


Report for: Cabinet, 14th February 2017

Item number: 13

Title: Funding Early Education in Haringey 2017-2019

Report authorised by: 
Charlotte Pomery, Assistant Director, Commissioning

Lead Officer: Ngozi Anuforo, Head of Early Help Commissioning and Culture,
ngozi.anuforo@haringey.gov.uk , x4681

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key

1. Describe the issue under consideration

- 1.1 Access to quality early education and childcare for local parents has a key role to play in the life of the borough and in meeting Corporate Plan priorities, namely to support “All children will have the best start in life” (Priority One) and in “Ensuring that residents have the training, skills and support to find and keep good quality employment” (Priority Four).
- 1.2 In December 2016, the Government announced a new Early Years National Funding Formula for 3 and 4 year olds, which will directly affect 18,477 children aged 0-5 in the borough. This new formula means that Local Authorities will continue to be funded through the early years block in the Dedicated Schools Grant (DSG) from April 2017, but introduces a number of new requirements on how local authorities are able to allocate funding to providers from 2017-18. These requirements are intended to ensure that funding is fairly distributed to providers.
- 1.3 The main changes are:
 - A minimum amount of funding to be passed through to providers.
 - A local universal base rate for all types of provider, to be set by local authorities by 2019-20 at the latest.
 - Supplementary funding for maintained nursery schools, for the duration of this Parliament.
 - Reforms to mandatory and discretionary supplements local authorities are able to use.
 - The introduction of a disability access fund.
 - A requirement for authorities to establish a special educational needs inclusion fund.

- 1.4 As a consequence of the introduction of a national funding formula for early years, all local authorities will need to revise existing local early years funding formulae to reflect these anticipated statutory changes. The Department for Education (DfE) has made clear the requirement for local authorities to consult providers on their local formula. In addition to this, Schools Forums must be consulted on changes to local early years funding formulae, including agreeing central spend by 28th February 2017 , although the final decision rests with the local authority.
- 1.5 This report draws on the outcome of the Council's early stage 1 consultations, attached as Appendices 1 – 3, the rules and principles set out in the *Early Years National Funding Formula Operational Guide* and the outcome of the recent stage 2 consultations, attached in Appendix 4, to set out recommendations to Cabinet for a revised early years funding formula for the Council and the use of the centrally retained early years block funding.

2. Cabinet Member Introduction

- 2.1 The timescales for change, following Government announcements for a national funding formula for early years have been extremely challenging. In Haringey, work to plan for changes to our allocation of Early Years funding within the Dedicated Schools Grant from April 2017 has been undertaken at pace and a process of engagement with Haringey's early years sector and Schools Forum representatives, on a number of decisions that the Council is required to make, has provided invaluable feedback which has informed the recommendations set out in this report.
- 2.2 This paper introduces a set of proposals for a new early years funding formula in Haringey which will ensure that the Council continues to meet its statutory responsibilities in relation to funding the free entitlement for 2, 3 and 4 year olds. The proposals also seek to ensure that we are able to implement changes in a fair and transparent way, acknowledging that work will need to continue to manage the impact of the changes on our local childcare market.
- 2.3 We will continue to engage with the whole childcare sector to understand and where possible mitigate the impact of the new measures as they take effect. We anticipate there will be further changes in April 2018 when the Council will passport a higher percentage of the funding we receive direct to providers. Using information about the first year of implementation of the new formula, we will wish to consult further with the sector on whether this funding is fed into the universal base rate or into supplements for example.
- 2.4 Our dialogue with residents and providers, through the course of the consultation process and face to face engagement, not only highlighted the value placed on childcare by families and on-going concerns about affordability, but also that, despite the increases in funding rates for providers of the free early education entitlement for 2, 3 and 4 year olds, there are still challenges that many providers will need to overcome in order to be able to sustain a high quality, affordable early education and childcare offer.

3. Recommendations

3.1 Cabinet is asked to:

- Consider the outcome of the consultations undertaken with providers of early education and childcare in Haringey, and with the Schools Forum, as set out in the appendices to this report.
- Agree the introduction of a revised early years funding formula for Haringey from April 2017 which includes:
 - A universal base rate for 3 and 4 year olds in Haringey set at £4.88 per hour, per child
 - Mandatory deprivation supplement funding of £0.30 per hour, per child, derived from the £0.52 per hour per child available for supplements
 - A supplement for quality with an annual budget of £76,000 to facilitate system leadership for providers requiring support
- Agree that there will be no supplements set for Rurality / Sparsity, Flexibility or English as an Additional Language.
- Agree to reduce from April 2019 the current local authority funding rate of £6 per hour for providers of the 2 year old free entitlement, to the funding rate (£5.66 per hour) received by the local authority from the DfE.
- Agree that £0.7m of Dedicated Schools Grant be set aside as transitional funding to subsidise childcare for the period from April to August 2017 prior to the introduction of new fees and the 30 hours funded entitlement for 3 and 4 year olds.
- Agree to remove the Council's involvement in setting the fees for school-based early years provision, allowing the four maintained school-run settings to set their own fees.
- Agree to replace the current single fee structure, applied across all four Council-run childcare settings with a new structure where fees differ from setting to setting.
- Agree to the further exploration of a refreshed, financially viable childcare offer to be in place at the Park Lane setting from as early as September 2017.
- Agree to increase fees for the four Council-run childcare settings from current levels in order to generate the levels of income required to mitigate the loss of subsidy funding. This change to fees would be implemented from September 2017 and kept under review due to the risk of a negative impact on service take-up and therefore, fee income generation.
- Agree that, where there may be early years funding remaining, once the early years funding formula and centrally retained items have been taken into account, any available funding is directed towards ensuring access to good quality early education for our most vulnerable children.

4. Reasons for decision

- 4.1 Local authorities have been advised by the DfE to use the proposals set out in its consultation on an early years national funding formula to develop local funding formula arrangements and to progress local consultation and decision-making in order to meet the April 2017 deadline imposed for the introduction of the national funding formula for the existing universal 15 hours per week entitlement for eligible three and four year olds. The proposals will support the introduction of the 30 hours funded entitlement for the three and four year old children of eligible working parents from September 2017.
- 4.2 The proposals set out under 3.1 will enable the Council to meet its statutory duties from April 2017.

5. Alternative options considered

- 5.1 Local authorities are required to meet the April 2017 deadline for the introduction of the new national funding formula. Consultation has been carried out to inform the discretionary elements of the formula including the date of introduction of the new universal hourly base rate, whether to introduce supplements for quality and flexibility in addition to the mandatory supplement for deprivation, the level of supplement to be applied within the constraints set out within the formula and the deployment of the centrally retained funding.
- 5.2 In addition, the Council has considered whether to retain its role in setting a fee structure for all maintained settings, including schools. Through officers' engagement with the school-run maintained childcare settings, it has become clear that the schools themselves are best placed to determine the fee level that fits with their developing business models in the context of the national funding formula.

6. Background information

- 6.1 In March 2016, the Childcare Act 2016 was passed. This provides for an extended entitlement of up to 30 hours of free early education in each of 38 weeks in any year for the eligible three and four year old children of working parents. The Government intends that the extended entitlement will be introduced from September 2017. Draft statutory guidance¹, issued in March 2016, made it clear that the current duties on Haringey Council around sufficiency and access to the free entitlement will remain under the new plans.
- 6.2 The changes constitute a fundamental reshaping of early years funding and are being introduced at pace by central government to ensure that the 30 hours free entitlement for 3 and 4 year olds can be delivered from September 2017. There are implications for all early years settings in the borough whether maintained or in the private, voluntary and independent sector.

6.3 National Policy Context

- 6.3.1 There have been a number of national policy changes since the Childcare Act 2006 which have sought to tackle some of the disadvantageous effects of child

¹ *Early Education and Childcare*, Department for Education, March 2016

poverty through providing parents and children with access to high quality early education. These changes have placed a number of statutory responsibilities on the Council in relation to childcare and early education and have led to:

- The extension of the free entitlement for 3 and 4 years old to 15 hours per week in 2010;
- The introduction of a free entitlement offer for the 40% most disadvantaged two years olds in 2014;
- The introduction of the early years pupil premium, in 2015, which aims to provide schools and early years providers offering the free entitlement with additional funding for the most disadvantaged 3 and 4 year olds.

6.3.2 Most recently, the Childcare Act 2016 provides for an extended free entitlement adding to the 15 hours per week universal free entitlement offer for all 3 and 4 year olds, an entitlement of 30 hours per week in each of 38 weeks in any year for the 3 and 4 year old children in families where both parents are working (or the sole parent is working in a lone parent family) and each parent earns on average a weekly minimum equivalent to 16 hours at national minimum wage or national living wage and less than £100,000 per year.

6.4 Local Context

6.4.1 There are 18,477 children aged 0-5 in the borough who will be directly affected by the introduction of a new national funding formula for early years. In Haringey, early education and childcare has a key role to play in the life of the borough and in meeting Corporate Plan objectives, namely:

- **Under Priority 1:** All children will have the best start in life
- **Under Priority 4:** Ensuring that residents have the training, skills and support to find and keep good quality employment

6.4.2 To meet these objectives, the following strategic priorities have been identified:

1. *Sufficiency: growing Haringey's childcare market*
2. *Sustainability: encouraging providers to develop viable businesses*
3. *Quality: supporting all provision to be high quality*
4. *Narrowing the gap between the most disadvantaged and the rest*
5. *Widening access for children with SEN and disabilities*
6. *Improving access to quality childcare for low income families and those seeking to work*

6.5 Principles

The approach to achieving these strategic priorities is underpinned by the following principles:

- *Reducing inequality*
- *Inclusion*
- *Improving Quality*
- *Improving children's access to local provision*
- *Removing reliance on Council funding*
- *Targeting resources towards narrowing gaps in children's outcomes*

6.5.1 The national changes to early years funding, how we implement the associated statutory arrangements and manage the impact of significant changes to the way in which early years funding can be deployed within the borough needs to be considered in light of the Council's strategic priorities and principles.

7. Dedicated Schools Grant (DSG) Early Years Funding Allocation for Haringey from April 2017

7.1 In December 2016, the Department for Education (DfE) confirmed the 2017-18 early years block allocation for the Council as £18.450m

7.2 Pass through measure and the impact on centrally retained early years DSG funding

7.2.1 A significant feature of the new arrangements for early years funding is the introduction of a high pass through measure, which means that Local Authorities will be required to pass through 93% of all funding for three – and four-year olds received in the Early Years Block of our Dedicated Schools Grant (DSG) directly to settings from April 2017, rising to 95% from April 2018. This means that the amount of DSG the Council can retain centrally of the 2017/18 funding for 3 and 4 year olds has been capped and will stand at £1.049m in 2017/2018 and £0.823m in 2018/2019.

7.2.2 The DfE has indicated that the non passed through funding should be used to support the additional burdens on local authorities arising from the introduction of the 30 hours per week funded entitlement for 3 and 4 year olds with working parents and to meet the Council's statutory duties as part of central services.

7.2.3 Tables 1 and 2 below show the profile of Haringey's centrally retained funding for 2016-17, 2017-18 and 2018-19 and the year-on-year variations.

Table 1. Comparing Centrally Held Funding Allocations for 2016-17 and 2017-18

Item	Centrally Held 2016-17 (£)	Centrally Held 2017-18 (£)	Year-on-year variation (£)	Year-on-year % change
Childcare Subsidy	1,427,000	0	-1,427,000	-100.0%
Early Years Quality Team	334,300	441,373	107,073	32.0%
EH Commissioning	55,700	170,357	114,657	205.8%
Overheads	15,900	15,900	0	0.0%
TU Representation	18,000	18,000	0	0.0%
Head of Standards	73,000	0	-73,000	-100.0%
Contingency	400	403,527	403,127	
	1,924,300	1,049,157	-875,143	

Table 2. Comparing Centrally Held Funding Allocations for 2018-19 with 2017-18

Item	Centrally Held 2018-19 (£)	Year-on-year variation from 2017-18 (£)	Year-on-year % change
Childcare Subsidy	0	0	
Early Years Quality Team	445,787	4,414	1.0%
EH Commissioning	172,061	1,704	1.0%
Overheads	15,900	0	
TU Representation	18,000	0	0.0%
Head of Standards	0	0	
Contingency	171,101	-232,426	
	822,848	-226,309	

7.2.4 As by 2018 the Council is required to pass through 95% of the funding received, we may need to consult again with providers on how the additional funding is used – either to enhance further the universal base rate or to contribute to funding for supplements. This consultation will be based on information gathered during the first year of implementation of the new funding formula in Haringey.

