


Report for: Cabinet Member Signing 6th July 2017

Item number:

Title: The Introduction of New Fee Arrangements for Haringey's Maintained Childcare Provision from 2017-2018



Report authorised by: Charlotte Pomery, Assistant Director, Commissioning

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Ward(s) affected: All

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

1. Describe the issue under consideration

- 1.1 In February 2017, Cabinet agreed a number of proposals for the future fee arrangements for eight childcare provisions maintained by the Council in the borough. Four of these settings are organised and run by school governing bodies and therefore have separate management and governance arrangements from the other four settings, which are directly managed by the Council.
- 1.2 The future fee arrangements agreed by Cabinet included:
 - Removing the Council's involvement in setting the fees for school-based early years provision, allowing the four maintained school-run childcare provisions to set their own fees.
 - Replacing the single fee structure, applied across all four Council-run childcare settings with a new structure where fees may differ from setting to setting.
 - Increasing fees for the four Council-run childcare settings from September 2017 in order to generate the levels of income required to mitigate the loss of subsidy funding.
- 1.3 This report sets out, in detail, the changes to be introduced across the Council's childcare settings from September 2017 following these earlier decisions by Cabinet.
- 1.4 The purpose of this report is to provide the Cabinet Member with an overview of the new fee arrangements for four Council-run childcare settings in Haringey

and to ask the Cabinet Member to agree to the introduction of new fee structures from September 2017.

2. Cabinet Member Introduction

- 2.1 This paper introduces changes to the current fee arrangements across the Council's four directly managed childcare settings. The proposals follow the decision by central government to implement a new national funding formula for early years which introduced significant changes to how early education was funded from April 2017, including how the Council, working with Haringey's Schools Forum, is able to deploy the resources provided through the early years block of the Dedicated Schools Grant (DSG) funding allocated to the borough.
- 2.2 The proposals set out in this report seek to ensure that we are able to continue the delivery of a good quality childcare offer, in the face of losing £1.4m used previously to subsidise the cost to residents. The fee increases proposed in this report are not insignificant, but we have worked hard to ensure that the new fee structure reflects only what is needed to meet the costs of running these childcare services. We recognise the challenges faced by parents and carers across the borough in finding affordable childcare and we will continue to engage with residents to understand their childcare needs, and shape the childcare offer available locally to families. We will work to help and encourage parents to access their full entitlements and any financial childcare support provided by central government so that no parent pays more than they should.

3. Recommendations

The Cabinet Member is asked to:

- 3.1 Agree the introduction of a new childcare fee structure for the Council's Stonecroft, Woodside and Triangle centres, as set out at 8.1 of this report.
- 3.2 Agree the introduction of a lunch fee rate, to be applied across all four Council-run settings, as set out at 8.6 of this report.

4. Reasons for decision

- 4.1 The impact of the introduction of a national funding formula for early years means that, from April 2017, the Council's allocation of Dedicated School Grant (DSG) Early Years Block funding will no longer be able to provide the £1.427m per year subsidy previously used to meet the gap between service delivery costs and fee income.
- 4.2 The proposed changes to the level of fees currently charged in the four Council-run childcare settings will address the gap between fee income and operational costs and support the on-going financial viability of these services.

5. Alternative options considered

- 5.1 The need to review and revise current fee arrangements arose as a consequence of the introduction by central government of a national funding

formula for early years from April 2017. The national funding formula introduced significant changes to the way in which funding for the free early education entitlement is distributed by the Council and included a 7% cap on the amounts of early years Dedicated Schools Grant funding that the Council can centrally retain from April 2017, falling to 5% from April 2018. In previous years, an amount of £1.427m has been agreed with Haringey's Schools' Forum as a subsidy, supporting the eight maintained childcare settings. A direct consequence of the cap was the loss of this £1.427m subsidy from April 2017.

