



**EARLY YEARS ENTITLEMENTS  
MONTHLY PAYMENTS**

**A CONSULTATION WITH  
CHILDMINDERS IN BRACKNELL  
FOREST**

**22 JANUARY 2024**

**TO**

**09 FEBRUARY 2024**

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## **Executive Summary**

1. This consultation document sets out proposals from Bracknell Forest Council (BFC) for the introduction of monthly payment arrangements for childminders claiming the Early Years Entitlements (EYE) from April 2024.
2. To assist with the preparation of this consultation, BFC established a Childminder Working Group to provide insight into the issues affecting childminders and to gather feedback on the feasibility of various payment arrangements. This feedback has informed the proposals in this consultation.
3. The proposals for the introduction of monthly payments arrangements for childminders are considered in light of the expansion in early years entitlements to eligible working parents of 2-year-old children from 1 April 2024 and eligible working parents of children from 9 months to 2 years from 1 September 2024.
4. Proposals include the process for calculation of monthly payments based on forecast participation hours, the process for adjusting payments to reflect actual participation and the administrative arrangements required to support monthly payments.

## **Introduction**

5. The purpose of this consultation is to gather views from childminders in Bracknell Forest on the council's proposed arrangements for monthly payment of the early years entitlements to childminders from 1 April 2024.
6. This consultation relates to payment arrangements for childminders only. BFC is not proposing any changes to payment arrangements for group provision.
7. This consultation document can be found at the following BFC website address:  
<https://consult.bracknell-forest.gov.uk/kse/>

## **Responses**

8. You can respond to the consultation on our online portal which can be accessed here  
[https://consult.bracknell-forest.gov.uk/public/cyp/cm\\_monthly\\_payments](https://consult.bracknell-forest.gov.uk/public/cyp/cm_monthly_payments)
9. Alternately a separate response form accompanies this consultation, which you can return electronically to:  
[EHBS@bracknell-forest.gov.uk](mailto:EHBS@bracknell-forest.gov.uk)  
or by post to:  
Early Help Support, Bracknell Forest Council, Time Square, Bracknell, RG12 1JD
10. The deadline for receipt of response to the consultation is **Friday 09 February 2024**

## **Who should respond to this consultation?**

11. All childminders in Bracknell Forest who currently offer or are considering offering the early years entitlements.

## **Queries**

12. If you have any queries on this consultation, please contact:  
Early Help Team  
Tel: 01344 351555  
Email: [EHBS@bracknell-forest.gov.uk](mailto:EHBS@bracknell-forest.gov.uk)

## **Background to early years funding**

13. Paragraph A4.13 of the Statutory guidance; Early education and childcare states that Local Authorities should:

*Pay all providers the full amount owed to them monthly unless they have good reason not to do so, for example, if, after consultation, the clear majority of providers opt for an alternative method of payment. Local authorities should be mindful of the concerns of smaller providers, particularly childminders, about their cash flow when making decisions about payment methods. Local authorities should regularly review how they pay providers to ensure that it continues to meet the needs of all providers in their area.*
14. In October 2018 BFC consulted early years providers in Bracknell Forest regarding the arrangements for payment of the early years entitlements. Providers were asked to indicate their preference for retaining the current termly funding arrangements or moving to a monthly funding arrangement. The Council received 53 responses to the consultation, of which 38 (72%) indicated a preference to retain the termly funding arrangements.
15. Recent feedback from providers indicates that termly funding is still the preference amongst group providers, but childminders have expressed an interest in revisiting the options for monthly payments.
16. In March 2023 the Government announced changes to early years and childcare entitlements to support working parents. These changes include access to 30 hours of childcare per week, for 38 weeks of the year, for working parents from the term after their child is 9 months old to when they start school.
17. The expansion of the entitlements will be implemented in phases, with children eligible for funding from the term after they reach the required age:
  1. the 15 hours entitlement over 38 weeks of the year (equivalent to 570 hours a year) for eligible working parents of 2-year-old children from 1 April 2024
  2. the 15 hours entitlement over 38 weeks of the year (equivalent to 570 hours a year) for eligible working parents of children from 9 months to 2 years from 1 September 2024
  3. the 30 hours entitlement over 38 weeks of the year (equivalent to 1,140 hours a year) for working parents of children from 9 months to 3 years from 1 September 2025
18. The expansion of the entitlements to children of eligible working parents from the age of 9 months will result in many early years providers receiving most of their income via the entitlements. The Council has considered the impact of this change on early years providers income and on childminders in particular and, taking into account the recent feedback from childminders, believes it is appropriate to undertake a consultation with childminders on the arrangements for monthly payment of the early years entitlements.
19. A childminder monthly payments working group was established to discuss the options and challenges of monthly payments. Feedback from these discussions have informed the proposals included in this consultation document.
20. The outcome of the consultation will be presented to Schools Forum in March 2024, with any changes to payments for childminders implemented in April 2024.
21. Proposals in this consultation meet the requirements of the Statutory guidance: Early education and childcare - Updated on 1 January 2024 and effective from 1 April 2024 (Statutory Guidance) and the Schools and Early Years Finance (England) Regulations 2023 (SEYFRs).

