

Early Years Finance - Stretch Funding

Children changing from stretch funding to term time within their funding year.

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Background

Each child has annual allowance of funded hours depending on their age and eligibility for funding.

The child's funded year starts the term after their birthday.

For Early Years the term start dates are as follows:

Autumn Term – 1 September

Spring Term – 1 January

Summer Term - 1 April

The allowances for the funding eligibility are as follows:

Under 3 Working Parent Funding - 1140 hours

Think 2 Funding - 570 hours

Universal 3/4-Year-Old Funding - 570 hours

Working Parent 3/4-Year-Old Funding - 1140 hours

These work out as 15/30 hours a week over a 38-week term time offer.

For the 38-week standard offer, the maximum number of funded weeks and hours that can be claimed is as follows:

Term	Number of weeks	Hours per week	Hours per term
Spring term	11	15 (+15)	165 (+165)
Summer term	13	15 (+15)	195 (+195)
Autumn term	14	15 (+15)	210 (+210)
Yearly total	38	570 (+570)	



The Early Years Portal allows hours to be stretched over a maximum of 48 weeks. For a 48-week stretched offer, the maximum number of funded weeks and hours that can be claimed is as follows:

Term	Number of weeks	Hours per week	Hours per term
Spring term	12	11.88 (+11.87)	142.5 (+142.5)
Summer term	20	11.88 (+11.87)	237.5 (+237.5)
Autumn term	16	11.88 (+11.87)	190 (+190)
Yearly total	48	570 (570)	

Notes

- Totals: Universal/Funded (Extended/Expanded)
- The yearly funding entitlement of 1140 hours only applies if the child remains eligible for working parent funding, and the parent/carer reconfirms on time.

Issue

As the stretched offer effectively uses hours from the Autumn and Spring Terms for use in the Summer Term, an issue can be caused when children go from a stretched place to a term time place and vice versa.

Providers need to be aware with new starters from the 1 September who are wanting a term time place that if at their previous setting they have accessed stretch hours during the Summer Term, they will run out of hours in the Autumn or the Spring Terms, depending on when their funded year commences.



The scenario could be as follows:

Child with birthday during Spring Term (1 January to 31 March)

Term	Hours Claimed	Overclaim
Summer term	Stretched: 20 weeks x 23.75 Hours = 475	
Autumn term	Term Time: 14 x 30 Hours = 420	
Spring term	Term Time: 11 x 30 Hours = 330	-85 Hours
Yearly total	1225 Hours	

It is the setting that the child is attending in that Spring Term that would have the hours deducted from their claim.

There is no way that this can be identified until after the Actual Task for the relevant term when the Finance Team are processing the claim. It can then become a surprise for the setting and the parent that the full claim is not covered by the funding and leads to a hefty bill for the parent.

Unfortunately, there is no current solution for the Portal to assist with this issue. We would just advise settings with new starters, especially from the Autumn Term, to check with parents how they have accessed hours at a previous setting.

If unsure, or you would like advice on a particular child, the Finance Team will be able to advise you. Please provide them with the following information:

- Your Provider Portal ID
- Child Date of Birth
- Child Name
- Previous setting (if known)

The team will then be able to advise how many hours are left to claim in a term, but this can only be confirmed after the Actual task for the term has been processed and depends on all settings doing their claims accurately and on time.

