

Agenda item:

[No.]

**Cabinet Meeting**

**On 8 February 2011**

Report Title. Childcare in Haringey

Report of **Peter Lewis, Director of the Children & Young People's Service**

Signed :

Contact Officer : Ngozi Anuforo

Children's Centre and Extended Services Strategic Manager (x4681)

Wards(s) affected: **All**

Report for: **Key decision**

**1. Purpose of the report (That is, the decision required)**

- 1.1. To provide information on, and seek agreement in principle, for proposed changes to the fee structure and charges by the Council for the under fives childcare offered through our children's centres. This proposal is subject to both consultation and an equalities impact assessment. We will advise members of the outcome of these exercises.
- 1.2. To provide information on and seek agreement, in principle, for a proposed reduction in the levels of grant funding provided to Voluntary and Community sector childcare providers for sustainability. This option will be consulted on and we will advise members of the outcome of this exercise.
- 1.3. To seek agreement for the recommendations set out at 4.1 to 4.5 of this report.

## **2. Introduction by Cabinet Member (if necessary)**

- 2.1. Provision of good quality childcare is important in enabling parents to go out to work while feeling secure that their child is happy and thriving. Haringey has a good tradition of providing low cost, high quality childcare across the borough.
- 2.2. Government funding cuts have necessitated a review of the cost of children provision as against income from fees charged. The current level of subsidy is no longer sustainable and charges need to rise as a result.
- 2.3. We are proposing increases which relate to the age of the child, and therefore the costs incurred, and the income of parents. Efforts will be made to ensure all parents who qualify for tax credits claim their entitlement and charges will be based on ability to pay.

## **3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

- 3.1. The Local Authority has a statutory duty under the Childcare Act 2006 to secure sufficient high quality childcare for children aged 0-14 (up to 19 for disabled children) to meet the needs of working parents and parents undertaking education or training leading to work.
- 3.2. The Childcare Act 2006 requires the Council to:
  - Secure sufficient high quality childcare for working parents and parents undertaking education or training leading to work, which is affordable, sustainable, inclusive and of sufficient range (Section 6)
  - Secure sufficient free early years provision of 15 hours per week for a minimum of 38 weeks per year for all three and four year olds (Section 7)
  - Assess the sufficiency of childcare in the local area at least every three years (Section 11)
  - Provide information for information, advice and assistance to parents regarding provision of childcare (Section 12)
  - Provide information, advice and training to childcare providers (Section 13)

This statutory duty is aligned to a number of key council priorities and reflects the fact that childcare is a driver for the Council fulfilling its early years outcome duties under the Childcare Act 2006 and contributes to the Child Poverty agenda.

- 3.3. Links to the Children and Young People's Plan 2009 - 2020 priorities set out below;
  - Priority 1 – to improve health and well-being throughout life
  - Priority 3 – to improve safeguarding and child protection
  - Priority 4 – develop positive human relationships and ensure personal safety

Priority 5 – develop sustainable schooling and services with high expectations of young people

Priority 6 – engender lifelong learning for all across a broad range of subjects both in and out of school

Priority 10 – Empower families and communities

3.4. The programme also links with the Council's Sustainable Community Strategy - 2007-2016, in particular the outcomes;

*-Economic vitality and prosperity shared by all*

*-Safer for all*

*-Healthier people with a better quality of life.*

3.5. The programme supports the delivery of the Council's Child Poverty Strategy and Action Plan 2008-2011, with particular respect to;

Objectives 1: Addressing worklessness and increasing parental employment in sustainable jobs

Objective 2: Improving the take-up of benefits and tax credits

Objective 3: Reducing educational attainment gaps for children in poverty

#### **4. Recommendations**

4.1. That Cabinet agrees, in principle, to the introduction of new fee structure for Children's Centres from September 2011.

4.2. That Cabinet asks officers to explore the introduction of differential fee rates in 2012-13 based on ability to pay as exemplified in Appendix 3.

4.3. That Cabinet agree, in principle, to a reduction in the level of funding provided to voluntary and community sector providers, in the context of significant reductions in Council funding after April 2011 and the impact of the Early Years single funding formula.

