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Private Voluntary Independent (PVI) – Free Early Education for 3 and 4 year olds

1. General Overview

1.1 Eligibility for Free Early Education funding exists within the dates of birth ranges identified within the DfE's Statutory Guidance for Local Authorities on the Delivery of Free Early Education for Three and Four Year Olds. Mainstream funding for year R and Free Early Education cannot be claimed for the same period.

1.2 Free Early Education funding can be claimed up to a maximum of 570 hours (38 weeks X 15 hours) for one child in any academic year (September to July). In the financial year April 2017 to March 2018 there are 38 funded weeks, split in to three periods;

Summer – 13 weeks (195 hours)

Autumn – 14 weeks (210 hours)

Spring – 11 weeks (165 Hours)

Total maximum hours funded 570 = 38 weeks.

1.3 The period of claim for stretched hours is over a 48 week period at 12 hours per week, which is a total of 576 hours per year. Providers must note that funding can only be claimed for a maximum of 570 hours during this period and it is the responsibility of the Provider to take this into consideration when estimating the numbers for input into the funding calculator.

Summer – 18 weeks (216 hours)

Autumn – 16 weeks (192 hours)

Spring – 14 weeks (168 Hours)

Total hours 576

1.4 Each PVI setting will have a funding rate per child hour, made up of the three factors detailed in paragraphs 4.1 to 4.4. Funding for the financial year will be calculated as follows:

Funding rate for the setting x the number of Free Early Education hours for the financial year

2. Calculating the Funding Rate

2.1 An annual data collection exercise is carried out during January each year. The information collected from PVI settings as part of the Early Years Provider Survey is used to identify if settings are eligible for the Quality supplement due to staff qualifications. It is important these questions are completed accurately as they will impact on your funding rate.

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- 2.2 In addition to this, information based on your Autumn term cohort is used to calculate a deprivation weighting for each setting. The data collected is then used to calculate a funding rate for the period April to March.
- 2.3 There are three separate factors included in the funding rate; these are the base rate factor, quality factor and a deprivation factor.
- 2.4 Your funding rate is set on an annual basis and cannot be amended during the year.

3. Payment Cycle

- 3.1 PVIs are funded for three separate periods, Summer, Spring and Autumn and the funding for each period is simply the number of hours recorded as at headcount week multiplied by PVI funding rate.
- 3.2 PVIs will receive two payments for each period; these are known as the interim payment and the balancing payment. The interim payment will be based on an estimate provided by the PVI for the period and will be paid at the estimated number of weekly hours multiplied by the number of weeks in the estimate period (as advised on the Kent PVI Calendar) multiplied by the individual funding rate for the PVI. The balancing payment will be the number of actual hours as at headcount week multiplied by the individual funding rate for the PVI for the full period, less the interim payment. This process will be repeated for each period over the course of year.

To view the interim and balancing payment dates for future periods click on the links below:-

[2016/17 PVI calendar](#)

[2017/18 PVI calendar](#)

4. Factors in the Early Years Funding Formula

4.1 Base Rate

A flat base rate for all providers at £3.91 per child hour. This will be increasing to £3.96 from the Autumn term 2017.

4.2 Quality Factor

This factor recognises that the most significant single indicator of high quality provision is the qualification levels of staff in a setting.

To be in receipt of the Quality supplementary rate, a setting must have a nominated leader with either Qualified Teacher Status (QTS) or Early Years Teacher Status (EYTS). The leader must be directly employed by the setting and must significantly influence the learning of the children within

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the setting. The Qualified Leader may be part-time but to have significantly influenced the learning they must work at the setting for at least 15 hours per week and of these 15 hours, at least 7.5 hours must be leading the learning experience for the children (working directly with the children).

Rates:

EYTS/QTS - **£0.30** per child hour

QTS (under the statutory teachers pay and conditions) - **£0.90** per child hour

A setting with a nominated leader with QTS, and paid under the statutory teachers pay and conditions, would receive an additional £0.90 per child hour. Settings with a nominated leader with either i) full accredited EYTS or ii) QTS (but not paid under the statutory teachers pay and conditions), would receive an additional £0.30 per child hour.

4.3 Deprivation Factor

This factor targets funding at the most deprived children in Kent.

Rate: Maximum of £0.99 per child hour

The deprivation factor has been determined by calculating an average Mosaic deprivation score for the setting based on the addresses of the children that attended the setting in the Autumn 2016 headcount. If a setting's average score is above the qualifying threshold (50 for 2017/18) then they would qualify for the supplement. The amount of which depends upon the setting's score relative to the minimum qualifying threshold. As the deprivation factor is based on the addresses of individual children it is possible for a deprivation rate to vary year on year.

4.4 System Leadership (Collaboration Funding)

The LA is introducing a new Quality supplement under System Leadership (in Kent manifested via provider collaborations). A total sum of £250k has been allocated to support collaborations. The LA is currently formulating the process for distribution and providers will be updated on this in due course, with the full £250k funding due to be allocated with effect from September 2017. This funding will not form part of your hourly rate and will be distributed separately.

5. PVIs that open after the start of the financial year

The funding rate for a PVI that opens after the budget and rate setting process has taken place (this generally being the 1st April) will have its funding rate calculated for the first financial year (April to March) as follows:

- Payment will commence from the period in which the PVI opens
- All settings will receive the base rate
- If the PVI meets the quality factor criteria described in para 4.2 as at the date of opening then this element will be included in the PVIs funding rate.

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- The deprivation factor is calculated annually and cannot be calculated for an individual setting at the point of opening. A temporary deprivation funding rate will be calculated for the setting by taking the average of other PVI settings in the local area. The average will be dependent on distance and number of PVIs in the local area.

6. 30 Hours Free Early Education

The Government has announced it will extend the free early learning and childcare entitlement for eligible 3 and 4 year olds from 15 hours to 30 hours a week from September 2017.

The additional 15 hours will be available to families where both parents are working (or the sole parent is working in a lone parent family), and where each parent earns, on average, a weekly minimum equivalent of 16 hours at national minimum wage or national living wage, and earns less than £100,000 per year.

The hourly rate for the additional hours will be the same as the first 15. The maximum hours claimed as mentioned in section 1.2-1.3 above will therefore not apply to children eligible for the 30 hours.

7. Budget Template

A budget template has been created to allow PVIs to estimate the funding they will be receiving for the financial year based on expected number of eligible children and hours. This has been amended to allow up to 30 hours per child to be input from the Autumn term in line with the introduction of the 30 hours Free Early Education for children from working families.

8. Early Years Pupil Premium (EYPP)

Providers will receive an additional £0.53 per funded hour for the eligible children under the economic criteria and for those children who have left the care of a local authority.

Providers will receive EYPP funding that is proportionate to the number of funded hours that a child is taking up, to a maximum of 570 hours in the child's funding year.

This will be paid on a termly basis. Unfortunately payments cannot be released until the headcount claims for all settings have been verified. There is no monetary value for parents.