

Sheffield City Council

Providers Guide to Claiming Funding for Funded Early Learning and the Extended Funded Entitlement.



Revised April 2021

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Introduction

FEL funding refers to funding provided by the Government to pay for Funded Early Learning (FEL) and the Extended Funded Entitlement (EFE) for eligible 2, 3 and 4 year olds. More details are available in the FEL Code of Practice (COP) available at:

<https://www.sheffield.gov.uk/home/schools-childcare/fel-funding-providers>

You will also find the forms referred to in this document at the same location.

There are several steps in the procedure for claiming FEL funding in Sheffield and this document is intended as a step by step guide to new and existing providers to assist them in submitting their claim for FEL funding.

A number of checklists are provided at each stage to ensure you have all the information required.

Enquiries

If you have a question about anything in this document please direct your enquires in the first instance to the following teams:

Section 1-4 and Appendix I

If you are not sure what information you should submit or when each headcount is required, please contact:

Performance & Analysis Service:

EYFEL.Census@sheffield.gov.uk

Performance and Analysis Service

Early Years Census Team

Level 7 – West Wing

Moorfoot, Sheffield, S1 4PL

Once the headcount tasks are closed you would only normally contact the Early Years Census Team regarding the information you have submitted.

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Once the headcount tasks are closed if you have a query regarding your payment you should contact:

Early Years Funding Team:

EYFundingteam@sheffield.gov.uk

Early Years Funding Team

Level 7 – West Wing

Moorfoot, Sheffield, S1 4PL

If you are considering becoming a FEL provider and want additional advice or information contact:

Education & Childcare Commissioning Team:

childcareplanning@sheffield.gov.uk

Tel: 0114 28103785

Education & Childcare Commissioning Team

Level 7 – North Wing

Moorfoot, Sheffield, S1 4PL

1. Collecting Individual Children's Information

New Starters

Before a child starts at your setting ensure all eligibility checks are carried out as per the Code of Practice and the relevant agreements and paperwork have been completed. Eligibility criteria can be found on the Sheffield Directory website: <http://www.sheffielddirectory.org.uk>.

See Section 1 of the Code of Practice for checking eligibility at:
<https://www.sheffield.gov.uk/home/schools-childcare/fel-funding-providers>

New Starter Checklist.		Checked
1	Date of birth.	
2	Child's identity.	
3	Address.	
4	Eligibility for 2 Year Old FEL checked via provider portal and eligibility number recorded.	
5	Eligibility for EFE checked via provider portal and eligibility number recorded.	
6	Attendance pattern agreed with parent.	
7	Fees and Charges agreed with parent	
8	Parental Agreement completed and signed by parent.	
9	Issue and or signpost parent to the Data Protection Act – Privacy Notice	
10	Transfer form completed for children changing provider mid-term.	
11	Child is not exceeding their entitlement (Where there is more than one provider).	

Pattern of Attendance Form

In addition you should complete a Pattern of Attendance Form for each child. This needs to be agreed and signed by the parent and records the following information for each child.

Pattern of Attendance Checklist		Checked
1	Number of weeks attending in the funding period	
2	Number of hours they are attending in the funding period	
3	Number of Standard/Universal FEL hours they are claiming in the funding period.	
4	Number of Extended Funded Hours (EFE) they are claiming in the funding period.	
5	Parent / Carer Funded Childcare (No of hours attended in the period paid for by parent/carers)	

Additional Information to Collect

For Early Years Pupil Premium (EYPP) claims providers need the parent/carers' names (as they appear on Department of Work and Pensions (DWP) or National Asylum Support Service (NASS) documentation), and National Insurance Number or National Asylum Seeker Number. If the child is Looked After the "relationship type" for the carer

should be “EYPP - Other”. For further information on EYPP please follow the link below:
<https://www.gov.uk/guidance/early-years-pupil-premium-guide-for-local-authorities>

Where a child is transferring midterm from another Sheffield Provider to your setting, you will need a copy of the Transfer Form which the previous Provider must have completed their section. The blank form is available via the link. <https://www.sheffield.gov.uk/home/schools-childcare/fel-funding-providers>.

Parental Agreement

The Parental Agreement gives the provider the authorisation required to make a FEL claim and MUST be renewed funding period.

The Parental Agreement is a contract between the provider and the parent stating what FEL funded hours the provider will be providing and when and should also clearly state any additional fees or charges the parent can expect to pay. A copy should be issued to the parent.

It is not necessary to issue a completely new agreement each term but the provider must keep a record of the parents agreement to renew the contract where no new agreement is issued.

This does not necessarily need to be an actual signature but can be an email or text acknowledging their agreement.

2. Additional Mandatory Information

The Annual DfE Early Years Census (Mandatory) Spring term only.