## **Proposed changes for the introduction of monthly payments for the early years entitlements for childminders**

### **Key principles**

22. The proposals in this consultation reflect the following key principles, which are informed by feedback from the working group:
1. The process must be transparent, stable and predictable.
  2. Data used to calculate monthly payments must be readily available, objective in nature and should not increase the administrative burden on childminders.
  3. Any change in administrative arrangements must take the following factors into account:
    - i. The limitations of BFC's payment software
    - ii. The capacity of the early years team to administer the process
    - iii. The impact on other early years providers in Bracknell Forest
    - iv. Statutory requirements and limitations

### **Statutory requirements**

23. Statutory requirements related to the calculation of EYFE funding and relevant when considering the implementation of a monthly payments process for childminders are:
1. Statutory Guidance - Paragraph A4.2  
Local Authorities are required to issue all providers with an indicative budget at the beginning of the financial year which broadly reflects anticipated participation. Local authorities must also adjust budgets to reflect actual levels of participation within the financial year, across all sectors.
  2. SEYFRs - Regulation 23(4)  
When further information about hours of attendance becomes available, a local authority must—
    - (a) review the amount allocated to each relevant early years provider; and
    - (b) redetermine the amount allocated.,
  3. SEYFRs - Reg 23(5)  
When carrying out a review and redetermination under paragraph (4) the local authority must take into account—
    - (a) the predicted total number of hours of attendance of children who will receive funded early years provision from the relevant early years provider, during the period (basing the calculation on the actual hours of such attendance in each of at least three sample weeks); or
    - (b) the actual total numbers of hours of such attendance for the period.
24. To meet these statutory requirements the proposals for monthly payment arrangements must include the termly recalculation of a providers funding allocation, with payments adjusted to reflect a change in the funding allocation.

### **Current early years entitlement funding arrangements**

25. The current model for funding providers in Bracknell Forest is comprised of two termly lump sums paid in advance of actual participation and one or more amendment payments each term for corrections and changes in participation. The payments are:
- The Forecast Payment
    - 60% of this estimated funding as a lump sum before the start of the term.
    - based on estimated hours of attendance
  - The Actual Payment
    - balance of funding for the term
    - after schools census date
    - based on actual hours of attendance
  - The Amendment Payment(s)
    - optional additional payment(s)
    - for corrections, new starters, leavers and changes to funded hours claimed
    - usually paid before the end of the term
26. Prior to each payment providers complete a funding task on the Early Years Portal, in which the provider submits participation data to BFC.
27. Submitted data is checked and verified before a payment via BACS to the childminders bank account is processed.
28. As providers are paid in advance of actual participation, differences between forecast and actual levels of participation can result in an overpayment to a provider. BFC claws back these overpayments by issuing an invoice to the childminder.
29. More information about the current arrangements for payment of the early years entitlements is available on the Bracknell Forest website <https://www.bracknell-forest.gov.uk/children-and-family-services/childcare/information-early-years-providers/funding-information-early-years-providers>