4.4. That Cabinet note that a review is currently being undertaken of the provision of full-time early education places for 3 and 4 year olds. A report will be submitted to Cabinet for consideration in the autumn 2011.

4.5. That Cabinet, with the Leader's agreement, delegates the final decisions on the matters identified in Recommendations 4.1 and 4.2 above to the Cabinet Member with portfolio responsibility for Children's Services, in consultation with the Director of Children's Services, following appropriate consideration of the results of any consultation and with due regard to the Council's duties under the Equality Act 2010.

#### **5. Background**

##### **5.1. Early Years Policy**

Haringey's Early Years policy recognises the importance of high quality early years

education.

## **5.2. Childcare in children's centres**

As part of the first phase of children's centre development, the Council was required to provide childcare as part of the children centre service offer in those centres located within the 20-30% most deprived super-output areas.

The provision of childcare is seen as a key part of Haringey's Child Poverty strategy through enabling parents to access employment and training, as well as supporting children to benefit academically from access to high, quality early education and care in their earliest years.

The fee charged for childcare in children's centres offering full-time childcare for 0-4 year olds is currently set at a flat rate of £175. This fee rate was introduced by the Council in September 2007 and, at the time, reflected a level of fee that would enable eligible parents from the lowest income families to claim the maximum childcare element of the Working Families tax credit. The fee level of £175 was also within the averages across London at the time.

The childcare market within Haringey has continued to change. Since 2007, there has been a steady increase in demand for childcare places for children under 3, whilst childcare for 3 and 4 years olds has remained more steady; with fee-paying places being more difficult for providers to fill due to the entitlement of three and four year old children to 15 hours of free early years education per week.

The income generated by centres from a flat fee of £175 for all ages does not meet the direct costs of staffing and resources for the childcare provision. To this end, an average annual subsidy of £1, 557,000 has been drawn down from Dedicated School Grant and £400,000 from Sure Start grant funding to meet the shortfall in income.

From April 2011, a new Early Intervention Grant will replace the Sure Start grant; currently the main source of children's centre and early years funding in Haringey.

The Early Intervention Grant (EIG) is not ring fenced and there is no obligation to use the grant for any of these purposes. It also subsumes a number of other grants that were previously allocated separately. In April 2010, the total of all of the separate grants amounted to £20,282,783. Haringey's EIG allocation for 2011-12 is £15,748,000 and for 2012-13 is £16,036,000.

Budgetary pressures will mean that it will no longer be possible to continue with the £400,000 subsidy. This creates an even greater gap between the maximum income centres can generate through a flat fee of £175 and the cost of staffing and resources at existing levels.

As a result of Ofsted regulations and requirements, the costs of providing childcare increases for children under 3 and for babies. We are proposing to address this by introducing a range of fees that will differentiate between the age bands, 0-2, 2-3 and 3-4 years.

The range of household income levels in Haringey suggests that there is less need for a subsidised childcare place for our most affluent families.

Since its introduction in 2007, the £175 rate has not been increased by inflation or in relation to increased staffing costs.

In 2010, a review of fees was undertaken in order to identify options for a new fee structure for Haringey that could support the delivery of more sustainable childcare across the children's centres. The outcome of the review suggests that the introduction of differentiated fees rates for children under 2 and over 2 would be in line with many other local authorities and providers in the private and voluntary sectors within Haringey.

### **5.3. The sustainability of childcare in Haringey**

A number of community and voluntary sector childcare providers in Haringey operate within areas of high deprivation. Information gathered in previous years has told us that the levels of fees charged by these providers do not cover the costs of delivering the childcare.

As a response to this, the Council has, for many years, provided a sustainability grant to support the provision of affordable childcare. For 2010-11, the total grant allocation was £320,000, made up of £196,000 Sure Start, Early Years and Childcare grant funding and £124,000 of core Council funding.

The allocations of grant funding for 2010/11 are shown at **Appendix 1**.

The proposal is to reduce the level of subsidy funding provided by £200,000.