- 5.2 It was anticipated that this loss of funding would have a direct impact on the sustainability of the maintained childcare settings. To this end, a number of options were considered and increasing fee levels across all settings was deemed to be the only viable option to mitigate the loss of subsidy funding. Recognising that a period of transition would be required before the introduction of new fee rates from September 2017, Cabinet agreed in February 2017 that an amount of £0.7m of Dedicated Schools Grant would be set aside to subsidise the maintained childcare provisions for the period April to August 2017.
- 5.3 The introduction of the extended free entitlement offer – up to 30 hours per week over 38 weeks of the year for 3 and 4 year old children in families where both parents are working (or the sole parent in a lone parent household) from September 2017 – will mean that many of the parents currently paying for full day care (up to 35 hours per week), in addition to receiving the 15 hours per week universal free entitlement offer at the maintained settings, will be able to claim the enhanced entitlement for their child, therefore going some way to mitigate the impact of an increase in childcare fees on residents.
- 5.4 An alternative option is to maintain childcare fees at current levels for the financial year, 2017-18. However, there is no budget provision to maintain the current fee level structure and this is not therefore a financially viable option. In addition, it is considered likely to lead to a reduction in the overall levels of provision available as there would be a need to scale down the service offer, and, as a consequence, reduce the number of childcare places available across the maintained childcare settings.

6. Background information

6.1 National Policy Context

- 6.1.1 The Childcare Act 2006 places a number of statutory responsibilities on the Council in relation to childcare and early education. These include:
- i. Improving the well-being of children under five in its area and reducing inequalities in their well-being between children under five in its area
 - ii. Taking steps to identify parents or prospective parents in its area who would be unlikely to use early childhood services and encouraging them to do so
 - iii. Providing information, advice and assistance for parents and prospective parents on the provision of childcare and other services in its area that may benefit them, children or young people

- iv. Securing, so far as is reasonably practicable, sufficient childcare for working parents (or parents in education or training) in its area
- v. Securing free early years provision as prescribed by legislation
- vi. Assessing the sufficiency of childcare provision in the borough
- vii. Providing information, advice and training to childcare providers and prospective providers in its area to deliver sustainable, affordable and high quality childcare
- viii. Making provision to ensure that early years foundation stage profile assessments made by school and early years providers in the borough are accurate and consistent

6.1.2 The Council's statutory role as commissioner and market manager is set out clearly in the Childcare Act 2006. We are expected to satisfy ourselves that:

- There is a sufficient range of places overall, taking into account demographic trends, and patterns of employment
- There is sufficient flexible childcare to fit with working patterns
- Places are accessible, high quality, affordable and sustainable
- Childcare places are inclusive and meet particular needs
- There is good knowledge and information about the supply of places in the borough

6.1.3 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 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 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 offers 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.

6.1.4 The Childcare Act 2016 introduces, from September 2017, an extended free entitlement, adding to the 15 hours per week universal free entitlement offer for all 3 and 4 year olds, 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.

6.2 Local Context

6.2.1 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).

6.2.2 The cost of delivering maintained childcare has continued to increase and the gap between this and the financial resources available has been widening since 2011. To date, the maintained childcare service has been supported through a combination of fee income and Dedicated School Grant (DSG) which comprises funding for 2, 3 and 4 year olds free entitlement places and a childcare subsidy of £1.427m.

6.2.3 Weekly Fee levels for 2016-17 were:

- £179 for a 3 -4 year old place
- £205 for a 2-3year old place
- £230 for a 0-2 year old place

7. The Implementation of Changes to Current Fee Arrangements

7.1 A programme of review and development of the business models for the maintained settings has been undertaken over the past 12 months. This has involved face to face meetings with each of these settings operating in the borough. An element of this work has been the articulation of the need for each of the settings to charge fees appropriate to their circumstances and to ensure that service delivery costs could be met through fee and DSG grant income alone.

7.2 Through this process, it was clear that all of the maintained settings have experienced increasing service delivery costs year-on-year. The loss of subsidy funding, as a result of the introduction of the national funding formula for early years, means mitigating the impact of increased service delivery costs requires childcare fees to rise from current levels.

7.3 The outcome of the fee review work for the maintained settings has identified proposals for new fees for Stonecroft, Woodside and Triangle childcare settings. Increases to fees are proposed across all the age ranges and are, in most cases, significant. The proposed changes to fee levels are based on a consideration of staff costs, service overheads and levels of occupancy – that is the number of children taking up places against the actual number of places available. The review also considered affordability and typical costs, for the geographic areas each setting serves, with the aim of matching fees to the ability of families in each community to pay.

7.4 Analysis shows that if fee levels were adjusted to fit more closely with affordability and area typical fee rates, there remains a gap between costs and income for all settings. Given the lack of availability of subsidy, the focus has been on proposing fee rates for the Stonecroft, Woodside and Triangle settings from September 2017 which ensure that there is no gap between cost and income.