7.3 Universal Hourly base rate

7.3.1 One effect of the new national early years funding formula is the introduction of a universal hourly base rate for all providers of the free entitlement and the 30-hour extended entitlement for 3 and 4 year olds, including nursery schools. The table below shows how the minimum universal base rate for Haringey is devised from the DfE's allocation to the Council:

Table 3. Determining a Minimum Universal Base Rate for Haringey

	<u>£/hr</u>
LA hourly funding rate 2017-18 (£/h)	5.66
Less: LA centrally retained funding (7%)	(0.40)
	<hr/> 5.26 <hr/>
Less: Supplements capped @ 10%	(0.52)
Minimum universal base rate to be paid to providers in respect of the free entitlement for three and four year olds	<hr/> 4.74 <hr/>

Table 4. Comparison of minimum universal base rate with existing variable base rates

Provider Type	Base Rate 2016-17 (£/h)	Proposed Base Rate 2017-18 (£/h)	Increase / (decrease) in Base Rate (£/h)
Private, Voluntary and Independent (PVI)			
PVI (count of between 1 and 32 3&4 Year Olds including Childminders)	4.27	4.74	0.47
PVIs (count of between 33 and 48 3&4 Year Olds)	3.86	4.74	0.88
PVIs (count of between 49 and 64 3&4 Year Olds)	3.67	4.74	1.07
Children's Centres	3.47	4.74	1.27
Primary Nursery Classes	3.37	4.74	1.37
Maintained Nursery	3.95	4.74	0.79

7.4 Mandatory and Discretionary Supplements

7.4.1 Initial calculations (as shown in Table 3) indicate that, after funding the minimum base rate, the Council will have £0.52p per hour per child available to pay providers in additional supplements. A deprivation supplement is the only mandatory supplement and in addition the Council can choose whether or not to apply discretionary supplements for quality, English as a Second Language, flexibility and rurality (the latter not relevant to the Haringey context) within the £0.52 per hour per child available for all supplements.

7.5 Funding rate for the 2 Year Old Free Entitlement

7.5.1 The government will be introducing a higher hourly funding rate for the Local Authority for the delivery of the 2 year old free entitlement. This will rise from the current £5.28 per hour to £5.66 per hour from April 2017.

7.5.2 In Haringey, the hourly rate for providers of the 2 year old programme is topped up to £6 per hour using money held over from the introduction of the 2 year old programme when funding was based on the places available for children rather than the participation of children in the programme.

8. **Consultation process and outcomes**

8.1 Following the national consultation on a funding formula for early years by the Government, a consultation exercise was launched with Haringey providers to gauge views on a set of early proposals based on the information provided to the Council by the DfE. Stage 1 of the consultation ran from 20th October to 18th December 2016, followed by a stage 2 exercise, which ran from 11th January to 20th January 2017.

8.2 The timescales for engaging and consulting with the early years sector in Haringey, in order to implement the early years national funding formula from April 2017, have been challenging. The publication of funding information by the

DfE in early December 2016 meant that work to assess the impact of changes and understand the implications for funding early years in Haringey has had to move at a very fast pace. Gathering views from providers in the borough at the various stages of this work has been undertaken through consultation activity carried out over relatively short periods. Whilst the length of some the stages in the consultation process have been less than ideal, we believe that it has been possible to effectively consult the sector and establish proposals for a new early years funding formula in a timescale that will allow the Council to meet its statutory obligation to issue notification of indicative school budgets to governors by the end of February 2017.

8.3 The view of Schools' Forum was sought on final proposals for funding rates in an exercise that was undertaken from 31st January to 3rd February 2017. Members of the Schools' Forum were asked to:

8.3.1 Consider the outcome of the Stage 2 consultation undertaken with providers of early education and childcare in Haringey as set out in Appendix 4 to this report.

8.3.2 Support the introduction of a revised early years funding formula for Haringey from April 2017 which includes:

- A universal base rate for 3 and 4 year olds in Haringey set at £4.88 per hour, per child
- Mandatory deprivation supplement funding of £0.30 per hour ,per child, derived from the £0.52 per hour per child available for supplements
- A supplement for quality with an annual budget of £76,000 to facilitate system leadership for providers requiring support

There has been frequent engagement with the Schools' Forum and its Early Years Working Group since the introduction of the proposals was first made by DfE in 2016. Whilst the response to this request was limited, all those who responded agreed with the the introduction of a revised early years funding formula as described at 8.3.2.

8.4 Engagement

As part of the stage 1 and 2 consultation exercises, officers held a series of face to face events targeted at residents and providers. In total, since the launch of the early consultations in October 2016, there have been 24 engagement sessions. In addition, officers have met with providers to understand the impact of the proposals on their business plans and models.

The aim of these sessions was to ensure that as many stakeholders as possible have the opportunity to ask questions and engage with the development of the proposals set out in this report, and in the case of Northumberland Park share with us their experience and view of childcare.

8.5 The results of the consultations are detailed in appendices 1, 2, 3 and 4.

9. Proposals for a Revised Early Years Funding formula for Haringey

9.1 Date of introduction of the Universal Base Rate

The government have stated that local authorities must introduce a universal base rate into their local funding formula by 2019/20. In Haringey, this will involve moving from our current early years funding formula which incorporates variable provider funding rates, dependent on size and type of provision, to a consistent base rate for all. Modelling of the impact of introducing the likely universal base rate indicated that all types of providers in Haringey will see an increase to the current level of base rate funding paid under the current early years funding formula. It is believed, therefore, that this could be introduced with minimum turbulence in the market.

In our stage 1 consultation exercise, we proposed the introduction of a universal base rate from April 2017. The majority of the respondents agreed with this proposal. This was confirmed in the responses from providers to the stage 2 consultation exercise.

Recommendation

Officers are recommending the introduction of a universal base rate from April 2017.

9.2 Supplements

9.2.1 Mandatory Deprivation Supplement

During our stage 1 consultation, we asked providers for their views on the introduction of a deprivation supplement set at £0.40 per hour per child. The results of stage 1 consultation indicate that nearly two-thirds of respondents agreed with the proposal to introduce a £0.40 per hour per child supplement whilst approximately a third were unsure that this was the correct level of funding.

Since the closure of the stage 1 consultation, further consideration has been given to the level of the deprivation supplement and discussions have continued with representatives from Schools Forum, via the Schools Forum Early Years Working Group. The outcome of this further review was the development of a range of options for the level of deprivation supplement, namely 30p, 35p and 40p of the total 52p available for supplements for consultation with providers. The outcome of this stage 2 consultation is support for the proposal that the deprivation supplement is set at 30p of the total 52p available for supplements.

Recommendation

Following analysis of the stage 2 consultation (appendix 4) and further to consideration by the Early Years Working Group and members of the Schools' Forum, it is recommended that the deprivation supplement will be set at 30p of the total 52p available for supplements.

9.2.2 Discretionary Supplements

The Government has confirmed that local authorities are able to choose from four discretionary supplement options, if they wish to include a discretionary supplement as part of their new local early years funding formula. These are:

1. **Rurality/sparsity**
2. **Flexibility**
3. **English as an additional language (EAL)**
4. **Quality**

Officers, in discussion with early years representatives from Schools Forum, considered the range of discretionary supplements, considering the impact they may have on improving outcomes for children across the borough and how effectively the Council would be able to track and evaluate the impact of particular supplements. The outcome of this assessment is summarised below:

Rurality/Sparsity – this is not appropriate for Haringey.

Flexibility - this is not being recommended as the introduction of the 30 hour free entitlement will result in providers needing to provide a more flexible offer in response to market demand.

English as an Additional Language – this is not being recommended as there is insufficient data or evidence in Haringey that English as an Additional Language is a significant factor in children’s gaps in attainment.

Recommendation

Following analysis of the stage 2 consultation (appendix 4) and further to consideration by the Early Years Working Group and members of the Schools’ Forum, it is recommended that there will be no supplements set for Rurality/Sparsity, Flexibility or English as an Additional Language.

Officers are recommending the introduction of a quality supplement as a separate, fixed pot of £76,000 to be allocated amongst high quality providers to support system leadership. We believe that continuing to improve the quality of early years providers will have the biggest impact on outcomes for children. The funding would be allocated to providers by the Council and will support a:

- Model of setting to setting support working together to improve standards.
- Growing the number of childminders providing free entitlement by creating a childminders champion scheme providing peer to peer support.

The key aims of the proposal to introduce a supplement for quality are:

- Increase the number of children in good/outstanding settings
- Improve safeguarding across all providers
- Improve outcomes for the most deprived children in line with the Council’s statutory duty of diminishing the difference in children’s achievements, our Early Years Strategy and Corporate priorities.

9.2.3 Haringey Universal Base Rate

As part of the stage 2 consultation exercise, officers modelled the impact on the universal hourly base rate of adopting three different options for allocating supplements (deprivation and quality). This is illustrated in Table 5 below.

Table 5. The impact of different options for allocating supplements on Universal Base Rate payable to providers

Proposed Options	Option 1.1	Option 1.2	Option 1.3
Proposed Deprivation funding rate (£/hr)	0.30	0.35	0.40
Distribution of supplement funding			
	£	£	£
Total Funding available for all supplements	1,393,880	1,393,880	1,393,880
Less: Funding pot for Quality supplement (System Leadership)	(75,900)	(75,900)	(75,900)
Funding available for other supplements	1,317,980	1,317,980	1,317,980
Funding allocated for Deprivation	(891,765)	(1,040,393)	(1,189,020)
Funding available for proposed Base rate top up	426,215	277,588	128,960
Total funded hours	2,972,550	2,972,550	2,972,550
Proposed Base rate top up (£/hr)	0.14	0.09	0.04
Proposed Universal Base Rate as a result of top up (£/hr)	4.88	4.83	4.78

Recommendation

Following analysis of the stage 2 consultation (appendix 4) and further to consideration by the Early Years Working Group and members of the Schools' Forum, officers are recommending implementation of option 1.1: a mandatory deprivation supplement funding set at £0.30 per hour out of the £0.52 per hour available for supplements and the adoption of an enhanced universal base rate of £4.88 per hour per child.

9.3 Nursery Schools

9.3.1 There are three nursery schools, Rowland Hill, Pembury House and Woodlands Park in Haringey. All three nursery schools offer childcare, alongside early education. This includes wrap-around, holiday and after-school provision for 3 and 4 year olds and childcare for children under the age of three.

9.3.2 The government has recognised the unique challenges for nursery schools across the country and has allocated Haringey a separate stream of funding of £628k per annum. The level of funding has been calculated by the DfE and is intended to support the sustainability of the three nursery schools. This funding

will be shared equally across Pembury, Rowland Hill and Woodlands Park nursery schools as part of their funding allocation for 2017/18.

9.3.3 The Government has also set out its commitment to undertake further consultation on the future of nursery schools in early 2017 and we believe this will provide a clearer understanding of the national view on support and funding for nursery schools in the longer term.

9.4 Funding rate for the 2 Year Old Free Entitlement

There remain two priorities for the continued delivery of the 2 year old free entitlement. First, to ensure that we have a sustainable funding rate for the 2 year old place provision and are able to manage the transition from Haringey's current funding rate levels to the rate at which the Council is funded. Second, to safeguard the sufficiency of 2 year old places in the short to medium term, given the introduction of the 30 hour offer from September 2017.

As part of the stage 1 consultation exercise, we asked providers for their preferred option for reducing funding from the current £6.00 per hour per child paid by the Council to the £5.66 per hour per child proposed by the government. The majority of respondents indicated that their preferred option was to introduce the reduction in 2019/20 which supports long term delivery of the 2-year old programme and continued incentivisation of increased take up.

Recommendation

After reviewing the consultation responses and after considering the funding available to support the current enhanced rate, Officers are recommending the introduction of a £5.66 funding rate from April 2019.

10. **Other use of DSG Early Years Funding**

10.1 Maintained Childcare and Childcare Subsidy

The Local Authority currently maintains childcare provision across eight settings in the borough. Four of these provisions are organised and managed by school governing bodies:

1. Rowland Hill
2. Pembury House
3. Woodlands Park
4. Broadwaters (part of the Willow Primary School)

The remaining four are directly managed by the Council :

1. Park Lane
2. Stonecroft
3. Woodside
4. Triangle

10.2 Approximately 500 children are currently in receipt of care provided through these settings. Across the eight children's centres offering childcare, the approximate numbers of places offered in 2016/17 are;

Age range	Number
0-2 years	44
2-3 years	353
3-4 years	155
TOTAL	552

- 10.3 The projected cost of delivering maintained childcare services for 2016/17 is £4,748,082. Income generation is estimated at £ 2,934, 262 for the same period. For 2016-17, the actual amount needed to close the gap between costs and the income generated through fees is projected as £1,814m. With the level of DSG subsidy at £1,427,000, this means that for 2016/17, there will be a call on the General Fund of £387K.
- 10.4 The effect of the requirement to pass through 95% of early years funding direct to providers by 2018/2019 means there will be a reduction in available funding for subsidy of £0.977m in 2017/8 and of a further £0.232m in 2018/19, a total of £1.209m by 2018/19. There will no longer be funding available for the Council to provide a childcare subsidy to the borough's eight maintained childcare settings from April 2017. Detailed work has been carried out with each of the maintained settings to identify the full impact of the loss of subsidy and establish a plan to support the financial viability of each setting in the context of an increased hourly base rate, application of supplements, a funding stream for nursery schools and a requirement to increase fees. A DSG funding amount of £0.7m is being proposed in this report to be set aside as transitional funding to subsidise childcare for the period from April to August 2017 prior to the introduction of new fees and the 30 hours funded entitlement for 3 and 4 year olds.