The introduction of an Early Years Single Funding formula from April 2011 will provide a mechanism for the distribution of DSG funding for the 15 hours free early education offer for 3 and 4 year olds. The formula will provide a more equitable and transparent mechanism for funding early years education places across maintained, private, voluntary and independent sector providers and will, as a consequence of funding following the child, lead to the re-distribution of funding from the maintained to the PVI sector. It is anticipated that this increase in funding levels will support the sustainability of community and voluntary providers offering places for 3 and 4 year olds.

#### Affordability of childcare

A national survey of childcare costs<sup>1</sup> in 2010 has reported that the costs of childcare for children under 5 in London as in previous years remain the highest childcare costs nationally. The average yearly costs of childcare stated below are based on 50 hours childcare per week over 48 weeks of the year. 50 hours equates to 8am – 6pm, 5 days per week.

	Childcare Costs (yearly expenditure)
London average (source: Daycare Trust survey)	£11,336
Haringey overall average (source: Haringey FIS survey)	£10,000
Haringey Children Centres	£9,100

This supports the recommendation for an increase in the current fee rate charged.

The Government provides tax credits to assist families with the costs of childcare for children aged 0-14. Tax credit enables families to claim up to 80% of £175 per week for one child and up to 80% of £300 for two or more children. Tax credit is means tested; therefore the lower the income, the more tax credit can be received.

Central Government data suggests that the take up of the childcare element of working tax credit in Haringey as at April 2010 is 15.79% with the London average being 18.38%. In light of the low take up of childcare tax credit, work is ongoing through our children's centres to monitor and increase take up of childcare tax credit in the borough and to understand barriers to take up.

The changes to the eligibility criteria, proposed by the current Government from April 2011, for childcare tax credits and the benefits system, are likely to have a negative impact on the numbers of parents within the borough able to afford childcare.

#### Free part-time early education provision for Two Year olds

Haringey Council has been amongst 10 Local Authorities involved in the delivery of the Two Year Old pilot programme in which disadvantaged 2 year olds are offered 15 hours of free nursery education per week. For this purpose, the Council received a ring-fenced grant totalling £1,004,000 in 2010/11. From April 2011, there will no longer be a separate ring-fenced grant to deliver this programme.

<sup>1</sup> National Childcare Campaign Daycare Trust – Childcare costs survey 2010, this is the ninth annual childcare survey conducted by the Daycare Trust

This programme has been successful in identifying vulnerable children and enabling them to access early education, alongside targeted family support through our children's centres programme. Whilst the Government has stated a commitment the continuation of the programme and have outlined an expectation that Local Authorities continue to offer such a programme from April 2011 It has not provided any additional funding. Indeed the new Early Intervention Grant in which previous funding has been subsumed has actually been reduced by 20% in from an equivalent of £20.3m in 2010-11 to £15.7m in 2011-12.

So the reduced level of funding impacts on our ability to offer the provision for two years olds at the same level.

#### Free part-time early education provision for three and four year olds

As part of our duty to secure the sufficient supply of free 15 hours of early education per week for Haringey's population of eligible 3 and 4 year olds, the Council must ensure that our most vulnerable and disadvantaged children are accessing their full entitlement. In 2010, Haringey's population of eligible 3 and 4 year olds (excluding 4 year olds in maintained reception classes) was 5,284. An analysis of the access of free entitlement places in the 2010 Spring Term has shown a 73% take up.

#### **5.4. Childcare for disadvantaged and vulnerable children**

Research has shown that high quality childcare is second only to good parenting and provides young children with the best possible start in life. This promotes narrowing the gap in attainment and reducing inequalities. The profile of Haringey and the high levels of deprivation mean that childcare is an important lever in reducing child poverty in the borough. Variations in the quality of childcare on offer in Haringey mean there is an imperative to reduce the inequality that exists between the west and east of the Borough and establish a greater degree of consistency in quality for all children.

#### Free full time nursery education places for three and four year olds

Within the borough, the provision of these part-time places is enhanced by the provision of 560 full-time nursery class places for 3 and 4 year olds across 23 of our primary schools with nursery classes.

