

## **Early Years Funding Stretched Funding Guidance**

North Yorkshire Council is committed to support providers who wish to offer stretched funding and provide advice on making this offer to parents.

This document aims to outline stretched funding, how providers can offer this, including informing parents, and how to claim stretched funding on their termly headcount.

Providers are not obliged to stretch the funded hours, there is no requirement to do this, and it is a personal business decision. If you choose to offer stretched funding then you must ensure that parents have agreed, via your parental agreement, and understand how many termly hours are claimed at your provision each term. Providers must inform the Early years Funding Team [eyft@northyorks.gov.uk](mailto:eyft@northyorks.gov.uk) to enable the system to be configured for the team to identify if a provider is offering the stretched entitlement, you only need to do this once. Providers must also make a note on the child's record when you submit your headcount claim and ticking the 'stretched claim' box to indicate this.

Providers are responsible for calculating the number of funded hours they are offering to each parent. They must also ensure they are claiming these correctly on their termly headcount and are responsible for managing how funded hours claimed are allocated and accessed by the parent. This will help where there is a query during headcount or during the audit process.

### **I am a provider who offers 'stretched' funded hours, how do I claim funding from NYC?**

You must ensure that the Early Years Funding Team are aware that you are stretching the funded hours, so they are aware you are offering the stretched entitlement. All funding claims must be submitted via the Synergy Provider Portal as term-time only. This can be calculated by dividing the total funded hours offered in the term by the number of term time only weeks. Please note this cannot exceed 15 or 30 hours per week. This means all headcount claims sent must be for actual number of funded weeks available in that term, as set by NYC.

Details of the number of funded weeks each term can be found here in the Useful Dates Table: [Early Education Places, Funding and Entitlement | CYP Sinfo \(northyorks.gov.uk\)](#). If a headcount claim is submitted for more than the number of funded weeks allocated by NYC in a term, this will not be processed, and the provider will be contacted to resend the claim correctly. If providers fail to resubmit the claim, it may be deleted, and funding will not be paid for that claim.

### **Stretched funding options.**

Providers are responsible for informing the Early years Funding Team that they are stretching the funded hours in the first place so the system can be configured. The provider is also responsible for calculating and making sure they claim the correct number of funded hours they are offering to each parent. We would advise providers to consider the points below before offering 'stretched' funding:

- **Annualised Offer** If your stretched offer is for the maximum annual entitlement of either 570 or 1140 hours per week across the full year, the weekly hours claimed should be either 15 or 30 hours for the number of allocated term time only weeks. If a child leaves/reduces their funded hours, or the parent no longer meets the eligibility criteria for 30 hours funding during the stretched period, this will impact the maximum number of funded hours that can be claimed and may result in underfunding for that child. In this scenario, providers must not charge the parent retrospectively for any funded hours they have not been able to claim from NYC.
- **Variable Termly Offer** This is for those providers who allow parents to stretch the entitlement across the funded term only – this will allow providers to offer the full funded entitlement available each term, within that period and ensures they are able to claim the exact funding that will be delivered each term.

For example: Term 1 has 13 funded weeks, with maximum number of weeks of 18 weeks. Child is only eligible for 15hrs per week, so can only access 195 hours in the term. Over 18 weeks this is equal to 10.75 hours per week (rounded to the nearest 0.25).

Term 2 has 12 funded weeks with maximum number of weeks of 21 weeks. Child is eligible for 15 hours per week, so can access 180 hours. Over 21 weeks this is equal to 8.5 hours per week (rounded to the nearest 0.25).

Provider would claim maximum funded hours available each term, and child would receive 10.75 funded hours per week for 18 weeks in Term 1, and 8.5 funded hours per week for 21 weeks in Term 2.

- **Remaining hours offer** If a child is accessing less than their maximum entitlement per week (with you, or with you and another provider), and you have agreed to claim the unused funded hours for non-funded weeks, providers must calculate and claim the total funded hours they are offering to the parent. Provider would calculate the total termly hours (including non-funded weeks) they need to claim. Provider's should divide the calculated total termly hours by the number of funded weeks and input this onto their headcount claim – subject to the maximum funded hours available in the term.

For example:

Child is attending for 20 hours per week and eligible for 30 hours per week.

Provider is offering funding to the parent for 17 weeks in a term. Therefore, needs to claim 20hrs x 17weeks = 340 hours. There are 14 funded weeks payable in the term, so 340 hours divided by 14 weeks = 24.25 hours to be claimed (rounded to the nearest 0.25).

Providers must check with the parent whether funded hours have been accessed elsewhere and if so, consideration must be given when calculating the funded hours available to claim.

