

Early Years Rate and Payment Frequency

Key Messages

Forum members are asked to note:

- The recommendation of the Sheffield Education Funding Forum - Early Years Working Group members to consult the early years sector in the autumn term on their views on continuing with the current payment process or implementing a monthly payment process.

1. Introduction/background

- 1.1. Sheffield has received an increase in requests to implement monthly payments, largely from childminders since the roll out of the early years extended entitlement funding that began in April 2024. The new entitlements enable eligible working parents in England up to 30 hours of free childcare per week for 38 weeks per year from the term after their child turns 9 months old until they start school.
- 1.2. The Department for Education (DfE) published a childminder consultation that was live from 15th March 2024 to 10th May 2024 which asked childminders if they would like to be paid monthly. The results of the consultation are expected to be published in the autumn term.
- 1.3. Shortly after the consultation was published, the DfE hosted a webinar for local authority (LA) officers on 25th April 2024 seeking to gather intelligence on how many LAs pay childminders and/or all providers monthly, and any barriers preventing LAs from implementing monthly payments. [Childminder Recruitment and Retention Consultation - Department for Education - Citizen Space](#)
- 1.4. Statutory Guidance (A4.13) states that LAs should offer monthly payments unless they can clearly demonstrate that local providers do not want this. [Early education and childcare \(applies from 1 April 2024\) - GOV.UK \(www.gov.uk\)](#)
- 1.5. Sheffield City Council last consulted on monthly payments in 2018.

2. Subgroup

- 2.1 Due to the rise in the number of enquiries received from Sheffield early years providers requesting monthly payments, a subgroup was created. The

subgroup was made up of volunteers from the Sheffield Education Funding Forum Early Years Working Group members and included seven early years providers, with three childminders. Four monthly payment models were shared with the group and they were asked to vote on two models for SCC to include in a consultation with the sector.

- 2.2 Sheffield intends to consult with the early years sector in the autumn term seeking their preference on moving from the current payment method to a monthly payment method.
- 3.2 Providers should note that we seek to maintain a similar headcount schedule timetable as now and want to minimise additional work required by providers and staff. All provider payments will be paid based on the actual participation hours as input on the Sheffield Provider Portal by each early years provider, and providers will be paid following the usual eligibility checks being completed by the Performance and Analysis Service (PAS).

3. Model overview

- 3.1 The four payment models shared with the Sheffield Education Funding Forum Early Years Working Group members are:
- 3.2 **Model 1** – Pay providers 12 monthly payments based on the number of months in each term.
 - There are five months in the summer term and providers will be paid 20% in all 5 months based on data they have input on the Sheffield Provider Portal.
 - There are four months in the autumn term and providers will be paid 25% in each month based on data they have input on the Sheffield Provider Portal. There are three months in the spring term and providers will be paid 33.33% in each month based on data they have input on the Sheffield Provider Portal.
- 3.2 **Model 2** – Pay providers 12 monthly payments with front loaded payments at the start of each term (for example, 35% paid in April, September and January) with all remaining payments profiled for the number of months in the term. Eg
 - Summer term is five months therefore providers will be paid 35% in April, followed by 4 monthly payments in May to August of 16.25% based on data they have input on the Sheffield Provider Portal.
 - Autumn term is four months therefore providers will be paid 35% in September followed by 3 monthly payments of 21.66% based on data they have input on the Sheffield Provider Portal.
 - Spring term is three months therefore providers will be paid 35% in January followed by 2 monthly payments of 32.5% based on data they have input on the Sheffield Provider Portal.
- 3.3 **Model 3** – Pay providers 12 monthly payments with front loaded payments at the start of each term (for example, 40% paid in April, September and January) with all remaining payments profiled for the number of months in the term. Eg

- Summer term is five months therefore providers will be paid 40% in April, followed by monthly payments in May to August of 15% based on data they have input on the Sheffield Provider Portal.
- Autumn term is four months therefore providers will be paid 40% in September followed by 3 monthly payments of 20% based on data they have input on the Sheffield Provider Portal.
- Spring term is three months therefore providers will be paid 40% in January followed by 2 monthly payments of 30% based on data they have input on the Sheffield Provider Portal.

3.4 **Model 4** – Pay providers 12 monthly payments with front loaded payments at the start of each term (for example, 45% paid in April, September and January) with all remaining payments profiled for the number of months in the term. Eg

- Summer term is five months therefore providers will be paid 45% in April, followed by monthly payments in May to August of 13.75% based on data they have input on the Sheffield Provider Portal.
- Autumn term is four months therefore providers will be paid 45% in September followed by 3 monthly payments of 18.33% based on data they have input on the Sheffield Provider Portal.
- Spring term is three months therefore providers will be paid 45% in January followed by 2 monthly payments of 27.5% based on data they have input on the Sheffield Provider Portal.

4. Subgroup Votes

Attendee Name	Payment Preference	Model	Model
Helen Dyball	Current system	1	4
Clare White	Current system	3	4
Kerry Heath	Monthly	1	2
Karen Simpkin	Current system	3	4
Nick Porter	Monthly	1	3
Carlette Sarayreh	Current system	3	4
Laura Gregory	Didn't vote	Didn't vote	
TOTALS	4 x current model 2 x monthly model	Model 1 = 3 votes Model 2 = 1 vote Model 3 = 4 votes Model 4 = 4 votes	

4.1 The Early Years Working Group agreed that SCC will consult the early years sector in the autumn term on implementing Models 3 and 4 along with the option to remain with the current payment method (70% paid in the Forecasting Headcount Task and the remaining 30% paid in the Actual Headcount Task with a further Amendment Task).

5. Recommendations

Forum members are asked to:

- Note the recommendation of the Sheffield Education Funding Forum Early Years Working Group members to consult the early years sector in the autumn term on their views on continuing with the current payment process or implementing a monthly payment process.
- Await the published outcomes of the DfE consultation - we will consult if required to do so, upon receipt of the DfE's consultation results in the Autumn Term.