

## OVERVIEW OF FLEXIBILITY PAYMENTS

### Department for Education guidance:

Funding supplements are amounts of funding paid to providers in addition to the base rate to reflect local needs or policy objectives. These only apply to 3 and 4 year old funding. Middlesbrough Council pay the following supplementary payments:

- Deprivation (mandatory)
- Flexibility (discretionary)

The terms and conditions of the DSG Early Years grant stipulates that the total planned value of funding supplements must not be more than 10% of the total value of planned formulae to providers. Due to the increase in take-up of the additional 15 hours, the actual funding paid to providers has exceeded the 10% threshold. Therefore the supplementary payments have to be reduced to bring this in line within the terms and conditions of the grant and the grant funding available.

In order for Middlesbrough Council to keep within the threshold, the flexibility payment has to be reduced from 85p per hour to 81p per hour. This will take effect from 1<sup>st</sup> April 2020.

### Criteria:

Previously flexibility was paid on the universal 15 hours nursery education grant. Flexibility funding is paid where a child attends a setting for more than 3 hours in any one day during the week. If this criteria is met then the full entitlement taken at the setting is classed as flexible and payment is made based on the full entitlement. Since the introduction of 30 hours childcare from September 2018, flexibility has been paid for this full entitlement.

### Middlesbrough data:

Flexibility payments made to setting/schools for the summer and autumn term 2019-20, please note spring term data is not yet available:

<b>Term</b>	<b>School £</b>	<b>PVI £</b>	<b>Total £</b>
Summer 19	32,436	186,524	218,960
Autumn 19	41,120	123,417	164,537
<b>TOTAL</b>	<b>73,556</b>	<b>309,941</b>	<b>383,497</b>
Split	19%	81%	100%