

CFE Finance

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EARLY YEARS FREE ENTITLEMENT – 2011-12 HOURLY RATE

Dear Colleague

I am writing to advise you of the hourly rate that the County Council will be using to reimburse you for the provision of the early years free entitlement in 2011-12.

You will be pleased to learn that despite increasing pressure on public sector funding the County Council has put an additional £2.9m into funding early years' free entitlement in the PVI sector, responding to increasing demand for the free entitlement and meeting the financial impact of revisions to the Early Years Single Funding Formula.

The two main revisions to the Early Years Single Funding Formula are the removal of the sessional supplementary rate and the introduction of a flexibility supplement.

To compensate for the loss of the sessional supplement the base rate has increased to £3.90 for all providers.

The flexibility supplement has been introduced to recognise those providers who are able to offer the free entitlement most flexibly. The supplementary rate for flexibility of £0.05 will be paid to those settings who meet the following criteria: opening hours of at least 8am to 6pm; not restricting the free entitlement to pre-set sessions; not making any charges in relation to the first 15 hours of provision.

The leader qualification supplementary rates remain unchanged from last year with a setting led by an employee with Qualified Teacher (QT) status, and paid under the statutory teachers pay and conditions, receiving an additional £0.90 per hour. Settings led by an employee with either full accredited Early Years Professional (EYP) status or with QT status but not paid under the statutory teachers pay and conditions will receive an additional £0.30 per hour.

Both the flexibility and leader qualification supplementary rates have been determined using the 2011-12 Data Requirements Form, which providers were asked to return with their January 2011 headcount. If your rate does not reflect what you might have expected, it will be because the Data Requirements Form for your setting was either not returned, incorrect or incomplete (which included failing to provide a recognised registration number to evidence the QT or EYP status).

Your disadvantage rate has been determined by calculating an average deprivation score for your setting based on the addresses of the children that attended your setting in the calendar year 2010. If your setting's average score is above the qualifying threshold you will qualify for the supplement, the amount of which depends upon your setting's score relative to the minimum qualifying threshold. For 2011-12 the threshold score has been reduced to 40 to reflect necessary changes to the scoring system. As the disadvantage factor is based on the addresses of individual children, it is possible for a disadvantage rate to have been reduced when compared to last year. However, some transitional protection has been applied, with any reduction in the disadvantage rate being no more than 50% of the total reduction.

From the Summer Term 2011 your setting will be paid at the hourly rate of £*.** per child. Your hourly rate is made up of the following components:

Base rate	Supplementary – flexibility	Supplementary - leader qualification	Supplementary – disadvantage	Disadvantage score
£*.**	£*.**	£*.**	£*.**	*

The hourly rate is fixed until the end of the Spring Term 2012 so please check it carefully. If you believe your hourly rate to be incorrect please let us know in writing why you think it should be changed and provide any relevant evidence. It is also important that you let us know if you think the hourly rate is overstated as we will continue to check and confirm the accuracy of information upon which the hourly rates are determined and will recover any amounts that have been paid based on incorrect information. Requests for changes to the hourly rate should be addressed in writing to Darren Honey at the address given above or emailed to Darren.honey@kent.gov.uk by **no later than Friday 18th March**.

In addition to the hourly rates, Quality Lump Sums will be paid during the Autumn Term 2011, based on outstanding, good or improving inspection judgements received during the period August 2010 to July 2011. In December 2010, lump sum payments were made to 250 providers (at an average of £870 per provider) who received qualifying judgements between April 2009 and July 2010. If your setting did not receive a quality lump sum payment, and you believe it should have done so, please address any request in writing to Darren Honey as described above.

Further information on the Early Years Single Funding Formula is available via <http://www.clusterweb.org.uk/Communication/early-years-sub-group.cfm> where a budget calculator is also available to assist you in estimating potential payments using your new rate.

Yours faithfully

Darren Honey

Darren Honey - Principal Accountant, CFE