The current provision of full-time nursery education places are funded through the DSG and children's centre funding streams and are profiled as follows;

	<b>Places/Pupils</b>	<b>Current funding</b>	<b>Current method of allocation</b>
		<b>£</b>	
Nursery school	115	443,574	Fixed allocation of

			places
Nursery School: special educational needs (SEN) places	23	183,705	Fixed allocation of places
Nursery class places (Maintained Primary schools)	517 (560 capacity)	1,994,152	Places established across 23 schools. Allocation via individual school's admissions process.
Nursery class places (Statemented support)	2	22,168	As required. Allocation to places via SEN panel.
Children's Centres: SEN - age 3+	7	99,036	Pre-planned places in individual centres. Allocated via SEN or CAF panels. Reviewed annually
Children's Centres: Language places - age 3+	15	213,120	Pre-planned places in individual centres. Allocation via CAF panel. Reviewed annually
Children's Centres: Child in Need - age 3 +	10	142,080	Pre-planned places in individual centres. Allocation via CAF panel. Reviewed annually
Woodside CC: White Hart Lane Autistic Unit	6	118,000	Places allocated via SEN or CAF panels
Additional funding for places and resources for SEN		100,000	Responsive. Allocation via SEN and CAF panels
<b>TOTAL</b>	<b>695</b>	<b>3,315,835</b>	

This pattern of provision meets current levels of need.

A review of the current provision of free full-time early education places is necessary in order to ensure that there is a sufficient supply across the borough of 15 hour, free early education provision for the whole population of three and four year olds in Haringey; particularly for those children identified as having a special educational need (SEN) or a disability. In addition to this, we will need to ensure that children with SEN or a disability are able to access a free place for the same number for hours as is the entitlement for all 3 and 4 year olds.

In line with Haringey's early years policy, the continued provision of free full time early education places into the future will need to;

- Ensure that children identified as in need of a free full-time place are able to



benefit from high quality early learning and care opportunities and access a place rated by Ofsted as good or better.

- Employ mechanisms for the allocation of places that ensure that where children are in need of such a place, the criteria for access is fair, unambiguous and applied consistently across the borough.
- Enable the regular review of the capacity, utility and location of any free places allocated on a planned basis.
- Introduce a greater degree of responsiveness to the needs of the child and their family circumstances.

## 6. New Charging Proposals

### Cost of Service Provision

6.1. Haringey has a mixed market of childcare providers for children aged 0-5 consisting of Children Centre nurseries, playgroups, private nurseries, independent schools, childminders, nursery classes in maintained primary schools and nursery schools.

The table below shows the range of childcare costs in Haringey.

Childcare Setting	Childcare Costs
Haringey PVI day care weekly costs	Range £159 - £269
Haringey childminders weekly costs	Range £160 – £280
Haringey Children Centres weekly costs	£175
Haringey Playgroups cost per 3 hour session	Range £4.75 - £11.35

Source of Information – Haringey Family Information Service, February 2010 survey

6.2. The demand for childcare places for children aged 0-2 remains high across the borough, whilst demand for childcare places for 3 and 4 year old is much more variable.

It is proposed to introduce changes to the current fee structure for childcare in Haringey in two stages over a two year period spanning 2011-12 and 2012-13. The first stage will introduce new fee rates for childcare based on the age of the child in 2011-12. Younger children cost more to care for because of higher staffing ratios. The second stage will be to introduce a sliding scale that applies new income bands to determine the fee rate to be paid by parents. The potential income bands would be determined following a review of the impact of the stage one fee increases, changes in Haringey's employment levels over the coming year and of changes to the benefits and tax credit system.

Appendices 2 and 3 provide an overview of the average household incomes in Haringey and an exemplification of a sliding scale model for fee charges.

### Childcare Tax Credit (CTC)

6.3. From April 2011, the threshold for eligibility for tax credits will be lowered to an annual household income of £40,000. The Government have outlined a further reduction in this threshold to £30,000 in 2012. The impact of this will be that for many families, their levels of tax credit and childcare tax credit will be reduced at a rate of 41% once they exceed the income thresholds.

