

RECORD OF OFFICER DECISION

APPROVAL FOR a SECOND VARIATION TO PAYMENT FOR EARLY YEARS PROVIDERS AS A RESULT OF COVID19 – following the updated DfE guidance received 21st April 2020 changes effective 01 June 2020

SUMMER TERM 2020

Decision made

To approve the proposal to continue to make reduced payments of early years entitlement funding for 2, 3- & 4-year olds to settings and childminders closed during the coronavirus pandemic. This will be a phased approach moving from 80% in May, to 100% funding for September as detailed in the paper. This will create a pool of funds to pay settings who accept higher numbers of children than they originally estimated and make standard payments to open settings to contribute towards the costs of PPE and additional cleaning.

This scheme will pay Childminders and Group Settings a one-off payment to contribute towards these additional costs, and will be £150 for Childminders, and £1000 for Group Settings. The alternative option consulted on was to pay open settings £10 per child per week. We have consulted with all childcare providers on which is the preferred option before making a decision, and results are in the paper below. This will replace the £100 per child per week additional payment to settings, agreed in April, as this will not be sustainable as more settings are requested to open.

Up until 31st May 2020, settings have been open to children of key workers, to children with a social worker or those with an education health & care plan (EHCP). With effect from 1st June 2020, it is the government's expectation that all settings will be open to all children where possible.

Made by: Helen Jones, Director, Joint Commissioning

Background

1. Pursuant to paragraph 4 of Part 3 Section D, the Directors of Wiltshire Council are empowered to take all necessary decisions in cases of emergency. This funding decision is being taken by Helen Jones using these powers in circumstances where the Director concerned believes that there is a risk of damage to property, a threat to the health or wellbeing of an individual and/or that the interests of the Council may be compromised if this decision is not otherwise taken.

Reason for decision

2. This decision around funding of early years settings would in other circumstances be taken in consultation with Cabinet and following consultation with the early years reference group and Schools' Forum. However, in circumstances where councillors are unable to meet to expedite their functions in a timely manner during the COVID-19 pandemic, this decision is being taken in accordance with the power referred to in paragraph 1 above. The early years reference group were consulted, but have not expressed a view, and asked that there be a wider consultation with the sector

instead. This decision will be reported to the next meeting of the Schools Forum and Cabinet.

3. Providers operate with a mix of income coming from free entitlement (2, 3 & 4-year-old funding from the dedicated schools' grant) and private income from parents. The Chancellor has set out a package of temporary and targeted measures to support public services, people and businesses through this period of disruption caused by COVID-19.

4. All local authorities received the following specific advice at the start of the pandemic:

'The government would continue to pay for free early years entitlement places for 2, 3 and 4 year olds even if settings were closed or children were not able to attend. We expect local authorities should follow this position and continue early entitlements funding for all childminders, schools and nurseries.'

5. Wiltshire Council made a decision in April to pay closed settings 80% of funding, in order to pay open settings an additional payment to ensure there was sufficiency of childcare across the county for children of critical workers and vulnerable children. This decision was taken on 15th April.

6. In light of further DfE guidance published on 17th April, the Council reviewed its position and took further legal advice. The Council agreed not to change the original decision but to continue to review this in the light of any subsequent guidance from government. The Council recognised some settings may be facing financial difficulties at this time and offered to work with any setting to review their financial situation on a case by case basis to ensure that they did not have any hardship as a result of this decision, having explored all funding opportunities open to them.

7. This was reviewed again after the most recent guidance, where officers believe that our proposal is in line with the letter from the Secretary of State of Education, published on 21st April stating that future guidance will *'...support local authorities to use their free entitlement funding differently, redistributing it – in exceptional cases and in a clearly focused and targeted way – in order to secure childcare for the children of critical workers and for vulnerable children, where their usual arrangements are no longer possible.* This ability to redistribute will enable local authorities to ensure that critical workers, including NHS staff, are able to access childcare where they need it.'

8. This revised scheme will help to support childcare providers to open their settings when the government's expectation is for all settings to be open, for all children, with effect from 1st June 2020, and not just to remain open for the children of critical workers, and the most vulnerable children.