All providers included on the Sheffield FEL Provider list **must** complete and submit the annual Department for Education (DfE) Early Years Census to Sheffield City Council in the spring funding period, in accordance with the requirements set by the DfE. Click on the link for more information: <https://www.gov.uk/government/publications/early-years-census-2020-guide>

Census information is collected at two levels:

1. Establishment data, including details of the number of qualified staff.
2. Child data (details of individually funded 2, 3 and 4 year olds submitted via the portal).

The information provided on the statutory return is used by the Government to determine Sheffield City Council's early years funding allocation. It is therefore imperative that all information is received within the specified timescales. Failure to submit a census return will affect **all providers** funding.

The Sheffield Directory

The Sheffield Directory is the online database to help parents find Early Years Providers. This should not be confused with the FEL Register, which is the Local Authority's database of providers that are approved to claim FEL funding.

Providers **must** logon, at least once per term to ensure their listed information is up to date and accurate. Go to 'My Account' to log into your record:
www.sheffielddirectory.org.uk

All enquiries about the Sheffield Directory should be directed to the Childcare Planning Team:
Email: childcareplanning@sheffield.gov.uk

3. When to Submit your Claim

This step requires you to submit information about the children and hours they are claiming which is then collated into individual claims for each setting. This work is carried out by the **Early Years Census Team**.

To claim the Funded Early Learning (FEL) entitlement all providers must submit a headcount claim to Sheffield City Council, within the specified timescale, in each FEL funding period to receive their payment.

To submit a headcount claim, providers must log_{on} to the Sheffield Provider Portal to complete the headcount task.

New Providers Start Date

If a provider is newly registered on the FEL Register, the FEL claim process will normally start in the next headcount task.

Funding periods

There are three funding periods each year.

Funding Period	Start Date	End Date
Summer	1st Apr	31st Aug
Autumn	1st Sep	31st Dec
Spring	1st Jan	31st Mar

Early Years Headcount timetable

There is a timetable for when you can access the Sheffield Provider Portal and when each of the three main headcount tasks must be completed. The following table shows when each task must be done.

Task	When
Forecast Headcount. (Optional for those wanting 70% advance funding)	10 working days before the start of the funding period
Actual headcount (Mandatory)	10 working days before the DfE census headcount day
Amendment Headcount (Optional)	4/5 weeks before the end of the funding period

You will be notified when the portal is open to enable completion of these tasks. Full details of both the providers and the Local Authorities responsibilities as well as a more detailed description of the task involved can be found in

Payments timetable.

There are 3 payments in every funding period. The headcount is a data collection task undertaken during each funding period, children's attendance details are collected to inform the Forecast, Actual and Amendment payments to Providers.

1. **Estimated payment.** This payment is based on the forecast headcount will be paid in the first month of the funding period

2. **Balance payment.** This payment is paid later in the funding period based on the claim submitted for the Actual headcount.
3. **Reconciled payment.** This payment will be made if necessary after the Amended task to reconcile any under or over payment caused by new starters and leavers or other changes after the Actual headcount

The FEL headcount timetable will be published online before the start of each **financial** year with the details of each headcount task and other key dates. It can be found online in “FEL Headcount Census” online at:

<http://www.sheffield.gov.uk/home/schools-childcare/fel-funding-Providers>

Headcount Communications

Two messages are sent to providers for each headcount task via the Provider Portal. The first message is sent when the task is **opened** to providers for completion. The second message is sent when the **submission deadline** is approaching.

Providers must read the **Portal Announcements** section in the Provider Portal prior to starting any task as this contains key information, including updates and the deadline date it must be submitted by.

Providers should check their e-mail in box regularly for all other correspondence, including notifications of errors and non-compliance issues relating to funding claims.

Timetable of Forecast Headcount Task (Optional)

When	What	Who
Forecasting task is live (10 working days before the start of the funding period)	Open the Sheffield Provider Portal forecast headcount task and send an email alert to all portal users.	SCC
	Complete and submit the forecast headcount claim; add new, amend existing & / or end children’s details. Plus enter parent / carer details for EYPP checking.	Provider
Provider Portal closed (and within 16 working days)	Notify providers of the following errors; eligibility non-compliance, capped hours and duplicate claim issues. Error details are issued via the <u>Anycomms system</u> NB: These errors will result in the hours claimed for the child being set at zero on the council payment system. They will also appear as zero hours on the portal for the Actual task.	SCC
	It is the provider’s responsibility to resolve and correct any errors (e.g. adjust the hours set at zero by putting the hours back to the correct amount, if applicable etc.) via the headcount portal when the Actual task is open and made available to complete.	Provider
Forecast ‘Statement of funded Hours Report’ (available via the headcount portal to all providers)	This report is a breakdown of the children and hours submitted for the Forecast (70%) payment.	SCC
	Providers will have until the Actual task opens to check the SOFHR to ensure all children and the hours being claimed for are accurate. Any	Provider

	errors must be corrected in the Actual headcount task.	
In the first month of the new funding period	First payment released - based on the forecast headcount claim, less any hours linked to unresolved errors / overpayment deductions, 70% of the funding period payment is paid.	SCC