Currently the maximum that can be claimed by a parent working 16 hours or more is as follows;

One child:	Childcare costs up to a maximum of £175. At the maximum rate of £175, parents can receive up to a maximum of £140 in CTC.
Two children or more:	Childcare costs up to a maximum of £300. At the maximum rate of £175, parents can receive up to a maximum of £240 in CTC

Only the lowest income families are likely to be able to claim the maximum childcare tax credits.

### Charging Proposals

6.4. The recommendation to introduce differentiated fees for the childcare provided within our children's centres reflects the changing demand for childcare in Haringey and our need to improve the sustainability of children's centres within current budget constraints.

The tables below outline the current and revised rates being proposed for both weekly and daily users.

#### **Weekly Users** Current weekly childcare fee rates

\* Based on 50 hour per week provision: 8-6pm per day and 48 weeks per year.

Age Range	Direct cost per hour (£)	Current charge per hour (£)	Cost per week per child (£)	Current charge per week (£)
0-2	6.70	3.50	335	175
2-3	5.35	3.50	267.50	175
3 & 4	5.21	3.50	260	175

Proposed weekly child care fee rates

Age Range	Direct cost per hour (£)	Current charge per hour (£)	Cost per week per child (£)	Proposed new charge per week (£)	Proposed 2 <sup>nd</sup> Child discounted rate
0-2	6.70	3.50	335	225	168.75
2-3	5.35	3.50	267.50	200	150
3 & 4	2.68	3.50	260	175	131.25

**Daily Users**

Current and proposed daily childcare fee rates

\* Based on 50 hour per week provision: 8-6pm per day and 48 weeks per year.

Age Range	Direct cost per hour (£)	Current charge per hour for a daily rate (£)	Current daily rate per child (£)	Proposed new charge per hour for a daily rate (£)	Proposed daily rate per child (£)	Proposed 2 <sup>nd</sup> Child discounted rate
0-2	6.70	4.25	42.50	5.40	54	40.50
2-3	5.35	4.25	42.50	4.80	48	36.00
3 & 4	2.68	4.25	42.50	4.25	42.50	31.88

**Comparative Fee Rates**

6.5. The proposed increases are based on the outcomes of a fee review and information about the typical childcare rates across Haringey. The proposed

levels of increase are reflective of the average fees for children under the age of 2 and over the age of 2 in Haringey, as shown below.

Average costs in Haringey

Under 2's	£221
Over 2's	£197

6.6. Consideration was also given to the fees charged in our neighbouring boroughs and statistical neighbours.

<b>Local Authority</b>	<b>Age range</b>	<b>Age range</b>	<b>Age range</b> <small>*Excluding the free early education element</small>
	<b>0-2</b>	<b>2-3</b>	<b>*3 &amp; 4</b>
Islington <small>*rates include free early education element</small>	153 -255		87.70-213.20
Hackney	160-200	150-190	150-190
Enfield	212	192	156.92
Waltham Forest	185-197.80	180-197.80	175-183.90
Barnet	235-240	235-240	235-240
<b>Statistical Neighbour</b>			
Lewisham	215-225	195	175

Feedback from the following Councils would appear to indicate that, where there are fee increases proposed, the amounts are relatively small.

Boroughs contacted;

- Islington
- Barnet
- Waltham Forest
- Lambeth
- Lewisham
- Southwark
- Enfield
- Camden
- Hackney

6.7. The introduction of a sliding scale for fees would allow a greater degree of differentiation in the fees charged to parents for full-time childcare, depending on their levels of income.

It is recommended, however, that this further change should be considered following a review of;

- The impact of the introduction of increased fees,
- Changes to the benefits and welfare support system
- Changes in the levels of employment in Haringey as a result of the current financial and economic climate.