9. In order to deliver this scheme, it is important to create a sufficient pool of funds to cover the payments classified as key to sustaining our statutory duty of sufficiency across the early years sector

10. We have also had to review the payments made to closed settings as a result of communication with the Department for Education (DfE), as they felt our approach ran counter to the guidance the Department has published about the use of free early education entitlements funding during COVID-19. After discussion, we have agreed to the following phased transition to 100% funding for all settings whether they are open or closed.
11. Payments to any closed settings will be made at the percentages below of the estimated summer term children :
- a. June payments will be 85% to closed settings
 - b. July payments will be 90% to closed settings
 - c. August payments will be 95% to closed settings
 - d. September will be 100% to closed settings (subject to any future guidance)
12. Payments to any open settings will continue to be paid at 100% of the estimated summer term children.
13. Payments are being paid on estimates provided by settings. It is therefore important to make payments to settings who are taking more children than they originally estimated.
14. The previous decision to pay £100 per week per child will be removed as it will become unsustainable as more settings open. This could incur costs up to an additional £1,735,184 depending on the number of settings that open if it were left in place. A recent survey shows that at around 58% of childcare settings intend to open from June 1st, which is an increase from the 32% open in May.
- 15. Instead the incentive scheme will be replaced with :**
- a. One-off £150 payment to childminders, to contribute towards the costs of personal protective equipment (PPE) and any additional cleaning costs and materials, such as antibacterial spray or bleach-based products.
 - b. One off £1000 payment to nursery settings to contribute towards the costs of personal protective equipment (PPE) and any additional cleaning costs and materials, such as antibacterial spray or bleach-based products.
16. The alternative option was to pay £10 per child, per week to open settings.
17. We have consulted with the Early Years childcare sector as recommended by the Early Years Reference Group (EYRG), as they did not want to make a decision on behalf of the sector.
18. The result of the consultation is below :

Option A	Pay providers £10 per child, per week instead of the current £100	97	20%
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Option B	Pay a one-off payment to any provider that opens in June (pro-rated for those opening after 1st June) of £150 per childminder and £1000 to Group Settings.	263	55%
No opinion/ don't know		119	25%
Total		479	100%

19. Any childcare setting that opens after 1st June will be paid the amount above on a pro rata basis, based on the number of weeks they are open for during the end of the summer term.
20. I confirm that in making this decision I have considered the following in line with Wiltshire Council's Constitution: **(Please insert 'Yes' / 'No' / 'Not Applicable' and any other comments necessary to evidence the issue identified has been addressed)**

Key decision requirements	Y
Views of Leader/. relevant cabinet member	Y
Consideration of the area boards and delegated decision checklist for officers on the issue of when and how to involve local councillors and area boards in decisions about local services	N/A
Implication of any council policy, initiative, strategy or procedure	Yes – to adhere to national funding guidance, please refer to legal and finance advice below
Consultation in accordance with requirements and expectations of consultation with the public	Yes – consultation with the Early Years Sector via a survey. Reference Group (EYRG) on 8 th April 2020 Further consultation with EYRG on 13 th May 2020. Consultation with All childcare settings 28 th May 2020
Range of options available	Yes – this is a change to the original decision which followed the DfE's original set of guidance. This decision reflects the updated guidance received Friday 24 th

	<p>April 2020 coming into force on 1st June 2020. It is vital that should the local environment change (for example changes to closures) or that if national guidance is updated, that the decision be revisited. It is therefore under constant review via the Schools & Early Years Closure Cell during the pandemic response period when settings are closed to all children.</p>
<p>Staffing, financial and legal implications</p>	<p>Staffing settings can take advantage of the Chancellor’s national support, nurseries can claim business relief, childminders, self employment relief in addition to the early years entitlement funding this proposal negates an element of double funding which, the Government have advised local authorities to adopt in the Supplier Relief Procurement Policy Notice (PPN.) Thus, staff are protected. There are no Council staff implications.</p> <p>Financial advice from the Council’s Head of Finance, Children & Education is that the pressure on the public purse at national level will be overwhelming and every opportunity should be taken to</p> <ul style="list-style-type: none"> a) Protect the public purse from “double funding” b) Provide financial incentives / rewards from monies held back from closed settings within spirit of the overall dedicated schools grant (DSG) operational funding guidance <p>By making a payment to all open settings for PPE and cleaning, the new scheme (detailed above), allows settings to remain open without any negative impact. Closed settings will also receive more of their funding, in the phased approach above, receiving 100% of their funding for entitled children in September.</p> <p>It would not be possible to continue with</p>

the original £100 payment per child, per week from the 1st June when most settings are expected to open, following government guidance.