10.5 Childcare Fees

Fee levels for 2016-17 are:

£179 per week for a full-time 3-4 year old place (before deduction of the free entitlement)

£205 per week for a full-time 2-3 year old place

£230 per week for a full-time 0-2 year old place

As all of the maintained settings have experienced increasing service delivery costs year-on-year, mitigating the impact of this loss in subsidy funding requires childcare fees for the eight settings to rise from current levels.

A programme of review and development of business models has been completed for each of the eight maintained settings. An outcome of this work has been the identification of the need for each of them to charge fees appropriate to their circumstances and to ensure that service delivery costs could be met through fee and DSG grant income alone.

Through officers' engagement with the school-run maintained childcare settings, it has become clear that the schools themselves are best placed to determine the fee level that fits with their developing business models. A Council-determined fee structure would appear to restrict the ability of the

schools' governors and senior leaders to establish a sustainable model that is appropriate for the different communities they are serving.

Recommendations

In light of the work officers have undertaken with the affected settings to review the market model for the eight maintained settings and feedback from the stage 1 consultations, officers are recommending the following:

- To replace the current, Council-determined single fee structure, applied across all four Council-run childcare settings with a new structure where fees differ from setting to setting.
- To remove the Council's involvement in setting the fees for school-based early years provision, allowing the four maintained school-run settings to set their own fees. This would affect: Woodlands Park, Pembury House, Rowland Hill and Broadwaters.
- To increase fees for the four Council-run childcare settings from current levels in order to generate the levels of income required to mitigate the loss of subsidy funding. This change to fees would be implemented from September 2017 and kept under review due to the risk of a negative impact on service take-up and therefore, fee income generation.

11. Childcare in North Tottenham

- 11.1 The take up of the free early education entitlement and open market childcare in North Tottenham has been a concern to officers, ahead of the government's anticipated changes to the early education offer and associated early years funding.
- 11.2 In the North Tottenham area, the Council's Park Lane provision serves one of the most deprived parts of the borough. The setting experiences continual challenges due to difficulties in achieving full occupancy as parents/carers struggle to afford the current fee rates.
- 11.3 In the report considered by the Cabinet Member for Children and Families on 7th October 2016, it was pointed out that it was clear that any increase in fees may only contribute further to the setting's inability to be sustained through fee and free entitlement income alone. It was stated that an alternative model of childcare would be developed, and that further work would be undertaken by officers to engage current and prospective users of childcare in the area, and develop the understanding of how best to meet the childcare needs for those living in the Park Lane catchment area. It was also intended to develop the understanding of how best to meet the childcare needs for those living in the North Tottenham area more generally.
- 11.4 The outcome of the consultation and engagement with the community is set out in appendix 2.
- 11.5 From our initial engagement with the community in the North Tottenham area, it was evident that affordability was a significant barrier for parents and carers.

The feedback also suggested that the childcare offer needed to be flexible to meet the needs of parents and carers seeking childcare part-time or to fit with non-traditional working patterns.

11.6 The challenges currently faced by the Council's Park Lane provision include:

- The high cost of running a 55 place childcare provision managed by the Council
- Low occupancy
- Tackling the impact on outcomes for children and families in an area of high deprivation

These challenges will be further exacerbated by the loss of childcare subsidy referred to in section.10 of this report. It is clear that any increase in fees, to mitigate the impact of the loss of subsidy, may only contribute further to the poor levels of fee income generated by the setting.

11.7 In light of this, work has been undertaken to review options for how a viable childcare provision could be maintained and continue to serve families in the North Tottenham area and a number of proposals for further work have been identified. It is now recommended that these should be explored, at pace, in order to have a refreshed, financially viable offer in place at the Park Lane setting from as early as September 2017.

11.8 Addressing the needs of the community cannot be undertaken solely on the basis of implementing a new early years funding formula for Haringey. Rather, the work that has been started, and reflected in the recommendations below, will continue in collaboration with colleagues working in the Council's Economic Development and Regeneration teams to commission a refreshed childcare offer that is designed to:

- Increase access to the free early education and childcare
- Support local families who are entering the job market
- Support local families who are planning to go back into training/ volunteering as a stepping stone to gaining skills for the job market – particularly parents of children who are two year old.

12. Targeting funding towards ensuring access to good quality early education for the most vulnerable children.

12.2 Each year approximately 30-50 children under 5 years of age, deemed at risk, children in need or subject to plans are provided with access to childcare places as part of support packages.

12.3 Currently the majority of these places are commissioned within the eight maintained settings, which means that costs per place are higher. In future, the approach will be to ensure that places can be secured in good or outstanding settings closest to a child's home location and this may be in settings other than the eight maintained provision.

- 12.4 The estimated cost of these places, based on the current profile of places, is approximately £400k. The projected reduction in funding in future years will mean there would need to be some careful consideration of demand for such places and how best to meet the needs of these children.

Recommendation

It is recommended that, where there may be early years funding remaining, once the early years funding formula and centrally retained items have been taken into account, any available funding is directed towards ensuring access to good quality early education for our most vulnerable children.

13. Contribution to strategic outcomes

- 13.1 The proposals within this paper contribute to how the Council seek to address the objectives set out in the Corporate Plan 2015-2018. In particular, they have a bearing on how the Council is able to continue to meet the objectives set out under the priorities below:

- **Priority 1:** All children will have the best start in life
- **Priority 4:** Ensuring that residents have the training, skills and support to find and keep good quality employment

14. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

14.1 Finance and Procurement

- 14.1.1 This report deals with the budget plans for Early Years provision for 2017/18, including the funding formula to be used (following consultation) and the early years strategy.

14.1.2 The main budget report, elsewhere on this agenda, sets out the overall outcomes from the Schools Forum meeting on 16th January 2017, which considered the Dedicated Schools Budget for 2017/18. Dedicated Schools Grant funding for Early Years may only be used for activities set out in the Schools and Early Years Funding Regulations. For 2017/18, the Department for Education has introduced a national funding formula for early years provision and it has put limits on how much of the funding received for 3 and 4 year olds may be retained by the Authority for central early years support. The Schools Forum must agree any central early years expenditure and they have agreed the proposed use of £1.049m for the 2017/18 DSG funding stream for 3 and 4 year olds and up to £0.7m from unspent DSG in previous years to manage the reduction of the childcare subsidy in local early years settings. Schools Forum has also agreed that £0.188m of DSG from previous years may be used to continue to pay for 2 year olds provision at a rate of £6.00 per hour, rather than the £5.66 which is provided through the DSG.

- 14.1.3 The pupil-led funding for 2, 3 and 4 year olds is an estimate at this stage, based on past activity levels: the amount due for 2017/18 will be based on the

prevailing number of hours being funded at the time of the January 2017 and January 2018 pupil census. The final amount due for 2017/18 financial year will not be confirmed until the summer of 2018. The DfE have indicated that their requirements about capping central early years expenditure will be monitored in outturn data, so officers will need to monitor levels of take-up in order to ensure that central expenditure limits are not breached.

14.1.4 The proposals regarding phasing out the subsidy levels for early years settings will require a business plan for each setting. If there is neither General Fund nor Dedicated Schools Grant subsidy for childcare from September 2017, this will either require increases in income (whether in the level of fees chargeable, the numbers paying such fees, or alternative third party income) or reductions in expenditure (whether through efficiencies or by reducing provision offered).

14.2 Assistant Director of Corporate Governance

14.2.1 The relevant statutory obligations of the Council are set out in the body of the report. In order for the consultation process described in the report to have been legally valid, the Council needed to have :-

- a) Consulted when the proposals were still at a formative stage
- b) Provided those consulted with not only the proposals but with other available options, even if they were not the Council's preferred options
- c) Given those consulted adequate information about the proposals and options, so that they had a fair and proper opportunity to understand them
- d) Given those consulted adequate time by which to respond
- e) Considered any responses properly and genuinely.

14.2.2 The timescales allowed for consultation with providers at Stage 2 (9 days) and with the Schools' Forum (4 days) were short. It is arguable that in both consultations the consultees have not been given an adequate time in which to respond. The Council's "Consultation Strategy: Guiding Principles of Consultation" says that there should be a minimum of one month for consultation unless there are pressing reasons of urgency". That said, it is clear that there is a need for Cabinet in February 2017 to decide on the proposals given the Council's statutory obligation to issue notification of indicative school budgets to governing bodies by the end of February 2017. It is also clear that there has been extensive consultation with early years providers in Haringey, that funding information by the DfE was published as late as early December 2016, that officers then had to assess the implications of that information for funding early years in Haringey, and that the proposals will result in increases in funding rates of the free early education entitlement for 2, 3 and 4 year olds for those providers. Given these circumstances, the risk of a successful legal challenge by way of a judicial review of a decision of Cabinet to accept the recommendations at paragraph 3.1 on the grounds of insufficient time for consultation would seem to be low.

14.3 Equalities

14.3.1 The Council has a public sector equality duty under section 149 of the Equality Act 2010 to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act.
- Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it;
- Foster good relations between people who share a relevant protected characteristic and people who do not share it
- A “relevant protected characteristic” is age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation.

14.3.2 Securing the long-term sufficiency of childcare provision for all parents to access is the key priority underpinning the proposals in this report. This will include from September 2017 an expanded offer of up to 30 hours per week free childcare for eligible 3 and 4 year olds, as well as the continuation of 15 hours per week of free childcare for the 40% most deprived 2 year olds. Improving equality of access to quality early years education and supporting parents to work are key policy drivers.

14.3.3 A full equality impact assessment has been completed and is attached at Appendix 5. Key mitigations identified are:

- introduction of flexibility in the level of fees for maintained settings to reflect their different demographics and demand
- delay of any reduction in the funding rate for 2 year old free entitlement until 2019/20 to support financial planning and stability
- robust Information, Advice and Guidance sessions, particularly targeted at groups identified as vulnerable (lone parents, younger parents, children with SEND). The IAG will encourage take up of tax credits and other related benefits, provide information on wider support and access to employment advice. IAG sessions will also be targeted and open to all new parents to assist them in choosing a local childcare provider and accessing support available.
- The Council has a duty to ensure the sufficiency of childcare in the borough, which includes affordability, flexibility and demand for places. Critical to the monitoring and oversight is the completion of a Childcare Sufficiency Assessment every 3 years (with the next assessment due to be published later this year), and this will inform the area’s future childcare policy including setting of fees and funding formula for free entitlement hours.

- The Council has been working with all providers since October 2015 to ensure guidance and business support was provided to enable settings and childminder to survey their community and plan for the new 30 hours offer.
- Statistical information have also been used to determine the sufficiency of places and enable the Council and providers to have a clear picture of offer and demand.
- The Council is also working with other organisations to inform the community of the 30 hours offer.

15. Use of Appendices

- 15.1 Appendix 1 - Stage 1 Consultation Report Early Years Education in Haringey: Providers' Responses
- 15.2 Appendix 2 - Stage 1 Consultation Report Early Years Education in Haringey: Northumberland Park Ward Responses
- 15.3 Appendix 3- Stage 1 Consultation Report Early Years Education in Haringey: Residents' Responses
- 15.4 Appendix 4- Stage 2 Consultation Report Early Years Education in Haringey: Providers' Responses
- 15.5 Appendix 5 - Equalities Impact Assessment

16. Local Government (Access to Information) Act 1985

Stage 1 Consultation Report Early Years Education in Haringey: Providers' Response

<p>Purpose</p>	<p>The government is proposing changes to the way early years education for all 3&4 year old children is funded from April 2017 and has asked all local authorities and childcare providers for their views on the proposal to have a national funding formula for the Early Years Block of the dedicated School Grant (DSG).</p> <p>In light of this, Haringey Council launched a full 8 week consultation (from October 20th to December 18th, 2016) with all local residents and early years education providers.</p> <p>The stage 1 consultation for the early years' sector sought to gather views of providers on aspects of change that will have an impact on the delivery of the free early education offer and the childcare business as a whole.</p>
<p>Who was consulted</p>	<p><i>All Early Years Education providers Governors and Haringey Local Residents</i></p>
<p>Methodology</p>	<p>Online survey, internet, websites, emails, paper copy survey and engagement sessions</p>
<p>Engagement sessions</p>	<p>We worked with the Early Years Quality Team to plan and deliver five sector specific sessions in November and December 2016, attending many of the pre-arranged sector meetings.</p> <p>During these sessions we spoke to 34 governors: 25 present at the Haringey Governors' Association Meeting and 9 at a specific consultation meeting organised for Governors; 48 early years sector representatives at the PVI Forum and the Foundation stage Coordinator meeting; and 12 childminders at the Childminders' Forum.</p> <p>During the session we received feedback in relation to the online questionnaire not functioning for some providers; therefore we distributed paper and electronic copies of the questionnaire and arranged for two specific and convenient collection points to be set up: one at the Professional Development Centre and one at River Park House. No questionnaires were returned using this method.</p>
<p>Summary of responses</p>	<p>A total of 17 completed online surveys were received from Haringey's providers. One paper response was returned.</p> <p>Comments were also received by letter and email and are included in Appendix 1a Comments received on line are included in Appendix 1b</p>