Timetable of Actual Headcount Task (Mandatory)

When	What	Who
Actual headcount task is live (10 working days before the start of the funding period)	Open the Sheffield Provider Portal forecast headcount task and send an email alert to all portal users.	SCC
	Complete and submit the actual headcount claim via the Sheffield Provider Portal – add, amend & end date children’s details. Add parent / carer details for EYPP checking and if applicable resolve and correct errors identified from the forecast headcount.	Provider
	Complete and submit Disability Access Fund (DAF) claims via the Sheffield Provider Portal and submit a copy of the DLA via AnyComms.	Provider
	Spring funding period only - DfE Statutory return - submission of staff & opening times information via AnyComms.	Provider
Provider Portal closed (and within 16 working days)	Notify providers of the following errors; eligibility non-compliance, capped hours and duplicate claim issues. Error details are issued via the <u>Anycomms system</u> NB: These errors will result in the hours claimed for the child being set at zero on the council payment system. They will also appear as zero hours on the portal for the Actual task.	SCC
	It is the provider’s responsibility to resolve and correct any errors (e.g. adjust the hours set at zero by putting the hours back to the correct amount, if applicable etc.) via the headcount portal when the Actual task is open and made available to complete.	Provider
	Notify providers of any unsuccessful DAF claims	
Actual ‘Statement of funded Hours Report’ (available via the headcount portal to all providers)	This report is a breakdown of the children and hours submitted for the Actual payment. This report will also include details of EYPP and DAF payments (if applicable).	SCC
	Providers will have until the Amendment task opens to check the SOFHR to ensure all children and the hours being claimed for are accurate. Any errors must be corrected in the Amended headcount task.	Provider
In the third month of the new funding period	Second payment released - based on the Actual headcount claim, less any hours linked to unresolved errors.	SCC

Timetable of Amended Headcount Task (Optional)

When	What	Who
Amendment headcount task is live (10 working days before the start of the funding period)	Open the Sheffield Provider Portal forecast headcount task and send an email alert to all portal users.	SCC
	Notify the SCC via the Amendment headcount task of any new starters or leavers and correct all outstanding errors previously communicated. (e.g. adjust the hours set at zero etc.)	Provider
	FEL Headcount closed for the current funding period No further claims and / or adjustments to funding claims will be accepted.	
Provider Portal closed (and within 14 working days)	Notify providers of the following errors; eligibility non-compliance, capped hours and duplicate claim issues. Error details are issued via the <u>Anycomms system</u>	SCC
	It is the provider's responsibility to resolve the errors and inform SCC, via Anycomms, of the outcome by the given deadline date.	Provider
	After the deadline date all outstanding error corrections, where the provider has not responded or not taken any corrective action, the SCC will make the final decision on the funding claim. When an error involves two or more providers and a. Only one provider informs SCC of the outcome, SCC will make a decision on how to fund the place based on the information available. b. If no providers contact SCC with evidence we will apportion the funding equally between providers. This decision is final and not open to any appeal. It will be the responsibility of the providers involved to manage any disputes. Any financial loss incurred by the provider cannot be passed onto the parent/carer.	SCC
The Final Summer/Autumn/Spring 'Statement Of Funded Hours Report' is available via the headcount portal	This is the final SOFHR – providing a final reconciliation of the FEL hours claimed and payment made in the funding period.	SCC
In the last week of the new funding period	Third payment released - Final reconciled payment paid to providers.	SCC
	Prepare and open for the next funding period headcount process	SCC
	Provider reconciles queries	Provider

4. How to Submit your Claim.

Before you submit a claim you should check you have the necessary access to do so. New providers or existing providers where there has been a change to the administrator of the claim should ensure they have access to the Provider Portal and should contact the **EYCensus team** @sheffield.gov.uk if they require assistance.

There are 3 tasks per funding period; these are the **Forecast, Actual** and **Amendment** tasks each of which can trigger a payment. Every child's attendance details are collected to inform the Forecast, Actual and Amendment payments to providers.

The FEL Headcount timetable will be published online before the start of each **financial** year with the details of each headcount task and other key dates. It can be found online in "FEL Headcount Census" online at <http://www.sheffield.gov.uk/home/schools-childcare/fel-funding-Providers>

Mandatory Information Required to Complete the Headcount for each Child

Headcount Child Data Checklist	Checked
Legal name of child	
Date of birth	
Address	
Ethnicity	
First language	
Special Educational Needs (SEN)	
Universal Hours provider (if an additional provider is being used for EFE)	
Proof of eligibility for 2 Year Old FEL or EFE (Valid eligibility number)	
2 Year Old FEL hours claimed	
Universal FEL hours claimed	
EFE hours claimed	

The Forecast Headcount (Optional)

The Forecast headcount must be completed by any provider wishing to receive a 70% advance payment at the start of the funding period. The portal will be open 10 days before the new funding period begins for you to carry out this task. Providers who do not complete this task will receive 100% of their funding on completion of the Actual headcount task. Providers in receipt of monthly payments (e.g. maintained schools) do not have to complete this task but it is recommended that they do in order to identify possible ineligible or double funding issues in advance.