### **Proposals for monthly payments to childminders**

#### Capacity & systems

30. The Council is proposing to introduce a monthly payment process from April 2024 for childminders in Bracknell Forest claiming the early years entitlements. To ensure that the administration of monthly payments do not negatively impact on the overall administration of the early years entitlements, the arrangements for the monthly payment process must be within the capabilities of the Councils payment software and the capacity of the early years team. To meet these restrictions, the Council proposes:
1. The introduction of one monthly payments process for all childminders. Childminders will be able to choose between the current termly payment process or the monthly payment process. The details of how this model will operate will be informed by feedback to the proposals in this consultation.
  2. Before the start of each financial year, childminders will be required to choose between the termly payment process or the monthly payment process.
  3. The choice of payment process will apply until the start of the next financial. After the summer term forecast payment has been processed, childminders will not be able to change payment process until the spring actual payment has been processed.
  4. Childminders who register to claim the early years entitlement part way through a financial year will be able to choose between the payment processes as part of the

registration process.

|                           |  |
|---------------------------|--|
| <b><u>Question 1:</u></b> | Do you agree with the proposal to introduce one monthly payment process for all childminders?  |
| <b><u>Question 2:</u></b> | Do you agree with the proposals to offer childminders a choice between termly and monthly payment processes before the start of each financial year?                             |
| <b><u>Question 3:</u></b> | Do you agree with the proposal that the choice of funding process will apply for the duration of the financial year?   |
| <b><u>Question 4:</u></b> | Do you agree with the proposal that childminders registering for the early years entitlement are offered a choice between payment processes as part of the registration process? |

Monthly payments process

31. The Council has considered the feedback from the childminder working group, the capabilities and limitations of the Councils payment software and the available capacity of the early years team, the key principles in paragraph 19 and the statutory requirements in paragraph 20.
32. The Council is proposing that the collection of participation data, for both termly and monthly payment processes, remains unchanged. All childminders will continue to complete the forecast and actual task on the provider portal in line with the current process.

|                           |   |
|---------------------------|---|
| <b><u>Question 5:</u></b> | Do you agree with the proposal to retain the current arrangements for collection of participation data? |
|---------------------------|---|

33. For childminders who choose to continue with termly funding payments, the council is proposing that the current termly funding process remains unchanged.

|                           |  |
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| <b><u>Question 6:</u></b> | Do you agree with the proposal to retain the current termly funding process? |
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34. For childminders who choose to move to monthly payments the following process is proposed:
  1. Following submission of the termly forecast task the early years team will calculate the estimated termly funding for the childminder. A monthly payment amount for the term will be calculated by dividing the estimated termly funding evenly across the number of months for that term. (see points 35 to 41 for more detail about months per term)
  2. Payment will be made in advance, with payment processed on the last Thursday of the preceding month. Timing of payments is dictated by the Councils payment system, but the aim is to pay childminders as close to the start of the month as

possible.

3. After submission of the actual payment task the early years team will recalculate the actual termly funding for the childminder.
  - i. If actual termly funding is **higher** than the estimated termly funding the monthly payment amount will be recalculated (accounting for any payments to date for the term) and the increase applied to the next monthly payment.
  - ii. If actual termly funding is **lower** than the estimated termly funding the monthly payment amount will remain unchanged for the remainder of the term. This will result in an overpayment to the childminder for the term.
4. Overpayments will be clawed back by reducing the total estimated termly funding for the following term.
5. Submitted amendment tasks for childminders on monthly payments will follow the same process as actual tasks in point 3 above.

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| <b><u>Question 7:</u></b> | Do you agree with the proposed process for monthly payments to childminders as set out in paragraph 34 of the consultation document? |
| <b><u>Question 8:</u></b> | If you have answered No to question 7, please provide reasons for your answer.   |

#### Monthly payments per year

35. The number of monthly payments per year needs to be considered in relation to the weeks across which a childminder is claiming funding. The early years entitlements can be claimed over a minimum of 38 weeks a year or stretched over 52 weeks of a year.
36. A 38-week model is equivalent to 10 monthly payments a year, with no payment in July or August. While a 52-week model is equivalent to 12 monthly payments a year.
37. The childminder working group raised concerns regarding the impact of 12 monthly payments a year on the payments received in the summer term for childminders claiming funding across 38 weeks (term time only). This issue is best demonstrated by comparing the examples in tables 1, 2, 3 and 4 below.
38. These examples are based on a claim of 1,520 hours of funding a year (40 hours a week over 38 weeks or 30.4 hours a week over 50 weeks) and a funding rate of £5 per hour, for a total payment of £7,600 a year.

