

## Early Years Consultation - 2021/22 £465k Positive Balance

### Key Messages

Forum members are asked to note the outcome of the consultation and approve that:

- The 2021/22 £465k positive balance is to be distributed as recommended by the Early Years Working Group on 12 September 2023.
- Future years balances are to be added to the Base Rate in the following financial year.

### 1. 2021/22 £465k Positive Balance

- 1.1. At the September 2023 Early Years Working Group meeting, it was reported that a consultation was launched over the summer to seek views on how the Sheffield early years sector would like to distribute the 2021/22 £465k positive balance.
- 1.2. Three models were shared with the sector: the first was to distribute funding amongst providers who received 3 and 4-year-old participation hours funding in 2021/22; the second model distributes funding amongst all providers who received 3 and 4-year-old participation hours funding in 2022/23; and the third model distributes funding amongst all providers based on an average of 3 and 4-year-old participation hours paid in 2020/21, 2021/22 and 2022/23.
- 1.3. There were 62 replies received in the consultation - an overall 17% response rate from the sector. Model 2 received the highest votes with 52%. This model pays providers an hourly funding rate of £0.0785 which is the highest hourly funding rate.
- 1.4. Following discussion at the Early Years Working Group it is recommended that Sheffield implements Model 2. Funding will be paid to all open providers in autumn 2023 by 17 November 2023, with a minimum payment of £250 per eligible provider.
- 1.5. Following discussion, the Early Years Working Group also agreed that any future net determined balances be distributed by adding them to the following financial year's base hourly funding rate and that the policy be reviewed every three years.

### 2. Recommendations

Forum members are asked to:

- 2.1. **Approve** the recommendation of the Early Years Working Group: to pay all 3 and 4-year-old FEL providers a share of the £465k 2021/22 positive balances, based on their participation hours from 2022/23, subject to them still being open in autumn 2023.
- 2.2. **Approve** the recommendation of the Early Years Working Group that any future net determined balances are added to the base hourly funding rate in the following financial year.