When this task is opened on the Provider Portal, providers will see the information for children who attended in the previous funding period, but their weeks and hours will be blank. Providers should add the weeks and hours in line with their Parent/Carer Agreement, add the full details for any new children, and enter a leaving date for any child that has left the setting.

Children who are no longer eligible due to their age will have been removed from the system.

Forecast Headcount Checklist:		Completed
1	Check information in Provider Portal and correct any errors. (Previous claimants only).	
2	Add any new Child details.	
3	Input any end dates for children that have left your setting.	
4	Enter parent / carer details for any EYPP funding checks carried out.	
5	Submit headcount on the Sheffield Provider Portal.	

The Actual Headcount (Mandatory)

The Actual headcount is compulsory for every provider wishing to claim FEL or EFE in a funding period.

When this task is opened on the Provider Portal, providers will see each child's information as submitted on the Forecast task, but the weeks and hours will be blank. Providers need to check and re-enter the required information in line with their Parent/Carer Agreement.

Children who started since the Forecast headcount can be added and children who have left the setting should be end dated at this point.

Actual Headcount Checklist:		Completed
1	Check information in Provider Portal and correct any errors.	
2	Add any new child details.	
3	Input any end dates for children that have left.	
4	Enter parent / carer details for any EYPP funding check.	
5	Resolve and correct any errors identified from the forecast headcount. Check the Forecast Statement of Hours Report and rectify any errors in this headcount	
6	Complete any Disability Access Fund (DAF) claims via the Sheffield Provider Portal, including uploading a copy of the Disability Living Allowance (DLA) letter and the Parental Agreement	
7	Spring funding period only - DfE Statutory return - submission of staff and opening times information via AnyComms.	
8	Submit headcount on the Sheffield Provider Portal.	

Forecast and Actual Task (Closure)

After the Local Authority has finalised any quality checks, providers are sent reports via AnyComms to investigate Double Funding, Capped Hours, and Ineligibility cases (See Appendix I at the end of this document for descriptions and examples of these).

Other errors (such as providers entering too many weeks for the term) are not reported. Providers can refer to the Statement of Funded Hours Report to find any cases that have been changed as required.

The remainder of the headcount is processed for payment. Providers must correct any errors in the next Headcount Task.

Amendment Headcount (Optional)

This is the final headcount task for the funding period. When this task is opened on the Provider Portal, providers will be able to see details for each child including the weeks and hours that were submitted in the Actual Headcount, plus any changes or error corrections made by the Local Authority. For example, the hours for ineligible or duplicate claims will have been set to zero.

Providers should check the headcount carefully, make any necessary amendments, and update it with any new starters or leavers since the Actual headcount.

All errors previously identified should be resolved at this stage. If there are any further changes, providers should use the amendment task (which is issued four weeks towards the end of the funding period) to notify Sheffield City Council of any changes i.e. new starters, leavers or changes to funded hours since the Actual headcount took place.

Amendment Headcount Checklist:		Completed
1	Check information in Provider Portal and correct any errors.	
2	Add any new child details.	
3	Input any end dates for children that have left.	
4	Enter parent / carer details for any EYPP funding check.	
5	Resolve and correct any errors identified from the Actual headcount. Check the Actual Statement of Hours Report and rectify any errors in this headcount. This will be the last time you will be able to change incorrect hours.	
6	Complete any Disability Access Fund (DAF) claims via the Sheffield Provider Portal, including uploading a copy of the Disability Living Allowance (DLA) letter and the Parental Agreement	
7	Spring funding period only – Department for Education statutory return - submission of staff and opening times information via AnyComms.	
8	Check that no children are missing from your claim.	
9	Submit headcount on the Provider Portal.	

Once this task is closed the Local Authority will conduct data quality checks, and will contact providers to resolve errors within 5 working days.

If there is **no response** from a provider to contact for error resolution within 5 working days, the Local Authority will make the final decision on whether to fund the claim, to fund pro-rata or any other appropriate arrangement. **This decision is final and is not open to appeal.**

The Local Authority will not be held responsible for any loss of funding incurred by the provider in cases of non-communication.

The provider cannot pass the charge onto the Parent / Carer

Finalised claims are then sent for payment.

5. What do I need to do to make a claim after the Amendment Headcount task and Portal have closed?

Last Check for the Term's Payment

Last Check Checklist		Completed
1	Check the final term's Statement of Hours Report (SOFHR) to ensure all children and hours claimed for are accurate.	
2	Check if you have any new starters after the Amendment headcount has closed.	
3	Check that any DAF claims have been successful.	