**Table 1 – Claiming 38 weeks, 10 monthly payments,**

| Term         | Paid months | Funded weeks | Termly funding due | Monthly payment |
|--------------|-------------|--------------|--------------------|-----------------|
| Summer       | 3           | 12           | £2,400             | £800            |
| Autumn       | 4           | 14           | £2,800             | £700            |
| Spring       | 3           | 12           | £2,400             | £800            |
| <b>Total</b> | <b>10</b>   | <b>38</b>    | <b>£7,600</b>      |                 |

**Table 2 – Claiming 38 weeks, 12 monthly payments**

| Term | Paid | Funded | Termly | Monthly |
|------|------|--------|--------|---------|
|------|------|--------|--------|---------|



|              | months    | weeks     | funding due   | payment |
|--------------|-----------|-----------|---------------|---------|
| Summer       | 5         | 12        | £2,400        | £480    |
| Autumn       | 4         | 14        | £2,800        | £700    |
| Spring       | 3         | 12        | £2,400        | £800    |
| <b>Total</b> | <b>12</b> | <b>38</b> | <b>£7,600</b> |         |

39. Tables 1 and 2 show a provider claiming funding over 38 weeks. The impact of the 12 monthly payments can be seen in the summer term payments in table 2, where income falls to £480 per month. The council queried the lack of income from early years entitlements in July and August for the 10 month model, but feedback from the working group indicated that this was offset by the provision of holiday care, for which a fee was charged.

**Table 3 – Claiming 50 weeks, 10 monthly payments**

| Term         | Paid months | Funded weeks | Termly funding due | Monthly payment |
|--------------|-------------|--------------|--------------------|-----------------|
| Summer       | 3           | 22           | £3,344             | £1,115          |
| Autumn       | 4           | 15           | £2,280             | £570            |
| Spring       | 3           | 13           | £1,976             | £659            |
| <b>Total</b> | <b>10</b>   | <b>50</b>    | <b>£7,600</b>      |                 |

**Table 4 – Claiming 50 weeks, 12 monthly payments**

| Term         | Paid months | Funded weeks | Termly funding due | Monthly payment |
|--------------|-------------|--------------|--------------------|-----------------|
| Summer       | 5           | 22           | £3,344             | £669            |
| Autumn       | 4           | 15           | £2,280             | £570            |
| Spring       | 3           | 13           | £1,976             | £658.66         |
| <b>Total</b> | <b>12</b>   | <b>50</b>    | <b>£7,600</b>      |                 |

40. In table 3 and 4, for a 50 weeks claim, we see the impact on summer term payments between the 10 month and 12 month models is the reverse of a 38 week claim. The 10 monthly payments option results in a big increase in summer term payments when compared to the autumn and spring terms.
41. From the Councils perspective the choice of a 10 month or 12-month model does not impact on the administration of monthly payments. However, due to limits in administrative capacity only one model can be implemented. The Council is therefore proposing to implement the model that receives the most support from respondents to this consultation.

|                    |   |  |
|--------------------|---|--|
| <b>Question 9:</b> | In respect of the number of monthly payments per year, which payment model do you prefer? |  |
|                    | 10 monthly payments a year (no payments in July & August)                                 |  |
|                    | 12 monthly payments a year  |  |

|                     |   |
|---------------------|---|
| <b>Question 10:</b> | Do you have any other comments regarding the number of monthly payments per year? |
|---------------------|---|

## **Next Steps**

42. The results of this consultation will be summarised and presented to the Schools Forum on 7 March 2024, to consider what changes, if any, should be made.
43. Any specific comments on the proposals made by individual providers will also be reported to the Schools Forum, but these will be anonymised and reported to the Schools Forum through a confidential annex which will not be made public.
44. The Executive Member for Children, Young People and Learning will make final decisions on the arrangements in March 2024, taking account of the outcomes from the consultation and the views of the Schools Forum.
45. The intention is to inform childminders of any change in the arrangements for payment of the early years entitlements by 15 March 2024.
46. Any agreed change will be implemented from April 2024.