	<p>Providers' Responses</p> <p>The consultation asked providers their views on the Council's preferred option for introducing a universal base rate paid to all providers from the financial year 2017/18 (Option 1) and their views on two alternative options:</p> <ul style="list-style-type: none"> • Option 2 - to defer the payment of a universal base rate until 2019/20 when it will become mandatory or • Option 3 - to phase the implementation of universal base rate by increasing the current rates by 5% year on year until 2019/20. <p>Of the 17 respondents:</p> <ul style="list-style-type: none"> • 70% agreed with the council's preferred option; 18% disagreed and 12% were not sure • 35% agreed with the second option, 53% disagreed and 12% were not sure • 24% agreed with the third option provided, 47% disagreed and 29% were not sure
	<p>The consultation also asked providers their views about the Council's preferred option for paying out the mandatory deprivation supplement of £0.40 per hour per child out of the Department for Education (DfE) allocation of £0.52 per hour per child, from April 2017 and asked for alternative suggestions for the deprivation supplement funding rate.</p> <p>Of the 17 respondents:</p> <ul style="list-style-type: none"> • 59% agreed with the Council's proposed rate • 29% were not sure • 6% disagreed • 6% did not answer <p>Of those who answered most stated that the deprivation supplement was to be prioritised in order to provide good services for children. Two respondents indicated that the whole £0.52 per hour/per child available for supplements should be used for deprivation.</p>
	<p>The consultation asked providers their views on the Council's proposal to introduce a £0.12 per hour per child discretionary supplement targeted towards supporting providers in the delivery of the additional 15 hours free entitlement.</p> <p>Of the 17 respondents:</p> <ul style="list-style-type: none"> • 76% agreed • 18% disagreed • 6% were not sure <p>The providers were also asked whether they agreed, disagreed or were not sure about the proposal to limit the payment of such supplement to one year recognising the initial challenges of introducing this new 30 hours provision.</p> <p>Of the 17 respondents:</p> <ul style="list-style-type: none"> • 18% agreed • 35% disagreed

	<ul style="list-style-type: none"> • 41% were not sure • 6% did not answer
	<p>Finally the consultation asked providers about the funding for eligible 2 year olds receiving 15 hours free early learning. The allocation the Council receives from the DfE will increase from the current rate per hour per child of £5.28 to £5.66 from 2017/18. This new rate will, however, be lower than the £6.00 agreed with Schools Forum and currently paid to providers.</p> <p>The Council presented the providers with 3 options:</p> <ol style="list-style-type: none"> 1. Introduce the government proposed funding rate of £5.66 from April 2017 2. Taper the funding rate from the current £6.00 to £5.66 in 3 years from 2017/18 3. Reduce the funding rate from the current £6.00 to £5.66 from 2019/20 <p>Of the 17 respondents:</p> <ul style="list-style-type: none"> • 70% selected the third option • 12% selected the second option • Nobody selected the first option • 18% did not answer this question
Conclusion	<p>The majority of respondents agreed with the Council's preferred option (Option 1) of paying a universal base rate to all providers from April 2017. In general respondents felt that this was the fairer option and would give providers a better rate.</p> <p>Almost three fifths of all respondents agreed with the Council's preferred option of a £0.40 deprivation supplement out of £0.52; however over one quarter of respondents was unsure that it was the correct level of funding.</p> <p>Just over three quarters of respondents agreed with the Council's proposal for the discretionary supplement of £0.12 per hour, per child, targeted towards supporting providers in the delivery of additional 15 hours free entitlement. Generally the respondents that agreed recognised that this was a transitional funding arrangement, However the majority of respondents were unsure about this proposal and a few did not understand why it was necessary.</p> <p>When considering the funding rate for eligible two year olds, the majority of respondents would want to maintain the current funding rate of £6.00 over the next two financial years and introduce a taper from 2019/20. The respondents felt that this was the best option in a time of so many other changes and would guarantee a level of stability.</p>
Council's response	<p>In light of the responses received in stage 1 consultation, Haringey Council's Officers recommend:</p> <ul style="list-style-type: none"> • Universal base rate - Introduce a universal base rate payable to all providers in 2017/18 (See Stage 2 Consultation).

	<ul style="list-style-type: none"> • Mandatory deprivation supplement - Further consideration has been given to the level of the deprivation supplement and we are now considering a range of options namely 30p, 35p and 40p of the 52p available for supplements (See Stage 2 Consultation). • Discretionary supplements - Introduce only a quality discretionary supplement as a fixed separate pot of £76,000 to be allocated amongst high quality providers to support system leadership. We believe that continuing to improve the quality of early years providers will have the biggest impact on outcomes for children (See Stage 2 Consultation). • Free entitlement for two year olds - Reviewing the response and after considering the funding available to support the current enhanced rate, Officers are recommending the introduction of the £5.66 funding rate from April 2019. <p>Following the publication of the final government's response to its consultation and the associated operational guidance in December 2016 , Haringey Council will be launching a stage 2 consultation with providers gathering their views on the following areas:</p> <ul style="list-style-type: none"> • Option for the level of the universal base rate • Options for the levels of funding for the mandatory deprivation supplement • The proposal that the discretionary supplement will be for quality, allocated amongst high quality providers to support system leadership
What happens next	<p>6/01/2017 – Schools Forum Early Years Working Group Meeting 9/01/2017 - Stage 2 Consultation launches 16/01/2017 – School Forum Meeting 20/01/2017 – Stage 2 Consultation closes 14/02/2017 – Cabinet meeting</p>
For further information, please contact:	<p>Earlyyearsconsultation@haringey.gov.uk</p>
Dates of consultation:	<p>Stage 1 - 20th Oct - 18th Dec 2016 Stage 2 – 11th to 20th January 2017</p>
Attachments:	<p>Appendix 1a – Anonymised written responses received by mail or email Appendix 1b – Online comments</p>

Appendix 1a

Stage 1 Consultation – Funding Early Years Education in Haringey Provider’s email/letter comments

Survey for Providers

1. Questions 1-3: Timing of introduction of new base rate

The new base rate represents an increase for Woodlands. On a standalone basis, therefore, it would benefit Woodlands for the rate to be implemented as soon as possible. However, our priority is that funding for Woodlands Park Nursery School & Children’s Centre as a whole remains as stable as possible pending the government’s imminent consultation on the future of maintained nursery schools. In addition, we strongly feel that the cut to the childcare subsidy in particular is being very badly rushed (as explained above). If it is necessary for the new base rate to be postponed or staggered in order to maintain our funding as a whole then that is what we would prefer.

2. Questions 4a -4b: Deprivation supplement

We have no response, particularly in view of the fact that this is currently being reconsidered in the light of the recent publication of the government’s response to its own early education funding consultation.

3. Questions 5a-6b: Discretionary supplements

We have no response to the council’s proposals in the survey, particularly in view of the fact that this is currently being reconsidered in the light of the recent publication of the government’s response to its own early education funding consultation. We would support a supplement for quality, as per the government’s consultation response.

4. Question 7: Funding for the 2 year old programme

Again, our priority here is that funding for Woodlands Park Nursery School & Children’s Centre as a whole remains as stable as possible pending the government’s imminent consultation on the future of maintained nursery schools. Our view on the preferred timing of the implementation for the new 2 year old rate is entirely dependent on how it could best interact with other funding elements to achieve that aim.

Conclusion

As an overriding note, we fear that the consultation as a whole reflects a lack of a strategic vision and co-ordinated oversight of the nursery schools and their role and value within Haringey. This includes the lack of a forward/transitional plan as we try to work out the impact of 30 hours and a single funding rate. This is particularly regretful at a point in time when national policy appears to be recognising the unique role for nursery schools as system leaders and centres of excellence. However, we note the recent and planned meetings between the nursery schools and the council officers in this regard and we hope that they represent the beginning of a more strategic approach.

Submission from Woodlands Park Nursery School & Children’s Centre

GOVERNING BODY RESPONSE TO THE ‘FUNDING EARLY YEARS CONSULTATION’

As many of the parents at Pembury House Nursery School and Children’s Centre do not have English as a first language they have found it extremely difficult to respond to the questions in

the consultation about fees. The language used in the consultation document is difficult to understand and inappropriate to the clientele who use our services.

In the light of Haringey's commitment to 'enable every child and young person to have the best start in life, with high quality education' it is a major concern that the Council is removing its funding. It will not be possible to depend on fees to replace the removal of the childcare subsidy and supplementary funding despite the Government's contribution.

This will inevitably mean we cannot retain the current number of staff and therefore will reduce the number of places available for children. The impact of this will mean that more vulnerable families will be unable to access our services and intervention thereby becoming a cost to social services which have their own difficulties. The loss of high quality education for the children will have a detrimental impact on their life chances.

The Government has stated that it is committed 'to how best to secure the high quality provision in the longer term'. Furthermore the Government's supplementary funding of £55m per year is intended to enable local authorities to maintain their current funding levels...and ensure that the important contributions that nursery schools make to the social mobility of young children in disadvantaged areas continues'. This will not be possible in our area of Haringey which has been acknowledged as one of the most deprived areas in the Borough because of Haringey's reduction of funding.

The Local Authority must be aware of the situation that will arise for the nursery schools by the removal of the childcare subsidy but there is no mention of this in the consultation nor any options presented. Now that the Government has responded to its consultation and we know the funding that will be available we need to be assured that the local authority will find ways to ensure the sustainability of the nursery schools.

Chair Pembury House Nursery School and Children's Centre.

Appendix 1b

Stage 1 Consultation – Funding Early Years Education in Haringey

Provider's online comments

Universal Base Rate

Proposal:

Option 1 - To introduce a universal base rate from April 2017:

Q1b – Please provide reasons for your answer:

Seems fair option
Why is other part of London are getting a higher rate of pay? are we not doing the same job as others child care providers? it will have a big affect in small setting like child minders as we don't have a bigger premisses (<i>sic!</i>) as nursery/school where they can have more children. why can the rates be the same to all providers? in London
As I understand the above statement, for the nursery to continue to provide the outstanding service that ofsted (<i>sic!</i>) and parents have said it does we should agree to this proposal.
Agree with base rate but the loss of supplements for quality will mean we will be getting less overall than presently.
We have incurred a loss over the last few years and the proposed funding rate is higher than the rate that we receive at the moment.
Fairer system
Good idea
Funding should be more favourable for us as a primary school nursery
This is a transparent formula and, our Nursery class would not miss out on a significant funding
If it meets minimum running costs and maintains quality for all types of providers. MNS have legal responsibilities that must be funded.
It appears that providers will all receive higher level of funding.
WE DO NOT FEEL THIS ACTUALLY IMPROVES OUR POSITION AS, AT THE PRESENT TIME, OUR INCOME IS £5.35 P/HR.

Proposal

Option 2 - To introduce a universal base rate in 2019/20 when it becomes mandatory

Q.2b – Please provide reasons for your answer

We need to move forward quickly
I feel for the council to provide a good, excellent service we should agree for option 1
The change is going to happen so I would rather work on budgeting sooner rather than later.
Providers may miss out on funding
Would prefer extra funding for 2017/18 when there are so many changes to implement with the 30 hour provision
Using this option our Nursery class will miss out on a significant funding
For reasons above

It appears that providers will lose out on funding.
WE WOULD LIKE ALL THE MONEY, TO UTILISE IN THE BEST POSSIBLE WAY TO ACHIEVE MAXIMUM OUTCOMES FOR THE CHILDREN.

Proposal

Option 3 - To phase in the introduction of a universal base rate by increasing the rate year on year until 2019/20

Q 3b – Please provide a reason for your answer:

money needs to reach nurseries quickly
that would be great, why can we do this at the start.
I feel it would be best for users and providers to go ahead with option 1
Schools need time to manage budgets and sudden large changes to income for EYFS will disadvantage them.
Seems fairest option
Sounds complicated!
This option is better than option 2. The Nursery class would be able to obtain more funding than using option 2, however it is very complicated and it is not transparent as option 1.
with enough time for financial planning it is possible to manage a change but with limited time a phasing in is necessary
The delay may not be fair and equitable to all providers.
STARTING AT A RATE OF £4.74 A 5% INCREMENT FOR BOTH YEARS RESULTS IN LESS THAN £4.74 AT THE END OF THE TWO YEARS AND CONSEQUENTLY WE WOULD HAVE LESS SPENDING TO ACHIEVE THE BEST OUTCOMES FOR THE CHILDREN.