#### **Limitations to consider.**

- Parents must understand and be aware that by stretching funding, they may be unable to access their child's full annual entitlement of 570/1140 hours. For example, if a parent chooses to access only 10 hours\* funding per week for their child, and funding is offered by their provider for 51 weeks per annum, the total hours claimed would be 510 hours. If the child only attended Monday's, then the number of funded hours accessed would be limited further due to Bank Holidays throughout the year. \*The maximum session length of 10 hours still applies when the entitlement is stretched.
- Providers must ensure parents fully understand how stretching works. The parental agreement must clearly state how funding will be claimed by the individual provider, the period when funding is to be stretched for, how the child's funded hours will be accessed by the parent during that period and confirm whether the child is accessing funding elsewhere. When a parent signs with a provider to access stretched funding, the provider needs to be mindful of the child's pattern of attendance, how many funded hours will be accessed and make the parent aware of this, making clear whether the child's full entitlement will be claimed and accessed.

In the event of a compliance check, providers must be able to evidence that the parent has signed up for 'stretched' funding on their parental agreement and are aware of how many funded hours per annum/week they are taking with you. We would also need to see from your registers that the child had been regularly attending and able to access the total funded hours you have claimed (up to 570 or 1140 if applicable) across the period you are stretching funding for.

- Providers should be aware that when offering an annualised offer, if a child leaves or the parent is no longer eligible for 30 hours funding, this might mean they are unable to claim enough funded hours from NYC across the year to cover the funded hours the child has accessed.

For example: a provider offers annualised stretched funding for 51 weeks from April to March each year, to a parent eligible for 30 hours funding in April. The parent and provider agree the child will access 22 hours funding per week for 51 weeks per annum. Summer Term has 22 weeks, including non-funded weeks, therefore the child accesses 484 funded hours. Funded weeks payable in the term is 13 weeks, so the headcount claim submitted will be for 390 hours. In Autumn term the parent decides to move their child elsewhere, meaning the provider is unable to claim any further funding and is unable to recover the

cost of funded hours accessed by the parent. The provider also must not charge the parent retrospectively for any funded hours they have not been able to claim from NYC. As part of your agreement with the parent, we would suggest you make it clear they need to notify you of any change to their circumstances or if they are moving their child as soon as possible, so you can review your funded offer.

- Providers should be aware that if a child joins you later in a term, or after headcount week, this also could also affect your 'stretched' funding offer to the parent. Providers should take account of the number of funded hours accessed previously, if the child had a funded place elsewhere including other local authorities. Providers may wish to defer making a 'stretched' offer to the parent until the following term and should make clear to the parent their policy on stretched entitlement.

### **Claiming a remaining balance of hours within a term – to fund holiday periods within that term**

To try and help providers be flexible and meet parents' needs, NYC will also allow providers to claim any remaining balance of hours a parent may have left in a term, to help cover any holiday period within that term. There are however a couple of conditions with this method and to make this type of claim:

- The child will be registered and attending with you on headcount week of that term.
- It is not possible for a parent to 'bank' any unused hours from one term, to be used in another term.

To make this type of claim on behalf of a parent, please contact the Early Years Funding Team for further information.

### **Frequently Asked Questions**

***Do I have to offer 'stretched' funding?*** No. There is no requirement for a provider to offer 'stretched' funding. It is an individual business decision as to whether you wish to offer this to parents. Parents also cannot insist that a provider offers their funded hours to them on a 'stretched basis'.

***Can a parent go to more than one provider and used stretched funding with one and term time only with the other?*** Yes, providers should make it clear to parents how many hours they will be claiming in each term to ensure there is no overclaim of funding. The parental agreement held by each provider should clearly state how many funded hours per week/annum are being claimed and NYC may ask to see this in the event of any overclaim.

***Can parents bank hours from one term to the next?*** Parents cannot bank funded hours from one term to access increased funded hours in another term.

For example: a parent is entitled to 30 hours funding and registers their child to attend for 20 hours funding per week in Autumn term. They then choose to increase the child's attendance in Spring term to their access their 30 funded hours. They then request the provider claims their unused hours from Autumn, to cover non-funded weeks in Spring. This is not possible, and the parent can only access 30 hours per week from Spring onwards, when their child was registered to access 30 hours funding.

However, as a provider offering annualised stretching, you will need to bank unused hours from a previous term to be able to offer the parent their full entitlement across a year. As advised earlier though, you are unable to claim more than the termly maximum hours available each headcount. Therefore, it is at your own risk to offer annualised stretching, in the event of a child moving/changing hours/losing 30h eligibility.

***Can a child take their unused hours with them if they move to another provider during the stretched funded period?*** No funding is paid based on where the child attends during headcount week therefore adjustments cannot be made after this point. Providers can come to private arrangements where they pass on unused funding to the new provider, but this is not mandatory and is a personal business decision, which would not involve NYC.

***Can I offer both stretched funding and term time only sessions?*** – Yes, you can provide different funded offers to parents to meet individual needs if you choose to do so. Under to terms of your funding agreement the only requirement in place is that you must also offer funded only places for parents wishing to have no charges to access their child funded entitlement.

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