After you have completed the 'Last Check' checklist for the term's payment and if there are any children missing or new starters at your setting you **must** ensure that you claim by cut off dates of the 15th April for the Spring term, 15th September for the Summer term, and 15th January for the Autumn term.

At this stage the provider will not be able to change the hours and weeks on their claim as these should have been corrected at the Actual and Amendment headcount. The Local Authority also will have reconciled claims and made payments from this information.

Only claims which will be considered are:

- New starters that are new to the city or haven't claimed FEL before.
- New starters to the provider – this is a change of provider and the new provider should check the parent is not in breach of an existing parent / carer agreement to ensure this doesn't create a double funding issue. If a double funding issue arises then both providers will need to discuss funding between themselves as our process has been reconciled.
- Any children missing – providers need to check their Statement of hours report and any children missing should be claimed via the error correction form.

These claims need to be made via AnyComms, using the appropriate *Error Correction Form* or *New Starter Form*. Any claim submitted after the cut off dates will not be accepted by the Local Authority. Claims received by these dates will be considered and the provider will be informed of the funding decision. **There is no right to appeal for the funding decision.**

New Starters after the Amendment Task

A new starter is a child with no previous FEL claim in Sheffield in the term being claimed for or who has changed provider.

The Local Authority will check the child's FEL claim history for the term being claimed for and if they have not accessed FEL in Sheffield the Local Authority will fund the child. Where they have previously accessed FEL at another Sheffield provider during the term and there is no double funding issue the Local Authority will fund them but if a double funding issue occurs, then the providers concerned will need to agree funding between themselves.

Leavers after the Amendment Headcount task has been completed will need to be agreed (including any funding issues) between the providers involved. Sheffield City Council will not intervene with any payment adjustments.

Disability Access Fund (DAF)

Applications can be made each term via the Provider Portal between the start of the Actual Headcount and close of the Amendment Headcount – see Code of Practice Section 9:4 for further information.

6. How your claim is processed

This step involves calculating how much each claim is worth and ensuring payments are accurate and made on time to every provider. This work is carried out by the **Early Years Funding Team**.

Once the Early Years Census Team have collected all your data and corrected any errors they produce a report stating how many funded hours providers are entitled to receive in total for all the children on their claim.

This is broken down in to 2 Year Old FEL, 3 and 4 Year old FEL, Extended Free Entitlement (EFE), Early Years Pupil Premium (EYPP) & Disability Access Fund (DAF).

Sheffield City Council provides funding in accordance with providers' headcount claims and will pay FEL funding to providers in 2 main payments. An estimated payment in the first month of the new funding period (based on information submitted for the **Forecast Headcount**) then later in the same funding period a balance payment is made based on the claim submitted for the **Actual Headcount**.

A further amendment payment will be made if needed. After Sheffield City Council reconciles payment information and if the provider owes money they will be contacted to arrange repayment.

Sheffield City Council checks all information submitted in each headcount task to ensure that the funding claim for each child complies with the terms and conditions outlined in the Sheffield Code of Practice and the Provider *Funding Agreement*, and cases that do not comply may be adjusted accordingly, at the Local Authority's discretion (for example, reducing a claim of 70 weeks attended in a term to an appropriate value).

The Local Authority will **not progress** funding claims for the following errors without correcting action from the provider(s):

- Not confirmed eligible for 2 Year Old FEL or EFE.
- Excess hours – where the claim exceeds the number of hours the child is eligible for.
- Double funding – i.e. a child's total hours across two or more providers exceeds their entitlement
- Claiming for a child still under the 4 Week Notice Period at a different setting

Any ineligible claims that exist after the Amendment Headcount task will be issued to providers via AnyComms for an immediate response.

Where the evidence of eligibility is not supplied, the Local Authority will make the decision as to if and how to fund the place. **This decision is final and is not open to appeal.**

Statement of Funded Hours Report

To coincide with each payment a Statement of Funded Hours Report (SOFHR) is made available to providers and can be accessed via the provider headcount portal by selecting the menu option 'Headcount' and then 'Payment history'. This report is generated from the data supplied by providers via the headcount portal and will detail the hours of funding claimed by the provider and the total hours for each child.

It is the provider's responsibility to check the SOFHR to ensure any errors are identified and corrected within the related funding period. If a provider has any queries relating to the hours being claimed during a funding period they should email: EYFEL.Census@sheffield.gov.uk.

Headcount changes made after the Amendment Headcount task will not appear in the Statement of Funded Hours report.

Provider Reconciliation Queries.

Funding reconciliation queries can only be considered where the Final Statement of Hours Report (SOFHR) has been reviewed by the provider after the Amended Headcount payment has been made by SCC and do not reconcile with their records, or the following errors are identified:

- Incorrect input of number of hours/weeks.
- Children that should not be on the report with hours
- Missing children

N.B. Funding claims will not be accepted after 15 days from the end of the funding period.

Any queries or issues should be submitted to the EY Funding Team and any confidential evidence, such as parental agreements, should be submitted via AnyComms.