Mandatory Deprivation Supplement

Proposal:

To set from 1st April 2017 a mandatory deprivation supplement of £0.40 per hour per child from April 2017

4b – Please provide reasons for your answer:

deprivation needs to be prioritised
This will assist in providing a continued excellent service.
How much is deprivation at the moment? Will we be losing more money? 40p is significantly less than 50p
I'm not sure I completely understand this, if it would be on top of the original funding or make up part of it.
Seems quite sure but as a governor not 100% familiar with the issue yet
The supplement is capped at 10% and it is deducted from base rate. I believe the providers should be able to retain £0.52
to have a greater impact in areas of deprivation higher resources are needed
As we are a Centre that has many children with speech and language delay, we need this additional funding to provide targeted support to these children. This is vital to their development and progress.
ANY POSITION WHERE THE INCOME STREAM TO THE SETTING IS GREATER THAN THE PROPOSED £4.74 HAS TO BE BENEFICIAL, ALTHOUGH OBVIOUSLY THE ADDITIONAL £0.12 TO ACHIEVE SHOULD BE THE MINIMUM AMOUNT SET ASIDE TO PROVIDERS.

**Stage 1 Consultation Report
Early Years Education in Haringey:
Northumberland Park Ward Residents' Response**

Purpose	The government is proposing to change the way early years education for all 3 & 4 year old children is funding
Who was consulted	<i>Local Haringey Residents, Early Years Education providers (childminders, nursery school), Governors,</i>
Methodology	Online survey, internet, websites, emails, engagement sessions
Engagement Sessions	<p>We planned and delivered nine area specific sessions starting on the 1st November until the 9th December 2016 and including an outreach session on the 15th November 2016 knocking on doors, visiting local key services and facilities.</p> <p>During these sessions we spoke to 28 parents/carers supporting them to complete the questionnaire.</p> <p>These responses have been included in the overall feedback.</p>
Summary of responses	<p>A total of 43 responses were received to the survey:</p> <ul style="list-style-type: none"> • 40 responded via the paper version • 3 responded using the online questionnaire <p>No comment was received by post or email.</p> <p>Northumberland Park Ward Residents' responses</p> <p>Profile of respondents 90% of respondents were residents of the Northumberland Park Ward 43% were Lone parents and 57% were in a two parents' household. The combined percentage of respondent living in social housing (Home for Haringey, private lease, temporary housing and housing association) is 20.1% lower than the ward profile (November 2015) of 48.6%, but higher than the percentage of respondents that are privately renting (12.29%) and those that occupy their own property (8.19%).</p> <p>Childcare Arrangements 38% of the respondents had children in full time 8 to 6 childcare. This was by far the largest group. 14% of respondents stated that they were using other childcare forms; this meant mostly free entitlement without specifying in which provision.</p>

12% stated they had morning session in a school nursery
10% stated that they used friends and family and an equal percentage used part time all year round childcare

When asked about using informal childcare 38% of the respondents said they did and 57% stated they did not. 5% did not answer this question

When asked whether they paid towards their informal childcare, 40% stated they did not and 48% did not answer. Only 2% stated they did pay.

When asked about swapping childcare 50% stated they did not and 33% said they did with 12% not answering the question.

When asked about what help they had to pay for childcare 31% of the respondent declared they did have none, 29% used tax credits, 19% did not pay for their childcare and an equal percentage did not answer.

By far the most popular reasons for using childcare were working or looking for work. 47% of the respondents that were working did so part time and 29% full time.

Household income and ability to pay

76% of the respondents have a joint household income below £35k, with 39% being on low income (below or up to £16190) and another 27% having an income between £16,191 and £25,000.

Income Support (16%), Job Seeker Allowance and Housing Benefits (both at 17%) were the most popular forms of benefits that the respondents received. However 43% of the respondents left the answer blank.

When asked about their ability to pay for childcare 57% stated that they could only pay below or up to £150 a week, 7% stated they could only afford a free entitlement place and 36% provided no answer to the question.

Conclusion

Profile of respondents

The respondents seem to reflect the profile of the ward in terms of the higher percentage of residents living in social housing compared to those that own their own property or rent privately. This is consistent with the ward having the lowest percentage of owner occupiers in the borough (only 23.8% compared to 40.3% for the whole borough).

The high percentage of households on low income also reflects the ward trend in terms of having the lowest levels of level 4 or above qualifications, having the highest proportion of adults with no qualifications and having the highest proportion of part time workers in the borough.

Lone parents are proportionally over-represented amongst the respondents compared to the ward proportion at 18.8%. [*Northumberland Park Ward Profile, November 2015*]


Childcare & household income/ability to pay

The respondents largely used childcare full time as they were working or looking for work. Informal childcare and swapping childcare were also popular choices with over a third of respondents stating that they used them. However over three quarters of respondents declared to be on low income which reflected in respondents stating that they would only be able to pay up to £150 per week for their childcare. It appears that some work with local families needs to be conducted in terms of ensuring they take up their tax credits or in work benefits as less than a third of respondents declared to do

	<p>so.</p> <p>The responses seem to vouch for having childcare that can support local working families as the percentage of economically inactive parents in the area dropped in 2015 compared to the 2011 CENSUS figures and a large percentage of respondents were working parents.</p> <p>Affordability is a significant issue for the respondents who are largely on low income even if working, as a significant percentage work part time, this being also consistent with borough and national data on lone parents being on lower income and less able to afford childcare as lone parents were over represented among the respondents.</p>
Council's response	<p>The consultation results validate the council officers' proposal to focus the funding and support in this ward on four specific areas:</p> <ul style="list-style-type: none"> • Support for local working families – from the responses to the consultation it appears that more needs to be done in helping working families access their in work benefits' entitlement and maintaining a level of flexible full time provision at affordable cost • Support local parents that need affordable childcare to enter the job market – equally having affordable low cost childcare seems to be a paramount priority to continue increase the number of local residents that become economically active as part of the area regeneration strategy • Support for local parents training as a stepping stone to gaining skills for the job market – see point 2 above • Supporting the development of local workforce – this priority seems to sit well with the need to increase the qualification levels of local residents and help them gain higher paid employment which will in time allow the families to be more able to afford childcare
What happens next	<p>The findings of this survey will inform the report which will be submitted to the cabinet for consideration and final decisions in February 2017.</p>
For further information, please contact:	<p>Earlyyearsconsultation@haringey.gov.uk</p>
Dates of consultation:	<p>20th Oct - 18th Dec 2016</p>

Appendix 3

Stage 1 Consultation Report Early Years Education in Haringey: Residents' Response

Purpose	The government is proposing to change the way early years education for all 3 & 4 year old children is funding
Who was consulted	<i>Local Haringey Residents, Early Years Education providers (childminders, nursery school), Governors,</i>
Methodology	Online survey, internet, websites, emails, engagement sessions
Engagement sessions	<p>As part of the consultation we planned and delivered ten face to face engagement sessions covering locations across the borough and including two weekend sessions. The face –to-face engagement started on 24th October and ended on the 10th December 2016.</p> <p>During these sessions we have spoken to a total of 85 residents who were parents of children under the age of 5.</p>
Summary of responses	<p>A total of 62 residents completed the residents' survey. 61 were online response and 1 was a paper response.</p> <p>Comments were also received by letter and email.</p> <p>Residents responses: Qu.1 Residents were asked to give their views on the proposal of the Council removing its involvement in the delivery of school based provision allowing schools to determine their own fee levels. The main responses included;</p> <ol style="list-style-type: none"> 1. 11 comments agreed with schools being able to set their own fees 2. 23 comments were received expressing their views that they wanted the fees to remain. With 4 comments suggesting that the fees should remain the same for existing parents and increase only for new parents applying. 3. 10 comments indicated that if schools were tasked with setting their own fees then there should be an independent regulator / standardised approach to ensure that the standards & quality of the provision matches the cost. As some residents were concerned that settings would increase their prices but not improve their standards or the services they offer. 4. 13 comments expressed concerns that proposed changes would not provide sufficient time for the settings to implement changes to fees. 5. 1 respondent stated that they would be happy with potential increase to fees if this enabled support for lower waged families. 6. 6 comments highlighted concerns that if settings were able to set their own fees, then the cost of child care provision would be determined by their place of residence, therefore settings in Muswell Hill could see a dramatic increase in fees to match other private providers in the local area.
Page 33 of 62	<p>7. 4 comments expressed that they were happy with the proposal of the council removing their involvement in fee levels.</p> 

Qu2. Residents were asked to give their views on replacing the single fee structure with a new structure where fees are different from setting to setting. The main responses included;

1. 20 comments disagreed with the proposal of fees differing from setting to setting, as they highlighted that this would increase the divide between rich and poor families. Comments also included concerns that settings would not be prepared to implement these changes. With some respondents expressing concerns that this would result in fees increasing and creating an unsustainable environment for settings.
2. 4 comments seemed to be neutral about changing the fees structure, but suggested that there needs to be clear difference between settings, with an improvement to the provision and quality of the settings.
3. 4 comments were in agreement with a new fee structure that was selected by the providers.
4. 14 comments agreed with the proposal of differing fees across settings. Highlighting that for this to work settings would need support from the council and sufficient time to implement, including regulations to ensure that settings meet the correct standards.
5. 1 comment suggested that the fees should remain the same across settings but differ by age group.
6. 1 comment stated that they don't know.
7. 5 comments expressed that they didn't agree with the new structure, but stated that if subsidy was removed then the new structure would be the only option, but they expressed their concerns that sufficient support was provided to vulnerable families.
8. 1 comment suggested that pay should be according to the age of the child or the number of children per family.

Qu3a. Residents were asked if they thought that the amount of childcare fees they pay the school be according to their level of income. The response was;

- 32% Agreed
- 32% Disagreed
- 26% Were not sure
- 10% Didn't give a response

Qu4a Residents were asked if they thought that the amount of childcare fees they pay should differ according to whether they lived in the borough or were a resident outside of the borough. The response;

- 39% Agreed
- 26% Disagreed
- 26% Were not sure
- 9% Didn't give a response

Qu5a. Residents were asked what their thoughts were on having a flat fee. The response was;

- 37% Agree
- 26% Disagree
- 31% Were not sure

- 6% Didn't give a response

Qu6a. Residents were asked what their thoughts were on having a sliding scale fees. The response was;

- 40% Agree
- 34% Disagree
- 19% Were not sure
- 7% Didn't give a response

Questions 7-9 asked residents about their household income, and their weekly or monthly earnings:

- 69% of the respondents had an annual household income of £35,000 or more (18% stated their income was between 35 and 50K; 16% between 50k and 66K, 24% between 66 and 99K and 7% over 100K)
- 18% of the respondents had an household income of between £16,901 and £35,000 (8% stating their income was in the lower income bracket of £16,901 and £25,000)
- Only 3% had an income below £16,900
- 7% left the answer blank.

Qu10. Residents were asked to indicate how much, based on their income they could afford to pay per week for full-time childcare.

- 27 could pay between £150-£224
- 11 could pay between £250-£299
- 2 could pay between £300-£374
- 1 could pay between £375-£450
- 7 selected other
- 14 Didn't provide a response

Conclusion

The income profile of respondents indicates that the largest majority of responses were from working families using local childcare services. A similar percentage of respondents were families on middle income (34%) and families on higher income (31%). However only 7% were families that earned above 100k. This is in line with the local authority's current data on average household income of families using maintained childcare and provides an indication on the trend of potential entitlement for 30 hours free childcare.

The greatest majority of respondents indicated that they would be able to pay fees between £150 -299 per week for their full time childcare (61.5%) – this is in line with both current maintained sector fees and the average childcare fees in the borough. It has to be noted that 43.5% selected fees at the lower end of the possible brackets (between £150 and £224 per week). Only 4.6% of respondents stated they could afford fees above £300 a week; however 22.5% left this question blank.

The responses of residents to the questionnaire and the feedback collected during the engagement sessions clearly highlighted residents' concerns about potential fee increases which would cause greater financial pressure on families. This is in line with the outcomes of the recent Childcare Sufficiency Assessment (CSA 2015) in terms of parental concerns on the affordability of childcare.

	<p>Concerns were also raised about the impact the changes could have on accessing good quality provision, particularly in relation to having different fee structures and levels and supporting vulnerable children.</p> <p>Opinions on linking fees to earnings were split with the same percentage of respondents in favour and against this option and 36% unsure or not responding. More respondents agreed than disagreed with the proposal to have different fees for families living out of borough, with a significant percentage being unsure.</p> <p>Respondents had similar views on having a flat or a sliding scale fee structure, however many more (31%) were unsure about having a flat fee structure than those unsure about introducing a sliding scale (19%). This seems to indicate that the respondents in the main favoured a sliding scale fee structure.</p>
Council's response	Haringey Council Officers have carefully considered the results of the consultation and are working with the maintained sector to ensure measures are in place to support the changes in funding.
What happens next	The outcomes of stage 1 consultation will inform the report to be submitted to cabinet for final decisions to be made in relation to fee increases and the timing of any change.
For further information, please contact:	Earlyyearsconsultation@haringey.gov.uk
Dates of consultation:	20 th Oct - 18 th Dec 2016
Attachments	<p>Appendix 3a – Anonymised written responses received by mail or email.</p> <p>Appendix 3b – Residents' Online Comments</p>

Appendix 3a

Stage 1 Consultation – Funding Early Years Education in Haringey Residents email comments

I think that the use of council funds and property for these nurseries has been extremely unfair. There is a subsidy from central council funds and there is presumably a further subsidy because these nurseries don't pay commercial rent on the space they use.