- 6.8. We will ensure that our most vulnerable and disadvantaged children are able to access high quality, early education through the continued provision of free childcare places for children in need, children with a disability or special educational need (SEN) and vulnerable two year olds. We will also maintain the close partnership working with our partners in health and social care to ensure that we are able to identify children early who may benefit from such provision.
- 6.9. If approved, the new fee structure will be introduced from September 2011. This would allow time to advise parents of the proposed changes to the fees and for parents to submit claims for childcare tax credit, accordingly. The impact of the new fee structure will need to be monitored carefully to ensure that any negative impact on the sustainability of childcare places can be identified early.
- 6.10. Children's centre business planning will be robust and include the monitoring of the take-up of places, income projections and collation of information about unmet needs.
- 6.11. The reduction in sustainability grant funding to most of Haringey's Community and Voluntary childcare providers will be mitigated by projected increases in funding for the provision of the free entitlement for 3 and 4 year olds. Many providers have also benefited from the investment of Early Years Quality and Access capital funding which has enabled them to improve the physical environment and range of resources available to support the delivery of the Early Years Foundation Stage and early education to children with SEN.

## **7. Other options considered**

- 7.1. An alternative option is to maintain childcare fees at the flat rate of £175 for all ages, in anticipation of changes to the profiles of worklessness in Haringey, in light of the current economic climate and the impact of changes to the benefits system. Our judgement, however, is that maintaining the current fee level is likely to reduce the levels of provision available due to the financial constraints on the Council.

## **8. Chief Financial Officer Comments**

- 8.1. This report proposes the introduction of differential charges for the provision of child care in the Council's Children Centres. The proposals are based on the relative costs of service provision for different age groups, the level of service demand, current market rates for a similar service and the parent/guardians ability to pay.

8.2. The proposed charging structure is not designed to increase the overall level of service income. Indeed the Council's Medium Term Financial Plan does not include any assumptions relating to additional income from child care.

8.3. In terms of affordability, the report highlights the current uncertain economic climate and the government's on-going reforms of the benefit system, including child tax credits. This makes it particularly difficult to assess the impact of the proposals on overall income levels. However, based on information on both demand and current market rates, it is estimated that there will be a 10% reduction in usage in the short term.

8.4. The proposals would come into effect from September 2011 and the net impact of the increased charges and reduction in usage is that overall income would increase marginally in 2011-12 compared with the 2010-11 projection of £2.4m. The full year impact would be a potential increase of £200,000.

8.5. Given that these proposals introduce means testing to determine the level of fee payable, consideration will need to be given to the administration of such a scheme and the associated cost.

## **9. Head of Legal Services Comments**

9.1. The Head of Legal Services has been consulted on the content of this report. Paragraphs 3.1 and 3.2 set out the duties on the Council arising from the identified provisions of Part 1 of the Childcare Act 2006.

9.2. Recommendations 4.1 and 4.2 must be decisions taken in principle only, subject to the outcomes of both the equality impact assessment and consultation identified in the report. The outcomes concerning these matters should be considered by the Children and Young People's Service, and the responsible Cabinet Member. Any final decision concerning these two recommendations should be the subject of delegation to the Cabinet Member with portfolio responsibility for Children's Services.

## **10. Head of Procurement Comments – [Required for Procurement Committee]**

10.1. [click here to type]

## **11. Equalities & Community Cohesion Comments**

11.1. An Equalities Impact Assessment (EIA) will be undertaken by the end of March 2011.

11.2. The increase in the level of fees charged for childcare in our children's centres

is expected to affect families across Haringey. The impact of these changes, as well as the impact of wider economic issues that will affect parent ability to pay for childcare will be monitored.

- 11.3. We will ensure that our most vulnerable and disadvantaged children are able to access early education through the delivery of the free part-time early education offer for three and four year olds and the continued delivery of a 15 part-time early education offer for some of our most vulnerable two year olds. Through our children's centres, we will provide parents with information and support to access their entitlement to tax credits and Working Families Tax Credits as well as providing access to advice and support around benefits.
- 11.4. It is anticipated that members will be notified of the outcome of the EIA and the findings of the assessment will inform the final fee structure.

## **12. Consultation**

- 12.1. The limited timescale between Haringey Council receiving notification of its allocation of Early Intervention Grant funding and the development of options for sustaining our children's centre childcare provision has proved extremely challenging. Since receiving notification on the 14<sup>th</sup> December 2010, work has been on-going to develop options that support the sustainability of Haringey council's childcare given the budgetary constraints placed on the Council following the Governments comprehensive spending review.
- 12.2. The proposals set out in this report will be consulted on and will be undertaken with key stakeholders and delivery partners. We will be using the Council's overarching funding criteria to inform the consultation. It is anticipated that members will be notified of the outcome of this consultation.