Section 7. How the funding rates are determined.

Early Years National Funding Formula

The funding for FEL and EFE places is determined locally in consultation with the Early Years sector through the Sheffield Schools Forum. The Early Years National Funding Formula (EYNFF) for providers operating in Sheffield is made up of an hourly base rate and a deprivation supplement for 3&4 year olds and a single hourly base rate for 2 year olds. Indicative Budgets are produced annually, and this process drives an hourly rate of funding for each provider and sets an average hourly rate per provider type. Providers' hourly rates remain static for the financial year running from 1st April to 31st March. Details of the agreed Sheffield EYNFF Base Rates and Deprivation Supplements are published at this link. [Funded Early Learning information for providers \(sheffield.gov.uk\)](#)

Early Years Pupil Premium funding (EYPP)

There is a further 53p per hour payable for any child who is eligible. EYPP funding is only payable for the first 15 hours FEL.

Disability Access Funding (DAF)

There is a further one-off payment of £615 to providers for any eligible child who is in receipt of child disability living allowance (DLA) where the child receives Free Early Learning (FEL). Please note that DAF funding is not based on an hourly rate and is an additional entitlement. If a child is eligible for DAF funding and is splitting their free entitlement hours across two or more providers, SCC will ask eligible parents to nominate which provider they wish to receive the DAF payment as it's only payable to one provider. Please note that 4 year olds in primary school reception classes are NOT eligible for DAF funding.

Deprivation funding explained

The Schools and Early Years Funding Regulations state that there must be a deprivation factor within the Early Years Single Funding Formula.

Sheffield City Council calculate the deprivation factor annually and use the Income Deprivation Affecting Children Index (IDACI) which measures the proportion of all children aged 0 to 15 living in income deprived families as defined by the Office for National Statistics (ONS). The definition of low income used includes both people that are out of work and those who are employed but have low earnings and satisfy the respective means test.

England and Wales are broken down into over 34,000 Lower Super Output Areas (LSOA) with a population of approx. 1,500 and a minimum population of 1,000. Every LSOA is ranked to determine the most deprived areas in Sheffield based on their household income.

In Sheffield the LSOA's which are in the 30% lowest ranking areas receive deprivation funding. Early Years Providers receive deprivation funding based on the child's postcode as input on the Sheffield Provider Portal and the IDACI rank is matched to this.

If an area has a low level of deprivation and therefore is not classed as deprived, this doesn't mean that there are not pockets of deprivation in these areas or vice versa. For instance, in the area around Ecclesall Road, Sheffield is classed as not being deprived but there is social housing in the area.

Deprivation funding is paid automatically based on the information you provide about the addresses of children claiming funding on the Sheffield Provider Portal and is payable for up to 30 hours where a child qualifies for extended free entitlement hours (EFE).

The annual deprivation funding rates payable to Sheffield providers is published on the Sheffield City Council website and is payable to each eligible child per pupil hour. The deprivation funding rate is approved by the Sheffield School Forum annually each February.

Providers are reminded that it is not the location of the setting that drives the deprivation funding hourly rate. A provider may be located in a deprived area of Sheffield but it doesn't necessarily follow that all the children who attend, live in areas of deprivation. Funding is not based on an individual child's needs but on where they reside. In such a case the provider would not receive the full 100% deprivation hourly funding rate.

Providers hourly deprivation funding rates are calculated based on their average attendance of pupils for the year and they will only receive the maximum 100% of the hourly funding rate if all attending pupils live at a postcode that attracts deprivation funding.

The aim of deprivation funding is to reduce the inequalities children face where they live in an identified area of deprivation.

Providers should use this funding to support these children, reducing the gap between the most and least advantaged (for example, you may choose to reduce / remove any additional charges for 'extras' that these children receive or to fund additional support hours for these children – examples could be a meal).

Example of Deprivation Hourly Rate

A worked example of how deprivation funding is calculated, where the agreed rate is set at 44p:

Provider ABC has 59 children in its setting in Spring 2020 and of those 59 children, 51 of them are classed as deprived (87%). In Summer 2020 70 children attended and of the 70, 63 of them were classed as deprived (90%). In Autumn 2020, 48 children attended and 43 of them were classed as deprived (90%).

Provider ABC

Spring 2020 - pupils attracting deprivation	87%
Summer 2020 - pupils attracting deprivation	90%
Autumn 2020 - pupils attracting deprivation	<u>90%</u>
Overall deprivation funding rate for 2020/21	<u>89%</u>
Deprivation funding rate agreed for 2020/21	£0.44
Deprivation funding rate agreed for 2021/22	£0.39
Base Rate for all Providers in 2021/22	<u>£4.26</u>
Provider ABC Hourly Rate	<u>£4.65</u>

Provider ABC would therefore be entitled to the total percentage of the three terms of deprived attendee data (87%+90%+90%) = 267% divided by 3 terms = 89%

The providers deprivation funding rate for the year would be 89% x 44p = 39p + the base rate of £4.26 = an annual hourly rate of £4.65 for the financial year.