Funding for this scheme will be from within the Early Years entitlement grant, and any money that is not spent from this scheme, will remain available to support early years settings during the rest of the year.

It is estimated that the funding to be redistributed from closed settings for the additional payment schemes, will be £727,359 from April to the end of August, when comparing the budget, and taking into account the results of the recent surveys. This would have been sufficient to deliver either scheme, based on the estimated number of settings that will open in June, and was expected to cost either :

£200,000 for Option A

£186,386 for Option B (recommended)

As you will see from the table below in appendix A, this allows for a contingency of £63,752 for option B, (as there are many variables in the forecast, and we need to ensure costs are contained within the budget). All money will remain in the Early Years budget if it is not used for the scheme.

This forecast is based on a recent survey of all childcare providers, with the assumption that any setting that did not respond, will be in the same position as they were in May. The financial modelling is attached for reference.

Legal advice is it is important to remember that the annual funding guidance generally followed was written prior to the pandemic and as such is not necessarily fit for purpose at this time.

	<p>In the case of provider challenge it would be around passporting 95% of the funding and varying the hourly rate paid to providers. In response to this the Council has</p> <ul style="list-style-type: none"> a) Consulted with the EY reference group who supported the original proposal b) Consulted all childcare settings on the latest proposal c) Guaranteed at least an 80% payment to closed settings based on the same hourly rate but funding at least 80% of the estimates provided for the Summer Term d) Guaranteed a 100% payment to open settings for the Summer Term e) Retained the funding from closed settings, for redistribution to open settings as a one off payment of £150 per childminder and £1000 per group settings , f) Stated that the proposal is subject to change where internal or external factors change. <p>The Council's overriding duty from 1st June is to provide childcare to key workers and protect the most vulnerable children in Wiltshire and ensure sufficient provision for all children.</p>
Risk assessment and equality implications	Y
Involvement of statutory officers and/or directors	S151 approval through GOLD
Regional or national guidance from other bodies	Y

The council's constitution	Y
This contract is suitable for execution under the e-signature process.	Y

Conflict of Interest

21. Not applicable.

Other options considered

22. Continue with the current policy of £100 per child per week additional payment to providers who are open for entitled children. This would not be affordable within the current budget, as more settings will open from June 1st
23. Pay all settings 100% of their Early Years Entitlement, this will not encourage settings to open and offer the service that has been requested by the government. It would also disadvantage settings that are open, who would be incurring additional costs.
24. The level of payment for settings detailed above is based around the approximate cost of a pack of PPE for settings, as arranged by procurement colleagues on behalf of schools and settings.
25. Other local authorities have continued to pay closed settings at 100% numbers and have funded their incentive schemes based on the assumption that the public purse COVID19 fund will pick up the additional cost. There are several reasons we rejected this option;
 - a. The S151 estimate of anticipated COVID19 driven cost pressures and income losses are significant for Wiltshire
 - b. There is no information from central government that this fund will cover dedicated schools grant expenditure.
 - c. The incentive funding coming from within a self-financing pool where providers can benefit from two streams of funding being applicable was acceptable to senior leadership and the early years reference group.



Made by: _____

Helen Jones, Director Joint Commissioning

Date: 11/06/2020

Appendix A – Financial Model

Costs	Amount	Contingency
Total funding available from closed settings (Apr to Aug)	£727,359	
Incentive payments already made weeks 1 to 7	£346,200	
St Marys, error (2640 not 16 hours)	£11,021	
Estimates May (weeks 8 & 9)	£120,000	
Payments to date - Summer Term	£477,221	
Funding available for June to August	£250,138	
Cost of proposed scheme - Option A	£200,000	£50,138
Cost of proposed scheme - Option B	£186,386	£63,752