I support subsidy for families who have low income or for children who because of their family circumstances need high quality nursery care.

However, it is unfair that some local families who don't have these particular needs have been able to access and use subsidised childcare when others have not. Reasons that families might not have been able to use this care include the hours available, or the location, or the shortage of spaces.

People who have to use commercial providers pay a much higher price for nursery provision because there is no council funding, and private providers have to pay commercial levels of rent for the premises. These families that pay the higher fees then also contribute, via their taxes, to a subsidy to other families.

I have been unable to use council subsidised childcare because getting three children from my home to our nearest nursery in Crouch End every morning and then getting to my work in London at 8.30 would have been impossible - even if there were places available for them.

Appendix 3b

Stage 1 Consultation – Funding Early Years Education in Haringey

Governors' email comments

1. Removal of the subsidy & timing

The survey does not ask for views on the removal of the childcare subsidy or the timing of the removal. Nevertheless, we would like to make the following points in response to the proposal.

Removal

We understand the difficulty of continuing with the childcare subsidy. We understand the problems with subsidising childcare over and above the national offer for families which happen to live within reach of the eight settings which receive it. However, please bear in mind that most of the settings provide high quality early education as part of their childcare which has been shown to improve life chances for the children who benefit from it. In most cases, the location of the settings means that many of the families who benefit do really need the subsidy.

Timing

A complete removal of the childcare subsidy with effect from April 2017 will not give us enough time to:

- plan carefully for implementation;
- give parents sufficient notice of an increase in fees or a change in the offer;
- consult with parents in order to change and adapt services in a responsive way; or
- re-structure as necessary (as the legal requirements ensure that time is given to listen and respond to those affected).

Our current estimate (which can only be an estimate in view of the other variables, particularly the as-yet-unknown rates for funded places for 2s and 3-4s) is that our fees would have to increase by at least one third. We do not believe it is fair to parents to impose such a hike in fees in the middle of an academic year and on such short notice.

Aside from the lack of fairness, our estimates are based on retaining consistent levels of uptake for places. We may unnecessarily drive away parents by imposing such a significant mid-year fee increase on short notice.

In addition, we are about to enter an admissions cycle and it is bound to adversely impact our uptake for places if we are unable to be clear with parents what the fees will be (which seems bound to be the case due to the very tight timescale).

Finally, April is a particularly difficult time to have to absorb this change on such short notice as income is significantly lower during the April to August period.

If the childcare subsidy has to be removed, the ideal situation would be for the change to be postponed until September 2018 (or failing that, at least until April 2018) in order to give us time to plan and consult with families. If the change was postponed until September 2017, it would not give us time to plan and consult with families properly as the fees for September 2017 need to be set now, but it would at least avoid a significant mid-year fee increase (or a very destabilising impact on the school's finances if we were able to absorb the loss of the subsidy for the April to August period).

2. Question 1: The Council is proposing to remove the Council's involvement in the delivery of school based provision allowing schools to determine their own fee levels. What are your views on this?

If the childcare subsidy is removed in its entirety then we would prefer to have the ability to determine our own fee levels. It is likely that Woodlands would need this ability in order to survive the removal of the childcare subsidy.

3. Question 2: The Council is proposing to replace the single fee structure with a new structure where fees are different from setting to setting. What are your views on this?

For Woodlands, if the childcare subsidy is removed in its entirety then it is likely that it will be in our best interest if the single fee structure is replaced with a new structure where fees are different from setting to setting. Otherwise, it is likely that fees at Woodlands would need to rise even more than they otherwise will in order to subsidise other settings, which Woodlands may not survive.

4. Question 3-6

At Woodlands, we value the diversity of our families. If we have to increase our fees by one third then it is likely that some of our families in most need will no longer be able to afford to use our childcare.

If the only way to make our childcare available to those families is a sliding scale, then we would welcome it subject to the following important provisos:

- We do not believe it is achievable unless some level of childcare subsidy is continued in order to subsidise the sliding scale. Otherwise, if we were going to reduce the fees paid by some families, we would have to further increase the fees paid by other families, and we don't think that those families will pay those higher amounts, some of which would have to be above market rates. To be clear, we do not believe we can increase our rates by more than one third, and we cannot cover our costs unless we increase them by that much. That means that **any** discount from that rate would need to be funded by subsidy.
- We do not have the capability to implement a sliding scale at Woodlands so it would need to be administered (and policed) by the local authority. It would also be very problematic for our relationships with families if we were to have to administer and police it ourselves.
- Before implementing a (subsidised) sliding scale, it would be crucial to model the amount of money that would be saved by doing so, in order to ensure that it would substantially exceed the cost of administering it. It may actually be more cost-effective to continue with a universal subsidy in order to reach those families who need it.
- We would caution that any sliding scale carries the risk of divisiveness among families. We would of course do our best to manage this so that it would not affect the atmosphere but we would welcome time to work with the local authority to further look into other local authorities' experience in this regard (for example Islington).

We understand why families living outside the borough should not receive the benefit of any childcare subsidy from the local authority but it is not clear why they should pay more if there is no childcare subsidy. However, we do not feel strongly about this provided that it should not be up to Woodlands to administer and police it. Again, that would be very problematic for our relationships with families.

5. Questions 7-10

Not applicable

Appendix 4

**Stage 2 Consultation Report
Early Years Education in Haringey:
Providers' Response**

Purpose	The government is changing to the way early years education for all 3&4 year old children is funded from April 2017.
----------------	--

	<p>Following the final announcement from the Department for Education (DfE) about funding for Early Years Education, the Council launched a stage 2 consultation with providers. This follows an 8 week stage 1 consultation for all providers running from 20th October to 18th December 2016.</p> <p>In the initial consultation the Council asked providers for views about:</p> <ul style="list-style-type: none"> • The universal base rate • The deprivation supplement • Options for introducing a deprivation supplement • The free entitlement for two year olds <p>The stage 2 consultation with Early Years Education Providers opened on January 9th and closed on January 20th, 2017. The Council sought to gather the views of providers on aspects of change that would have an impact on the delivery of the free early education offer and the childcare business as a whole.</p>
Who was consulted	All Early Years Education providers and when appropriate Governors
Methodology	Online survey, internet, websites, emails, paper copy survey and engagement sessions
Engagement sessions	<p>We organised four one hour sessions to allow providers to ask questions and to clarify aspects of the consultation document available on line, on email and on paper. Three sessions took place during the working day with one session starting at 8:30am and one session was a twilight meeting giving providers a wider choice.</p> <p>The meetings were attended by 24 individuals representing 13 childminders and eight settings, including 2 nursery schools, one primary school, one children’s centre and four private voluntary and independent settings.</p> <p>The meeting allowed time for questions specifically on the levels for the universal base rate and the mandatory deprivation supplement and clarified the principle of a quality supplement to support system leadership.</p> <p>Three questionnaires were filled at the end of one session and collected by the Council</p>
Summary of responses	<p>A total of 31 completed surveys were received from Haringey’s providers: 3 were paper responses, 5 on email and the remaining 23 were completed on line.</p> <p>Comments were also received as part of the open text boxes in the questionnaire and are included in Appendix 4a</p>

	<p>Providers' Responses</p> <p>The consultation asked providers their views on the Council's proposal for introducing an enhanced universal base rate paid to all providers from the financial year 2017/18.</p> <p>Of the 31 respondents:</p> <ul style="list-style-type: none"> • 26 (84%) agreed with the Council's preferred option; 4 (13%) disagreed and 1 (3%) left the question blank. <p>The consultation also asked providers their views on the three options for the level of mandatory deprivation supplement:</p> <ul style="list-style-type: none"> • Option 1 - funding to be set at £0.30 per hour per child • Option 2 - funding to be set at £0.35 per hour per child • Option 3 - funding to be set at £0.40 per child/per hour <p>Of the 31 respondents:</p> <ul style="list-style-type: none"> • 12 (39%) chose Option 1, 5 (16%) selected option 2 and 11 (35%) chose option 3. 3 (10%) left the answer blank. <p>Finally the consultation asked providers their views on the council's proposal to introduce a discretionary supplement for quality based on supporting system leadership.</p> <p>Of the 31 respondents:</p> <ul style="list-style-type: none"> • 18 (58%) agreed with the proposal, 10 (32%) disagreed and 3 (10%) left this answer blank.
What happens next	14/02/2017 – Cabinet meeting – final decision on the above will be taken at this meeting.
Dates of consultation:	Stage 2 – 11 th to 20 th January 2017
Attachments:	Appendix 4a – Comments provided in the open text boxes as part of the questionnaire.

Appendix 4a

Stage 2 Consultation – Funding Early Years Education in Haringey Provider's online comments

Universal Base Rate

Proposal:

To introduce an enhanced universal base rate from April 2017:

Q1b – Please provide reasons for your answer:

More certainty re: funding
It makes the funding more constant over time
We need a higher base rate as the majority of supplements have been removed and we would only qualify for a very low deprivation supplement.
Option 1 Updated base rate to £4.88 as it will mean more revenue comes into school
it is still below what i currently charge as a private nursery
We believe that more should be given to deprivation, ie (<i>sic!</i>) Option 3 as providers who have high levels of deprivation need to provide more in order to support the development of the children.
The funding has been set at an unreasonably low level which will leave businesses out of pocket and liable to make a loss. None of the above options are acceptable levels of funding nor go anywhere near meeting the costs of London based nurseries who pay competitive salaries, invest in their nurseries and offer far more than many other nurseries.
The rate of £4.78 per hour, is not enough to provide 30 hours of childcare per child per week, for possibly 20 children
This makes sense
The base rate is low and I believe there needs to be a fairer system in place. There needs to be transparency in how funding is allocated. All settings should receive equal support.
The lower base rate causes more losses for PVI's - any increase in the base rate is welcomed to help mitigate the loss.
The greater the base the rate the better the chance for settings to be sustainable. Although the base rate is increasing for everyone there will be losers with the redistribution of supplements, which settings have used to build and improve their business/practice for the benefit of the children in the setting. The money is being taken from the children not the setting.
We agree that more than an enhanced base rate should be paid but not necessarily the illustrations shown. We believe that the universal funding should be enhanced further (see Question 3 below). The manner of introduction of the new base rate should be reconsidered to soften the transition for children who will attract lower funding.
Most of the children attending my setting come from deprived areas; this situation is not the same for all settings and distinction has to be kept.
It is fairer
It is fairer
it is a fairer option to all settings
I agree with the proposal to enhance the base rate. I am in favour of option 1.1 and option 1 i.e 4.88 and 0.30 for base rate and deprivation respectively. This is because i feel the base rate is low and it is only the base rate element that is guaranteed. The supplements will vary each year depending on the intake. I also think that deprivation does not need to be so high as those that children that qualify will also get EYPP.
Option 2
Historically we have received on (<i>sic!</i>) of the lowest level of funding in the borough. Which has had a cumulative impact within the Nursery and across the school. Currently the Nursery is functioning at significant loss. With further cuts in overall spending we may not have the capacity to keep the Nursery open which is essential to our school and the community.
As [REDACTED] is not an area of deprivation we have more to gain if the base rates were to increase.

Mandatory Deprivation Supplement Proposal

To select a preferred option for the mandatory deprivation supplement amongst the following:

1. Option 1 - £0.30 per hour per child
2. Option2 - £0.35 per hour per child
3. Option 3 - £0.40 per hour per child

Q.2b – Please provide reasons for your answer

Demographics are changing and this helps to give more consistency with funding
We will not get a lot for depravation and so we would be losing more money with options 2 and 3.
Schools in the west of the borough have been receiving less per child for many years. As we are all facing the same funding cuts there needs to be a fairer share of the funding available
The more the better to get it close to what i currently charge
As per question 1 - providers who have children with high deprivation will need additional resources in order to enhance the development of the children. This means high quality additional staff.
The more the better as the whole project is underfunded from start to finish and untenable for many nurseries to work with
Using this system will mean a higher disparity between the settings who will gain and those who will lose funding. This extra hourly rate is not earmarked for schemes to improve outcomes. Nurseries in deprived areas do not necessarily have any higher operating costs and to some extent economies of scale can be made. Whereas nurseries lower on the deprivation scale will receive no funding at all but may have higher costs. This supplement should be on a sliding scale or at least kept to minimum.
The providers who have higher levels of deprivation need more fund to support the needs of their children and enable these children to have a good level of development
Because I strongly feel that those providers that have a higher level of deprivation will require additional funding to ensure successful learning for children, development and greater input.
A higher base rate enables settings with no or low numbers of children in 'deprivation' to cover the running costs of their business. For these settings there is no additional funding available. For settings with a high number of children in 'deprivation' they will have the additional funding from the EYPP to top up.
This is the only way our business gains by the new NFF - albeit by 2p
The losses for settings is the least due to supplement redistribution. Settings shouldn't have to rely on supplements to be sustainable. Larger settings are gaining more per hour than very small settings who are losing but they have an advantage due to economies of scale. Two settings on the same site are getting different rates but the children are the same!
30p funding will allow a range of deprivation payments for the most deprived children but will also allow more to be paid on the universal base rate for all children.
I agree a high rate should go to deprivation
I agree that option 3 should be supported as I feel that the higher rate should support the deprivation
support the idea of funding children living in deprivation
Deprivation will vary each year depending on the children you have, therefore I think the base rate should be increased as that will benefit everyone and give consistency. Also, there is the EYPP which can also be used to top up for those families that qualify.
It will support sustainability in other Nursery's (<i>sic!</i>)
We have less FSM children our funding would be reduced and again would make the Nursery less viable.
Currently and historic client group indicates a very small % of children that would be eligible for FSM. Currently of the 89 children attending only 3 receive PP. For this reason we would select option 1.