This example is based on the latest available deprivation data set when carrying out the budget setting process and using 3 terms of data to determine the additional hourly rate payable to a setting (providers can only attract up to 44p if all 100% of the children attending their setting were classed as deprived). The deprivation data that has been used to drive an hourly rate for 2021/22 is based on the number of children at the setting in the following terms: Spring 2020 Summer 2020 Autumn 2020.

New Provider and Deprivation Funding

New providers or providers that have not claimed any FEL funding in the previous three terms (financial year) will not receive any deprivation funding. This is because Sheffield applies a deprivation funding rate calculated on the previous 3 terms actual FEL participation hours, therefore any new providers/claimants will not have any historic data on which to calculate their deprivation rate. These providers will receive the basic hourly rate of £4.26. Their deprivation rate will be reviewed and communicated to the providers concerned.

Enquiries.

If you have any queries on how the hourly rates are calculated or the deprivation funding mechanism then please email eyfundingteam@sheffield.gov.uk

Additional Information

In 2021/22 there were 29 providers who's hourly rate reduced, 325 providers who's hourly rate increased and 1 provider who's hourly rate remained static - out of 355 providers.

In 2020/21 there were 29 providers who's hourly rate reduced, 321 providers who's hourly rate increased and 26 providers who's hourly rate remained static - out of 376 providers.

- (a) FEL deprivation funding is based on children living in the 30% most deprived Lower Super Output Area's (LSOA's) in the country. The deprivation figures are based on the National Income Deprivation Affecting Children Index (IDACI) and are part of the Index of Multiple Deprivation (IMD). This index was last published in 2019 and it checks the child's postcode to a look-up table to identify where children live and if this is in an area of deprivation. The previous IMD data was last published in 2015.
- (b) The 2015 data set was that Sheffield had 130 LSOAs (37.68%) in the 30% most deprived nationally (this is the threshold used for identifying areas of need which attract additional deprivation funding in Early Years). This has increased to 143 LSOAs (41.45%) in 2019.
- (c) FEL deprivation funding is paid up to a maximum 570 hours per year (15 hours per week x 38 weeks per year) for Universal FEL funding + up to an additional 570 hours per year for families eligible for Extended Free Entitlement (EFE).

Appendix I. Typical Errors and Ineligible Claims

This section lists some of the typical errors which we encounter which prevent claims being processed quickly and explains how claims for excess hours, duplicate claims and ineligible claims are resolved.

It is the **provider's responsibility** to ensure all data is entered accurately when adding children's and parents' core details and attendance information and that no errors are included in the Headcount Tasks

Some common errors that could affect your payment are:

- Not submitting the headcount on time.
- Submission of children with zero hours or weeks who should be claiming.
- Claiming an incorrect number of weeks for the funding period.
- Claiming more weeks or hours than are available in the funding period.
- FEL hours not adjusted to the correct value after the Provider Portal auto-populates from the 'Hours Attended per Week' column (e.g. stretched offers do not automatically calculate correctly).
- Children exceeding more than their annual entitlement.
- Child or parent names supplied not matching the birth certificate/legal documents.
- Duplicating a child on the headcount using different 'known as' names.
- Entering an invalid address.
- Not entering the end date/editing the claim for a child that has left the setting.
- Childminders entering their own personal details in 'Parent/Carer details' for Early Years Pupil Premium checks.

SCC checks all information submitted in each Headcount Task to ensure that the funding claim for each child complies with the terms and conditions outlined in the Sheffield Code of Practice and the Provider *Funding Agreement*, and cases that do not comply may be adjusted accordingly at the Local Authority's discretion (for example, reducing a claim of 70 weeks attended in a term to an appropriate value).

The Local Authority will **not progress** funding claims for the following errors without correcting action from the provider(s):

- Not confirmed eligible for 2 Year Old FEL or EFE.
- Excess hours – where the claim exceeds the number of hours the child is eligible for.
- Double funding – i.e. a child's total hours across two or more providers exceeds their entitlement
- Claiming for a child still under the 4 Week Notice Period at a different setting

Claims for Excess Hours (Capped Hours)

Children are entitled to 570 hours of FEL (and an additional 570 hours of EFE where eligible) in their funding year. Any claim above this amount is not allowed and will be removed from any claim. A child's claim will be automatically capped at those limits if it exceeds them in the funding year.

This decision is final and is not open to appeal.

Any excess hours will be removed from the current funding period's headcount claim and providers will be informed of this corrective action via the **Capped Hours Report**. This will be sent via AnyComms after each headcount has been finalised.

This is not intended as a penalty to the provider, but is a reflection that each child's entitlement is limited and the Local Authority does not receive Government funding beyond this entitlement. The hours claimed for a child may be shared with the parent as part of the Local Authority's checks.

