumn term numbers. This should enable providers to better understand the basis of their payments (rather than referencing back to confirmed indicative budgets, which may be out of date).*
- Beginning September 2017, subject to the completion of necessary systems development, we intend to move to a 'starters and leavers' based counting arrangement for all free entitlement provisions delivered in the PVI sector – 2 year old, universal and extended 3 and 4 year old entitlements i.e. settings will be funded on the actual hours they have delivered rather than on a single headcount once a term. *For autumn 2017 and spring 2018 however, whilst calculating funding on the basis of 'starters and leavers', we will ensure that no PVI setting receives a lower level of funding than they would have received had we continued to operate the single termly count approach i.e. we will run the new and old approaches alongside each other and will fund the maximum of these. At April 2018 however, we anticipate fully moving to the starters and leavers based approach.*
- Under this new approach, starters and leavers data, and other necessary information including 30 hours eligibility codes, will be collected monthly by settings inputting their child-level data on the Provider Gateway. The Provider Gateway will close at the end of each month to enable the Authority to pull the data together for that month. It will then re-open for the next month and the process begins again. It will be essential therefore, that settings keep their data on the Gateway up to date.
- When the new approach is fully implemented, which we anticipate will be at April 2018, we expect that the Authority will re-calculate payments for each setting monthly so that, basically, settings are funded monthly in arrears e.g. for April 2018 – an initial payment is made to each PVI setting based on the spring term 2018 position. PVI providers will enter their hours information onto the Provider Gateway up to the point the Gateway closes on 30 April. The Authority will then calculate the May payment as follows: April actual hours delivered + / - an adjustment for any over or under payment in April. This process will be repeated each month.
- This is an outline of the anticipated process that needs further consideration and refinement. The timing of transition to this new approach between September 2017 and April 2018 is also subject to the completion of necessary systems development. We do not believe at this time that we will have everything in place to implement this new system fully successfully before April 2018. Therefore, for the autumn 2017 and spring 2018 terms, where the systems development is complete, we propose to still to begin to collect starters and leavers information on a monthly basis through the Gateway, as set out above, but to re-calculate payments to providers for actual hours delivered only at the end of each term rather than adjusting payments monthly. This will enable us to learn from the pitfalls in the proposed approach and for providers to become comfortable with the monthly data collection before beginning to re-calculate payments a month in arrears from April 2018. As now, during this transition period, settings will be able to request that their payments are adjusted in real time where they anticipate significant differences from the estimated position. **If the necessary systems development is not completed in time for us to implement the starters and leavers approach at September 2017, we will need to consider again our arrangements for the autumn term.**

- 2018/19 Early Years Single Funding Formula arrangements (in terms of how the EYSFF works and the values of rates for settings) will be confirmed following consultation in the autumn term. In seeking to simplify the information that settings must assess, we propose not to publish hard copy confirmed indicative budgets for the PVI sector for 2018/19. Instead, the Ready Reckoner will enable settings to calculate their own funding based on their latest data on child numbers. We propose to begin to pay monies to providers in April 2018 on the basis of the confirmed spring term position, rather than on a printed confirmed indicative budget. The May payment will then be based on confirmed April + / - an adjustment and so on.

### **Schools and Classes**

- It is a requirement that the basis of counting early years numbers is consistent across all early years providers. It is our view that the limitations of the current 'single termly census' approach will be amplified following the establishment of the extended 30 hours offer at September 2017. The requirement to check the eligibility of children for the extended 30 hours a minimum of 6 times a year, and to adjust funding on the basis of these checks, also means that we must be more precise in counting where children are for funding purposes. Simply, we take the view that all early years providers, including schools and classes, must be funded on a starters and leavers approach and we must seek to implement this as quickly as possible.
- Our expectation is that, from April 2018, the monthly process set out above for PVI settings will also apply for nursery schools and classes. However, we recognise that most schools and classes are not currently familiar with the Provider Gateway (used only for 2 year old entitlement data) and the move to monthly counting will require support and lead in time. We are also currently exploring the possibility of using the information that schools already have within their SIMS systems as an alternative to an additional data collection via the Gateway. However, in the absence of a SIMS solution, schools and classes will be required to submit monthly numbers information through the Provider Gateway in order for the monthly system to operate.
- For the period September 2017 – March 2018, we propose to continue to fund delivery of the universal 3 and 4 year old entitlement on the basis of the single termly census, as now, but, subject to necessary systems development, to ask schools that deliver the extended 30 hours entitlement, as well as the 2 year old entitlement, to submit their information separately to the Authority using the Gateway on a monthly basis. These schools will then be funded on a starters and leavers basis for their delivery of both the 2 year old entitlement and the extended 30 hours entitlement. The current monthly advances timetable will remain in place.
- The full move to starters and leavers for schools and classes for all entitlements will continue to be discussed and developed with the Early Years Working Group.