Discretionary Supplement Proposal

To introduce a discretionary supplement for quality supporting system leadership.

Q 3b – Please provide a reason for your answer:

Agree providing that the supplement reflects the cost of staff
There would need to be transparency and clear plan as how the money is going to be spent so there can be maximum impact
I would rather see the pot of money for quality shared out between all PVI's and childminders, with that money being added to the base rate which would enable us to continue providing quality education and pay for quality staff.
This is a good idea in principle - however the word "discretionary" suggests ambiguity and I fear that along with so many other government proposals - this will not be measured against clear guidelines. This supplement would need clear and achievable (<i>sic!</i>) parameters in place. It must be accessible and fair - which most government grants are not
The Early year's advisory team already carry out this role. This hourly amount should either be part of the base rate to allow nurseries to improve quality by identifying training needs from self-assessments, supervisions and advice from the advisory team. An alternative would be to have a graduate fund to help staff at level 3 to progress their career, bringing improvements back to the setting.
I agree in principle to this but I do not see how the managers that run these good/outstanding settings are going to be able to divide their time in order to deliver this. I look forward to seeing the plans for this.
I think this will help outstanding settings to support private and voluntary settings to improve their service and so enable all children to have a good level of development.
This will provide greater opportunities for settings that are outstanding to offer settings that require improvement support. This will help the LA have settings that provide all children the chance receive a equal service with better developmental and learning opportunities.
I believe this would work for some chosen settings but not for PVI's. I suspect the money would be distributed through the schools and children's centres not PVI's. I also have a great concern for the timing of the introduction of this funding. Surely it should start in September at the start of the academic year, as budgets/forecasts have already been set?
We need more detail on HOW settings will benefit from this. What would the requirements be to benefit from this supplement. Most settings are now Good or Outstanding and would benefit from this money being directed into the base rate in order to limit losses, not put into a pot that may or may not be accessible for them. We strongly disagree with this supplement.
More money needs to go to all settings. We are responsible for our own improvement and need to be sustainable to deliver high quality practice and retain staff. Need to think of more imaginative ways of supporting settings without taking money from them to give to other settings eg staff exchanges, which are cost neutral.
The £67,000 should be either added to the base rate or paid to everyone as an 8p supplement (if you wish to highlight that it is being paid). This would then pay EVERY setting to help to improve Quality across the borough. It would help settings to afford to give leadership time or help settings to afford to receive advice from leaders. As, whether you are giving or receiving Quality help, it takes staffing time and the scheme proposed does not reflect this as it would not pay the setting in need of help to release staff. A universal Quality payment would also enable settings to continue to support choices they have already made or that they might wish to make in the future to enhance quality, whether regarding staffing, equipment or in other areas. Officers would be well positioned to target leadership support to reflect the key aims of the proposal. (Payment in this way would have the added benefit of allowing officers to concentrate on outcomes for the children and not the admin
It is extremely important that settings who provide quality premises, environment, resources and staff have to be compensated for the additional cost they incur for providing quality. No two nurseries are the same and parents carefully choose nursery for their child, not send them to any.
Except for the child-minder scheme as there has been lots of funding over the past years

through sure start.
Except for the child-minder champion scheme as there has been lots of funding over past years through sure start on these types of interventions and with external consultants and it has not made a significant impact.
Except for the child-minders champion scheme as over the years there have been similar interventions and outside consultants that have not made a significant impact on provision.
I disagree with the proposal to implement the quality supplement as proposed. I do not agree with the proposal for the local authority to hold/ manage this central pot of £76 000. I would rather have the 0.08 per child on top of the base rate. I feel that this setting to setting support idea is more effective in schools as they have a bigger staff under head teacher. in the voluntary we have been supporting each other for as long as i can remember without a central system. What is important is for the sector is to be paid a fair base rate so we support staff development and other legal requirements such as pensions,increase (sic!) to minimum wage and other core costs to help us sustain our provisions. If we cant (sic!) meet our core costs a centrally managed setting to setting support will be of no use to us. Finally I think that we already have the Early Years team offering support to develop quality and help with SEND.
As someone who currently facilitates this proposal I welcome the opportunity for additional funds to support this program and the opportunity to share knowledge and expertise thus improving quality provision throughout the borough.
Agree – essential that funding is available for improvement and support.
It would be too difficult to make the system fair – there is already an Advisory team in place to do this. The settings in most need will lose out financially.
<i>Comment to be added – not legible – asked to resend.</i>

Appendix 5 Equality Impact Assessment (EqIA)

Name of Project	Funding Early Education in Haringey	Cabinet meeting date If applicable	14/02/2017
Service area responsible	Early Help Commissioning		
Name of completing officer	Renata Moriconi	Date EqIA created	17/01/2017
Approved by Director / Assistant Director	Charlotte Pomery	Date of approval	03/02/2017

The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advancing equality of opportunity between those with relevant "protected characteristics" and those without them
- Fostering good relations between those with relevant "protected characteristics" and those without them

In addition the Council complies with the Marriage (same sex couples) Act 2013.

Haringey Council also has a 'Specific Duty' to publish information about people affected by our policies and practices.

All assessments must be published on the Haringey equalities web pages. All Cabinet papers MUST include a link to the web page where this assessment will be published.

This Equality Impact Assessment provides evidence for meeting the Council's commitment to equality and the responsibilities outlined above, for more information about the Council's commitment to equality; please visit the Council's website.

Stage 1 – Names of those involved in preparing the EqIA	
1. Ngozi Anuforo	
2. Edmund Jankowski	
3. Ben Ritchie	

Stage 2 - Description of proposal including the relevance of the proposal to the general equality duties and protected groups
<p>The provision of childcare is a key part of Haringey’s Corporate Plan priorities 1 and 4. It enables parents to access employment and training, and supports children to benefit academically from access to high quality early education and care in their earliest years. Haringey has a mixed market of childcare providers for children aged 0-4 consisting of Children’s Centre nurseries, playgroups, private nurseries, independent schools, childminders, nursery classes in maintained primary schools and nursery schools. Four settings that are providing childcare, are directly managed by the Local Authority the other 4 are managed by schools:</p> <ul style="list-style-type: none"> • Park Lane Children’s Centre • Triangle Children, Young People and Community Centre • Woodside Children’s Centre • West Team working with Stonecroft Nursery • Broadwaters Children’s Centre • Woodlands Park Nursery School & Children’s Centre • Pembury House Nursery School & Children’s Centre • Rowland Hill Nursery School & Children’s Centre <p>The settings above provide for free 15 hours per week of early education for all 3 and 4 years old children and for eligible 2 year olds. The fees paid by families are for additional hours beyond the free entitlement, and for children that are 2 years of age and are not eligible but require childcare and for other children under the age of 2.</p> <p>The proposals for consultation</p> <p>In the summer 2016 the Government consulted with all providers and local authorities on proposed changes to funding for Early Years. This consultation closed on the 22 September 2016. Local authorities were encouraged to start consulting with their own providers and</p>

residents on the proposed changes and the impact that they would have in each local authority area, before receiving the response and guidance following the government consultation in recognition of the tight timescales for implementing any change.

In light of this, the Council has consulted with all Haringey providers on the points below in order to implement any change from April 2017:

- That the Council introduces the proposed universal base rate
- The level of mandatory deprivation supplement to be introduced
- That a proposed £0.12 per hour, per child should be targeted towards supporting providers in the delivery of additional 15 hours as a discretionary supplement and whether this should be time limited
- That the Council plan for a sustainable 2 year old funding rate from 2020/21 by introducing a gradual taper from the current LA funding rate per hour going from £6.00 currently to £5.83 in 2019/20 to £5.66 in 2020/21

The government published the response to its own consultation and the operational guidance for funding Early Years Education on 1st December 2016. Following this announcement, Haringey Council has launched a stage 1 consultation for Early Years providers gathering views on the following areas:

- The base rate
- Levels of funding for the mandatory deprivation supplement
- Introduction of a discretionary supplement for quality

The changes to the funding for early years on the one hand set the principle that the greatest amount of funding is passed through to providers directly as a universal base rate which benefits all children equally and increases the amount of base funding available for providers per hour per child. On the other hand the changes reduce the amount of resources available to the Local Authority to support the cost of childcare in maintained settings, which consequently means fees for childcare across the age ranges will need to increase.

In light of the possible impact of the changes to the funding of early years, in stage 1 consultation the Local Authority also gathered residents, staff and governors' views on the following points:

- To remove the Council's involvement in the delivery of maintained school based provision .allowing schools to determine their own fee levels
- Replacing the current unified fee structure across the 8 maintained settings with a new structure of differentiated fees setting by setting
- Linking the level of fees to household earnings

- Having different levels of fees for in borough and out of borough residents
- Having a flat fee that is independent from the families' income levels
- Having a sliding scale of fees based on household income levels.

The questionnaire also asked residents about their income and the ability to pay fees.

Purpose of the Equality Impact Assessment (EqIA)

The aim of the Equality Impact Assessment is to consider the impact of the proposed changes to the funding formula on providers and the local residents.

The Department for Education's Equality Impact Assessment on the Early Years National Funding Formula Consultation (DfE, August 2016, pp.6 - 11) identifies the impact of the proposed changes on childcare providers based on the identified protected characteristic as follows:

- Age – no evidence of any unfavourable impact is expected as age groups are distributed evenly across the country and the childcare services for which providers are funded must meet exactly the same requirement as the service they provide for any other age of child and regardless of whether the child attracts Government funding . Disability – the proposal aims to support access for all disabled children and SEN children to early education although the Department recognises the challenges of a truly inclusive offer. It believes that the proposed funding changes will lead to better access to, and better outcomes from, the early years entitlements for children with disabilities or SEN.
- Gender reassignment – not applicable to children and no evidence that proposals would affect providers disproportionately
- Race (including ethnicity) – there is recognition that, particularly in the inner city local authorities which will see a reduction in funding, this will negatively impact on the protected characteristic of race(including ethnicity). However the Department also say that the 10% funding floor will limit this funding correction by a considerable extent, and that their transitional arrangements will also act to limit turbulence.
- Religion – although again in the case of inner cities local authorities that are losing funding, there could be a disproportionate impact on non- Christian faith schools, there is no evidence to state that a national funding formula proposed will disproportionately affect families choosing a nursery or pre-school run by a faith organisation. .
- Sex – there is no evidence to say that children of a particular sex will be disproportionately affected by the proposal. It is known that owners and workers in early education are mostly female. However there is no evidence that the proposal will significantly impact on this group particularly considering the redistributive nature of the proposal itself. The proposal will benefit particularly female parents who are looking to go back to work or extend their working hours.

The risks directly associate with differentiating fee structures and increasing fees are:

- Providing less affordable childcare in Haringey particularly in areas of higher deprivation if the fees are not set at the right level
- Occupancy in providers might drop below 90%
- Settings could be at risk of not realising their full fee income

Section 6 of the EqIA outlines a series of measures that will be put in place to help mitigate the scale of impact on groups most adversely affected by the proposed changes, and to facilitate access to equal opportunities and foster good relations for all groups.

The Context

The Local Authority profile summary is available at (Source: Census 2011; ONS 2011; IDACI 2015, JSNA 2014):

<http://www.haringey.gov.uk/council-and-democracy/about-council/facts-and-figures>

Current access to provision (Source: Estart database)²

Park Lane Children's Centre – the information below gives a profile of current children and families benefiting from childcare services in the centre in the period of 01/01/2016 - 31/12/2016:

- 76 children attended the childcare provision
- 63% of the children accessing childcare lived in the reach area (ward or wards that each centre operates in)
- Only 7% of the carers registered at the centre are of White British ethnic origin (2% are unknown)
- 270 Lone Parents attended services at the centre -of these, 65% were from within the reach area.

Pembury House Nursery School & Children's Centre - the information below gives a profile of current children and families benefiting from childcare services in the centre in the period of 01/01/2016 - 31/12/2016:

- 414 children attended the childcare provision
- 71% of the children accessing childcare lived in the reach area
- Only 10% of the carers registered at the centre were of White British ethnic origin (2% are unknown)
- 260 Lone Parents attended services at the centre- of these, 62% were from within the reach area.