7.5 It is proposed to retain the current fee levels for the 2017-18 financial year at the Park Lane provision to allow for work by officers to continue on the commission of a financially viable and affordable childcare offer in the area. This reflects the location of the setting which serves one of the most deprived parts of the borough. The setting also experiences continual challenges in

achieving full occupancy and from our early engagement with the community it has been evident that affordability is a significant barrier for parents and carers.

- 7.6 The introduction of new fee rates is proposed for September 2017. There is therefore a need to manage the continuation of the current fee levels between April to August 2017. To this end, the four Council-run settings will be supported by a contribution from the £0.7m of Dedicated Schools Grant set aside to subsidise the maintained childcare provisions for the period April to August 2017.
- 7.7 The introduction of the extended free entitlement offer from September 2017, will mean that many of the parents currently paying for full day care (up to 35 hours per week) in addition to receiving the 15 hours per week universal free entitlement offer at the maintained settings will be able to claim the 30 hours free entitlement for their child, therefore going some way to mitigate the impact of an increase in childcare fees on residents.
- 7.8 A consultation has not been undertaken concerning the proposed increase in weekly fees for Stonecroft, Woodside and Triangle centres with parents and carers of children at those centres. Such consultation has been undertaken in the past where there has been scope for the outcome of the consultation to shape fee proposals. However, in this case officers considered a consultation on the proposed increase would not have been a genuine exercise, given the removal of subsidy funding has been out of the Council's control and an increase in fees has therefore become inevitable. Moreover, a decision to increase fees from current levels from September 2017 for these three centres in order to generate the levels of income required to mitigate the loss of subsidy funding was made by the Cabinet on 14th February 2017. In assessing the proposed fee levels for these three centres, officers looked at each centre separately, with the aim of ensuring there was no gap between cost and income for that centre. Officers are satisfied there is no realistic prospect that consultation would have affected the assumptions that officers made, in respect of staff costs, service overheads and level of occupancy, in carrying out the assessment of proposed fee levels for these three centres.
- 7.9 Also, consultation has not been undertaken concerning the proposed introduction of the lunch fee with parents and carers of children at the four Council-run childcare settings. Officers are satisfied that there is no realistic prospect that consultation would have affected their assessment of the costs of providing a lunch at the four childcare settings.

8. New Fee Proposals

- 8.1 The proposal is to introduce a revised fee structure for the four Council-run childcare provisions from September 2017 in order to improve the sustainability of maintained childcare within current budget constraints. The proposed new weekly fees from September 2017 are as follows:

Table 1: The proposed new weekly fees from September 2017

Centre	2-3 years	3-4 years
Woodside	£336	£244

Stonecroft	£351	£244
Triangle	£332	£244
*Park Lane	£205	£179

*Remains at 2016-17 levels

A detailed summary of the proposed changes to fee rates is included at **Appendix 1**.

- 8.2 The table below shows the range of childcare fee rates in council-run settings for our neighbouring boroughs.

Table 2:

Local Authority	Weekly Fee range for Residents
Islington	*£122 - £325
Hackney	*£166 - £221
Camden	**£198-£250
Waltham Forest	No Council-run provision
Enfield	No Council-run provision
Barnet	No Council-run provision

*0-4 age range **2-4 age range only

- 8.3. The table below shows how the proposed rates compare with average childcare rates across the Network Learning Community (NLC) Areas in Haringey.

Table 3:

NLC	Average weekly market childcare fee (£)	Proposed weekly maintained childcare fee 3 and 4 yr olds (£)
Hornsey & Crouch End	263.56	£244 (Stonecroft)
North East Tottenham	231.07	£179 (Park Lane)
South East Tottenham	186.15	£244 (Triangle)
Wood Green	228.17	£244 (Woodside)

- 8.4 Work has also been done to explore the options available to parents regarding help with childcare costs.

- 8.4.1 **Appendix 1.1** shows the impact of applying the Universal Credit (UC) or Child Tax Credit (CTC) and the newly introduced Tax Free Childcare (TFCC) to the weekly fees parents have to pay for childcare.