## **13. Service Financial Comments**

- 13.1. [click here to type]

## **14. Use of appendices /Tables and photographs**

- 14.1. Appendix 1 – Sustainability Grant Funding Allocations for 2010-11.
- 14.2. Appendix 2 – Mean Household Incomes in Haringey.
- 14.3. Appendix 3 – Exemplification of a new fee structure differentiated by household income.

**15. Local Government (Access to Information) Act 1985**

15.1. [List background documents]

15.2. [Also list reasons for exemption or confidentiality (if applicable)]



## Appendix 1

## Sustainability Grant funding allocations for 2010-11

Name of Provider	Grant/ Commission/ Seconded/ Other	Term	Date Funding Ends	Total Value per Annum	Name of Funding Stream/Programme
Burghley Road Under 5's	Grant	2010/11	31/03/2011	£ 6,150.00	Core funding/Sufficiency & Access funding stream
101 Playgroup	Grant	2010/11	31/03/2011	£ 4,000.00	Core funding/Sufficiency & Access funding stream
345 Pre-school Church crescent	Grant	2010/11	31/03/2011	£ 5,000.00	Core funding/Sufficiency & Access funding stream
345 Pre-school Springfield	Grant	2010/11	31/03/2011	£ 5,000.00	Core funding/Sufficiency & Access funding stream
345 Pre-school Tetherdown	Grant	2010/11	31/03/2011	£ 5,000.00	Core funding/Sufficiency & Access funding stream
African Caribbean Day Nursery	Grant	2010/11	31/03/2011	£ 52,500.00	Core funding/Sufficiency & Access funding stream
Chestnuts Pre-School	Grant	2010/11	31/03/2011	£ 8,000.00	Core funding/Sufficiency & Access funding stream
Devon Close Pre-School	Grant	2010/11	31/03/2011	£ 7,000.00	Core funding/Sufficiency & Access funding stream

Dinosaurs Playgroup	Grant	2010/11	31/03/2011	£ 10,500.00	Core funding/Sufficiency & Access funding stream
High Cross Playgroup	Grant	2010/11	31/03/2011	£ 16,800.00	Core funding/Sufficiency & Access funding stream
Hilltop Playgroup	Grant	2010/11	31/03/2011	£ 6,500.00	Core funding/Sufficiency & Access funding stream
Hornsey Ridge Playgroup	Grant	2010/11	31/03/2011	£ 6,000.00	Core funding/Sufficiency & Access funding stream
Ilse Amlot Women & Childrens Centre	Grant	2010/11	31/03/2011	£ 6,000.00	Core funding/Sufficiency & Access funding stream
Pavilion Pre-School	Grant	2010/11	31/03/2011	£ 16,100.00	Core funding/Sufficiency & Access funding stream
Rainbow Playgroup	Grant	2010/11	31/03/2011	£ 11,000.00	Core funding/Sufficiency & Access funding stream
St James Pre School Playgroup	Grant	2010/11	31/03/2011	£ 6,000.00	Core funding/Sufficiency & Access funding stream
Stationers Playgroup	Grant	2010/11	31/03/2011	£ 8,150.00	Core funding/Sufficiency & Access funding stream
Tottenham Green Under Fives	Grant	2010/11	31/03/2011	£ 50,000.00	Core funding/Sufficiency & Access funding stream
West Green Playgroup	Grant	2010/11	31/03/2011	£ 11,000.00	Core funding/Sufficiency & Access funding stream

Wood Green Pre-School Playgroup	Grant	2010/11	31/03/2011	£ 21,285.00	Core funding/Sufficiency & Access funding stream
Wood Green Salvation Army Playgroup	Grant	2010/11	31/03/2011	£ 8,500.00	Core funding/Sufficiency & Access funding stream
Yalendu pre school	Grant	2010/11	31/03/2011	£ 8,149.00	Core funding/Sufficiency & Access funding stream
				<b>£ 278,634.00</b>	