Rowland Hill Nursery School and Children's Centre - the information below gives a profile of current children and families benefiting from childcare services in the centre in the period of 01/01/2016 - 31/12/2016:

² Childcare data has been extracted from the following eStart event codes: (EEC) Early Education & Childcare + (EC) Extended Childcare

- 135 children attended the childcare provision
- 54% of the children accessing childcare lived in the reach area
- Only 10% of the carers registered at the centre were of White British ethnic origin (1% are unknown)
- 203 Lone Parents attended services at the centre- of these, 59% were from within the reach area.

The Broadwaters Children's Centre - the information below gives a profile of current children and families benefiting from childcare services in the centre in the period of 01/01/2016 - 31/12/2016:

- 270 children attended the childcare provision
- 36% of the children accessing childcare lived in the reach area
- Only 18% of the carers registered at the centre were of White British ethnic origin (1% are unknown)
- 225 Lone Parents attended services at the centre- of these, 36% were from within the reach area.

Triangle Children's Centre – the information below gives a profile of current children and families benefiting from childcare services in the centre in the period of 01/01/2016 - 31/12/2016:

- 270 children attended the childcare provision
- 46% of the children accessing childcare lived in the reach area
- Only 18% of the carers registered at the centre are of White British ethnic origin (3% are unknown)
- 276 Lone Parents attended services at the centre- of these, 34% were from within the reach area.

West Team (Stonecroft Nursery)– the information below gives a profile of current children and families benefiting from childcare services in the centre in the period of 01/01/2016 - 31/12/2016:

- 98 children attended the childcare provision
- 86% of the children accessing childcare lived in the reach area
- 44% of the carers registered at the centre are of White British ethnic origin (1% are unknown)
- 31 Lone Parents attended services at the centre of these, 84% were from within the reach area.

Woodlands Park Nursery School and Children's Centre - the information below gives a profile of current children and families benefiting from childcare services in the centre in the period of 01/01/2016 - 31/12/2016:

- 465 children attended the childcare provision
- 61% of the children accessing childcare lived in the reach area

- Only 28% of the carers registered at the centre were of White British ethnic origin (2% are unknown)
- 212 Lone Parents attended services at the centre- of these, 53% were from within the reach area.

Woodside Children’s Centre – the information below gives a profile of current children and families benefiting from childcare services in the centre in the period of 01/01/2016 - 31/12/2016:

- 127 children attended the childcare provision
- 80% of the children accessing childcare lived in the reach area
- Only 16% of the carers registered at the centre are of White British ethnic origin (2% are unknown)
- 131 Lone Parents attended services at the centre - of these, 73% were from within the reach area.

Number of SEND children accessing the provision:

In the 8 maintained settings there are in total 17 places for children with identified SEND and in total 11 places for children with specific Speech and Language delays.

The average fees for childcare in Haringey (including all settings maintained and Private, Voluntary and Independent settings) is £ 49.23 a day according to the latest Childcare Sufficiency Assessment 2015 (<http://www.haringey.gov.uk/children-and-families/childcare-and-early-years/childcare-options/childcare-sufficiency-assessment-csa>). The above maintained settings’ fees are lower than the average and compare favourably with the fees of Private Day Care (£60.00 per day).

Profile of vulnerable children in Harinegy (MOSAIC - 31 August 2016)

Children under 5 subject to a **Child Protection plan** in the borough

Ward	No.
Bounds Green	3
Bruce Grove	8
Fortis Green	1
Harringay	6
Highgate	1
Hornsey	4

Noel Park	6
Northumberland Park	8
Seven Sisters	6
St Ann's	4
Tottenham Green	10
Tottenham Hale	6
West Green	7
White Hart Lane	7
Woodside	4
TOTAL	81

Children under 5 subject to a **Child in Need plan** in the borough

Ward	No.
Alexandra	2
Bounds Green	24
Bruce Grove	24
Crouch End	3
Fortis Green	11
Harringay	7
Highgate	4
Hornsey	14
Muswell Hill	6
Noel Park	29
Northumberland Park	39
Seven Sisters	33
St. Ann's	25
Stroud Green	5
Tottenham Green	41

Tottenham Hale	38
West Green	19
White Hart Lane	28
Woodside	13
Total	365

Children under 5 **Looked After** in the borough

Ward	No.
Alexandra	1
Bounds Green	1
Bruce Grove	3
Muswell Hill	1
Noel Park	1
Northumberland Park	4
Seven Sisters	1
St. Ann's	3
Tottenham Green	1
Tottenham Hale	9
West Green	2
White Hart Lane	2
Woodside	5
TOTAL	34

In the period up to August 2016

- 426 children under 5 were referred and assessed for **Early Help services**

Of these

- 151 are still active cases receiving support from the service

- 20 have been stepped up to Social Care
- 184 have had some form of intervention but are now closed and
- 71 disengaged.

Stage 4 – Scoping Exercise – Service data used in this Equality Impact Assessment
This section to be completed where there is a change to the service provided

Data Source (include link where published)	What does this data include?
Census 2011 on Haringey Council website http://www.haringey.gov.uk/council-and-democracy/about-council/facts-and-figures	Profile of the local authority population
ONS http://www.ons.gov.uk/ons/index.html	Profile of the local authority population
IDACI http://www.education.gov.uk/cgi-bin/inyourarea/idaci.pl	Profile of the local authority deprivation
JSNA http://www.haringey.gov.uk/social-care-and-health/health/joint-strategic-needs-assessment/figures-about-haringey#childrenandyoungpeople	Number of children

Estart data	Current access to maintained childcare provisions (Source: Estart database)
MOSAIC data	<p>Vulnerable Children's profile This includes all children under the age of 5 that are currently subject to a Child protection plan, a Child in Need Plan, Looked after or were referred to or/and have had support from Early Help via an Early Help Assessment.</p> <p>This is a total of 906 children in total</p>
<p>Childcare Sufficiency Assessment 2015 http://www.haringey.gov.uk/c/hildren-and-families/childcare-and-early-years/childcare-options/childcare-sufficiency-assessment-csa</p>	<p>Access to and cost of childcare</p> <p>The average fees for childcare in Haringey (including all settings maintained and Private, Voluntary and Independent settings) is £ 49.23 a day according to the latest Childcare Sufficiency Assessment 2015 The above maintained settings' fees are lower than the average and compare favourably with the fees of Private Day Care (£60.00 per day).</p>

**Stage 5a – Considering the above information, what impact will this proposal have on the following groups in terms of impact on residents and service delivery:
Positive and negative impacts identified will need to form part of your action plan.**

	Positive	Negative	Details	None – why?
Sex	x	x	<p>Providers</p> <p>The workforce employed in the childcare sector is mostly female. Therefore enhanced funding could positively impact the growth of the sector and therefore the gains of female workers.</p>	

			<p>Residents:</p> <p>Statistically lone parents are overwhelming female. The increased funding to providers to enable 30 free entitlement hours for 3 and 4 year olds should have a positive impact on female carers, helping with the affordability of childcare and returning to work</p> <p>However, potentially a fee increase in maintained settings for childcare provision outside of free entitlement hours could negatively affect this group.</p> <p>Statistically more women are in part time employment and the pay gap between male and female, means women could be disadvantaged by a fee increase in maintained settings</p>	
Gender Reassignment				This characteristic is not relevant to children under the age of 5. There is equally no evidence that funding would affect adults with this protected characteristic .
Age	X	X	<p>Providers</p> <p>There is not enough data at present to establish whether the workforce is predominantly of a specific age range</p>	

			<p>across all providers. Therefore it is not possible to establish positive or negative impact on this protected category.</p> <p>Residents Potentially an increase in resources available to providers for each child could benefit the young age end users who might attract higher levels of funding. However potentially an increase in fees could affect younger parents who are looking for employment, in training or in lower paid jobs.</p>	
Disability	x	x	<p>Providers The introduction of a compulsory Inclusion Fund and Disability Access Fund as part of the changes, means that providers will benefit from increased resources to support full integration of children with SEND</p> <p>Residents Children with special needs or disabilities should be able to access funded places in childcare and access increased resource as part of the new funding for early years – however if the families wanted to pay for extra hours there might be a small impact on those families from increased fees outside of the free entitlement.</p>	
Race & Ethnicity				Changes in the funding of

				Early years Education and fee increases will be applied irrespective of race and ethnicity and the ethnicity profile of childcare users is varied across the borough
Sexual Orientation				There is no evidence that the changes would have any impact on the sexual orientation protected category.
Religion or Belief (or No Belief)				
Pregnancy & Maternity		x	Residents A possible increase in fees could be a barrier to access for pregnant women who live locally and would have wanted to use the local provider.	
Marriage and Civil Partnership				

Stage 6 - Initial Impact analysis	Actions to mitigate, advance equality or fill gaps in information
Statistically lone parents are overwhelming female so a potential increase in fees could negatively affect this group.	1) Introduction of flexibility in the level of fees for maintained settings to reflect their different demographics and demand 2) Delay to decrease the funding rate for 2 year old free entitlement until 2019/20 to

Statistically more women are in part time employment and the pay gap between male and female, means women could be disadvantaged by a fee increase.	<p>support financial planning and stability</p> <p>3) Ensure robust Information, Advice and Guidance sessions, particularly targeted at groups identified as vulnerable (lone parents, younger parents, children with SEND). The IAG will encourage take up of tax credits and other related benefits, provide information on wider support and access to employment advice. IAG sessions will also be targeted and open to all new parents to assist them in choosing a local childcare provider and accessing support available.</p> <p>4) The Council has a duty to ensure the sufficiency of childcare in the borough, which includes affordability, flexibility and demand for places. Critical to the monitoring and oversight is the completion of a Childcare Sufficiency Assessment every 3 years, and this will inform the Council's future childcare policy including setting of fees and funding formula for free entitlement hours.</p> <p>5) Preparation for 30 hours free entitlement The Council has been working with all providers since October 2015 to ensure guidance and business support was provided to enable settings and childminders to survey their community and plan for the new 30 hours offer. Statistical information have also been used to determine the sufficiency of places and enable the local authority and providers to have a clear picture of offer and demand. The Council is also working with other organisations to inform the community of the 30 hours offer.</p>
Potentially an increase in fees would affect younger parents who are looking for employment, in training or in lower paid jobs.	
Children with special needs or disabilities should be able to access funded places in childcare – however if the families wanted to pay for extra hours there might be a small impact on those families	
A possible increase in fees could be a barrier to access for pregnant women who live locally and would have wanted to use the local provider.	

Stage 7 - Consultation and follow up data from actions set above	
Data Source (include link where published)	What does this data include?
During the engagement stage preceding the Statutory consultation for the new delivery model of Haringey's Children's Centres, a	<ul style="list-style-type: none"> The settings were highly valued by users

number of parents who attended evening face to face engagement sessions used the childcare offer available in the children's centres. Those parents expressed their full satisfaction with the offer and indicated that they would be willing to consider changes in the fees in order to maintain the same level of childcare places available to local parents.

- Users were prepared to consider changes in fees to maintain the level and quality of childcare on offer
- Affordability was an issue for some parents
- Parents felt that the offer met their needs

Stage 8 - Final impact analysis

The changes to the funding for Early years will ensure that a higher percentage of funding is passed through to all providers in a more equitable way. This will ensure that providers receive the majority of available base funding and therefore have better resources which will ultimately benefit children.

This Equality Impact Assessment has found that this will impact positively on both providers and residents since the funding will enhance resources available to children across the protected characteristics, and will enable the roll out of 30 free entitlement hours for 3 and 4 year olds in September 2017. This will help improve the affordability of childcare and support parents into work.

Children with SEND will also benefit from the Inclusion Fund which is made compulsory and a one off Disability Access Fund. Again these funds will benefit providers enabling them to offer fully inclusive childcare and early education

The proposed increase in maintained settings fees is in response to changes introduced by government in relation to the Early Years Funding Formula; in 2017/18 93% of the funding will be passed out to all providers and only 7% retained centrally, reducing the amount the Council can use to subsidise maintained childcare.

The Council consulted with local residents on these changes between October and December 2016. Local families response highlighted the concerns they have about any fee increase as affordability has been identified as a barrier to childcare locally (CSA 2015)

This Equality Impact Assessment has found that the proposed increase in fees in maintained settings could impact adversely particularly on the following groups through reduced affordability:

- Statistically lone parents are overwhelming female so a potential increase in fees could negatively affect this group.
- Statistically more women are in part time employment and the pay gap between male and female, means women could be disadvantaged by a fee increase.

- A fee increase could affect younger parents who are looking for employment, in training or in lower paid jobs
- Families with children with disability wanting to buy extra hours
- Local pregnant women who wanted to choose a childcare provider near home.

In order to help mitigate the impact on these groups, the following measures are proposed to be put in place:

- Information, Advice & Guidance will be strengthened to allow families a better access to relevant benefits
- Impact of changes to fees will be monitored by the Local Authority via the Childcare Sufficiency Assessment which has to be undertaken every 3 years.
- Work on supporting the delivery of 30 hours free childcare for 3 & 4 year olds is continuing

Stage 9 - Equality Impact Assessment Review Log

Review approved by Director / Assistant Director

Date of review

Review approved by Director / Assistant Director

Date of review

Stage 10 – Publication

Ensure the completed EqIA is published in accordance with the Council’s policy.