It is the provider's responsibility to confirm any hours claimed at another setting as part of their funding claim. If delivery is shared by more than one provider, all providers involved should agree that the total hours claimed do not exceed the child's entitlement. If a child has transferred during the funding period, the new provider is responsible for confirming the number of FEL hours already taken.

Providers should use the Change of Hours Calculator Tool to make sure children do not exceed their FEL entitlement, especially if they vary from the 38 week models:

<https://www.sheffield.gov.uk/home/schools-childcare/fel-funding-Providers>

Example: A child's birthday is the 3rd of March so their Funding Year starts in April. In summer they claim 195 hours (13 weeks x 15 hours/week), and in autumn they claim 225 hours (15 weeks x 15 hours/week) at Provider A, in line with Provider A's pattern of funded weeks. The child then moves to Provider B for the spring. Provider B follows a different pattern of funded weeks to Provider A, and would normally claim 165 hours (11 weeks at 15 hours/week) for a child in spring. But because this child has already taken 420 hours (28 weeks) of FEL there are only 150 hours (or 10 weeks) of the child's 570 hour entitlement available for Provider B to claim over spring. As the child is only entitled to 570 hours per year Provider B would only be funded 150 hours.

Claiming Universal and Extended Hours (FEL and EFE) and EYPP

Department for Education census requirements mean that providers must claim for the Universal Hours and Extended Hours separately where the child is entitled to both (e.g. 15 FEL and 15 EFE hours, rather than 30 funded hours). Providers must allocate the hours being claimed across the two funding streams to ensure the child does not exceed their entitlement.

FEL and EFE hours are funded at the same rate (including any deprivation funding). The only financial difference between the two is that if the child is entitled to EYPP, this is only payable on the FEL hours, not EFE hours.

Where more than one provider is delivering the full 30 hours entitlement, the providers must agree whether they are claiming Universal or Extended hours before submitting their funding claim

If multiple providers make a duplicate claim for the same type of hours and this does not create a duplicate claims issue, if the child is found to be entitled to EYPP this will still be dealt with as a duplicate claim in order to determine the EYPP allocation. If the child is not entitled to EYPP the hours will be adjusted between FEL and EFE by the Local Authority.

Duplicate Claims (Double Funding)

If FEL claims are received from two or more providers in respect of the same child in the **Forecast or Actual Headcounts**, and the FEL claims create a duplicate funding issue, the Local Authority will **not progress** the funding claim.

Example issues are:

- The combined FEL claims exceed 15 or 30 hours per week (or stretched offer equivalent).
- The combined FEL claims exceed the Funding Period or Funding Year limits.
- There is a conflict over the 4 week notice period.

The providers concerned will be informed of the issue via AnyComms and must resolve it between themselves. The necessary corrections should be made in the next scheduled Headcount Task to present an issue free claim.

Example 1: Two providers add the same child on their Forecast Headcount as claiming 15 hours a week for the term with themselves. The Local Authority notifies the providers of the double funding issues and zeroes both providers' claims – neither provider is funded at this stage. The providers then discuss the situation with each other, referring to their Parent/Carer Agreements. The providers agree on what happened (e.g. one claimed by accident, different hours being claimed for at each setting, child left one provider and moved to another),

Example 2: Two providers are in conflict over a double funded child after the Amendment Headcount. The Local Authority notifies the providers and requests information to support their claim, including a copy of the Parent/Carer Agreement and the *Transfer of Providers* form. One provider supplies information to the Local Authority, while the other does not respond to the request. The Local Authority will use the information supplied to make a final decision.

Any duplicate claims that exist **after** the Amendment Headcount task will be reported to providers via AnyComms for an immediate response. Additional evidence may be requested at this stage, such as a copy of the *Transfer of Providers* form or Parent/Carer Agreement.

Where the required evidence is not supplied, the Local Authority will make the decision on how to fund the place. **This decision is final and is not open to appeal.**

Ineligible Claims

Any child for whom the Local Authority has no record of eligibility, will not have their funding claim processed at the Forecast or Actual Headcounts.

Providers will be informed of these cases via AnyComms, and may submit any evidence of eligibility that they have at this point to confirm their claim, for example a valid and approved reference number. Children who are proved eligible will have their status updated and their claim can be corrected on the following Headcount Task.

Example: A two year old child added to the Actual Headcount is not recorded as eligible by the Local Authority. The Local Authority does not process the claim, notifies the Provider of the issue, and requests evidence of the child's eligibility.

The Provider responds to the request with a copy of the eligibility letter from another Local Authority. The Local Authority will then update the database with this information and mark the child as eligible for FEL. The Provider can then input a funding claim for the child in the next Headcount Task.

Any ineligible claims that exist after the Amendment Headcount task will be issued to providers via AnyComms for an immediate response.

Where the evidence of eligibility is not supplied, the Local Authority will make the decision as to if and how to fund the place. **This decision is final and is not open to appeal.**