## Appendix 2

## Mean Household Incomes in Haringey

Ward	Mean Household Income (£)
Alexandra	52,073
Bounds Green	38,186
Bruce Grove	32,271
Crouch End	49,805
Fortis Green	49,182
Harringay	38,739
Highgate	52,496
Hornsey	42,729

Muswell Hill	50,381
Noel Park	29,067
Northumberland Park	27,221
Seven Sisters	30,577
St. Ann's	31,789
Stroud Green	45,305
Tottenham Green	27,512
Tottenham Hale	28,674
West Green	28,916
White Hart Lane	28,194
Woodside	34,508
Haringey Borough	37,770

Source: Family Information Service (FIS) 2010 and CACI

**1. The Income bands could be as follows;**

BAND 1 – Household income under £30,000 per annum

BAND 2 – Household income between £30,000 and £55,000 per annum

BAND 3 – Household income over £55,000 per annum

Where BAND 3 applies, the fee charged could be set at the full cost of the place, ensuring these places do not need to attract any level of subsidy. BAND 3 is likely to be applied to a relatively low number of families in Haringey as the profile of average household incomes for Haringey, at Appendix 2, shows. However, consideration would need to be given to the impact of this significant increase in fee rate on affordability, given the changes to childcare tax credit eligibility from April 2011.

**2 Weekly Users**

BAND 1 – Household Income below £30,000 per annum

Age Range	Direct cost per hour (£)	Current charge per hour (£)	Cost per week per child (£)	Proposed new charge per week (£)	Proposed 2 <sup>nd</sup> Child discounted rate
0-2	6.70	3.50	335	225	168.75
2-3	5.35	3.50	267.50	200	150
3 & 4	5.21	3.50	260	175	131.25

BAND 2 – Household Income between £30,000 and £55,000 per annum

Age Range	Direct cost per hour (£)	Current charge per hour (£)	Cost per week per child (£)	Proposed new charge per week (£)	Proposed 2 <sup>nd</sup> Child discounted rate
0-2	6.70	3.50	335	248	186
2-3	5.35	3.50	267.50	220	165
3 & 4	5.21	3.50	260	175	131.25

BAND 3 – Household Income above £55,000 per annum

Age Range	Direct cost per hour (£)	Current charge per hour (£)	Cost per week per child (£)	Proposed new charge per week (£)	Proposed 2 <sup>nd</sup> Child discounted rate
0-2	6.70	3.50	335	340	255
2-3	5.35	3.50	267.50	268	201
3 & 4	5.21	3.50	260	175	131.25

**3. Daily Users**

BAND 1 – Household Income below £30,000 per annum

Age Range	Direct cost per hour (£)	Current charge per hour for a daily rate (£)	Current daily rate per child (£)	Proposed new charge per hour for a daily rate (£)	Proposed daily rate per child (£)	Proposed 2 <sup>nd</sup> Child discounted rate
0-2	6.70	4.25	42.50	5.40	54	40.50
2-3	5.35	4.25	42.50	4.80	48	36.00
3 & 4	5.21	4.25	42.50	4.25	42.50	31.88

BAND 2 – Household Income between £30,000 and £55,000 per annum

Age Range	Direct cost per hour (£)	Current charge per hour for a daily rate (£)	Current daily rate per child (£)	Proposed new charge per hour for a daily rate (£)	Proposed daily rate per child (£)	Proposed 2 <sup>nd</sup> Child discounted rate
0-2	6.70	4.25	42.50	6.00	60	45.00
2-3	5.35	4.25	42.50	5.28	52.80	39.60
3 & 4	5.21	4.25	42.50	4.25	42.50	31.88

BAND 3 – Household Income above £55,000 per annum

Age Range	Direct cost per hour (£)	Current charge per hour for a daily rate (£)	Current daily rate per child (£)	Proposed new charge per hour for a daily rate (£)	Proposed daily rate per child (£)	Proposed 2 <sup>nd</sup> Child discounted rate
0-2	6.70	4.25	42.50	8.16	81.60	61.20
2-3	5.35	4.25	42.50	6.43	64.30	48.23
3 & 4	5.21	4.25	42.50	4.25	42.50	31.88