8.5 0-2 Childcare Places

- 8.5.1 Over the last few years, childcare places for children aged under 2 years old have been phased out in the Woodside, Stonecroft and Park Lane provisions due to the high costs of delivery. The Triangle is the only centre that has continued to offer places for 0-2 year olds and the recent review of the business

model has shown that the cost of offering childcare places for 0-2 year olds remains extremely high. Without any subsidy funding, the review has identified that these places would generate a fee increase from current levels of £230 per week, to an amount in excess of £500 per week. It has been decided, therefore, that childcare places for 0-2 year olds will be discontinued at the Triangle provision from January 2018. Children currently taking up 0-2 childcare places at the setting will continue and it is anticipated that all current children will progress to the next age band by the end of December 2017. Due to the short term of the transition phase, parents and carers of these children will continue to pay fees at the 2016/17 weekly fee rate for 0-2 childcare places of £230 per week.

8.6 Fees for the Provision of Lunch

8.6.1 All four settings offer children access to lunch as part of the childcare offer. The revised statutory guidance issued in March 2017, makes clear that lunch can be charged for as additional to the free entitlement place and parents/carers have the choice to pay for lunch or provide children with a lunch prepared by the parent/carer. It is essential that the charge for lunch is transparent and enables parents and carers to make an informed choice. As part of reviewing the business model for the four Council-run centres, work was carried out to isolate the costs of providing a lunch offer and this has informed the proposed daily fee for lunch to be introduced from September 2017. The proposed fee rate for lunch is to be applied across all four Council-run centres and is as follows:

Table 4:

Daily	Weekly (5 day week)
£3.40	£17.00

9. Statutory Officers comments

Chief Finance Officer (including procurement) comments

- 9.1 This report deals with proposals for an increase to current fee rates for three of the four Council-run childcare settings from September 2017.
- 9.2 For 2017/18, the Department for Education (DfE) 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 DfE requirements about capping the amounts retained for central early years expenditure has resulted in the loss of the sum of £1.427m, previously retained to provide a subsidy for the childcare provision maintained by the Council.
- 9.3 Haringey's Schools Forum must agree any central early years expenditure and, as such, have agreed the proposed use of up to £0.7m from unspent DSG in previous years to manage the reduction of the childcare subsidy in local early years settings during the 2017/18 financial year.
- 9.4 The proposals set out in this report reflect the phasing out of subsidy funding for each setting from September 2017 and the generation of income to meet service delivery costs from the increases in the level of fees chargeable.

Assistant Director of Corporate Governance comments

- 9.5 There has been no consultation over the amount of the proposed new weekly fees with the parents and carers of children at the Stonecroft, Woodside and Triangle centres. There is no statutory obligation to so consult. If the Council has previously promised these parents/carers that there will be such consultation, or there is a previous practice of such consultation, then the parents/carers may have a legitimate expectation that they will be so consulted. If so, it may be unlawful for the Cabinet Member to agree the recommendation in this report at paragraph 3.1 without such prior consultation. However, in this case, there is a strong argument that parents/carers did not have a legitimate expectation that they would be consulted, given it seems that there was no realistic prospect that consultation would affect the amount of the proposed new weekly fees. Accordingly, the risk of a successful legal challenge to a decision of the Cabinet Member to agree the recommendation at paragraph 3.1 is very low.
- 9.6 It also appears there has been no consultation with the parents / carers of children at the four Council-run childcare settings over the introduction of the lunch fee rate. If the Council has previously promised these parents/carers that there will be such consultation, or there is a previous practice of such consultation, then the parents/carers may have a legitimate expectation that they will be so consulted. If so, it may be unlawful for the Cabinet Member to agree the recommendation in this report at paragraph 3.2 without such prior consultation. However, the introduction of a separate lunch fee is in accordance with revised statutory guidance. The Council has an obligation to follow such guidance unless in any particular case it has good reason to depart from it. There would seem no good reason not to follow the guidance in this respect. Accordingly, the only issue on which there could have been consultation would have been over the amount of the lunch fee. However, in this case, there is a strong argument that parents/carers did not have a legitimate expectation that they would be consulted, given it seems that there was no realistic prospect that consultation would affect the amount of the proposed new lunch fee. Accordingly, the risk of a successful legal challenge to a decision of the Cabinet Member to agree the recommendation at paragraph 3.2 is very low.
- 9.7 The contracts between the Council and the parents/carers of children at the four Council-run childcare settings will need to have been drafted so as to permit the Council to implement the recommendations in this report without the parents/carers' agreement, as otherwise the parents/carers would not be bound under the contracts to pay the proposed new weekly fees or the lunch fee.

Equalities comments

- 9.8 The Council has a public sector equality duty under section 149 of the Equality Act 2010 to have due regard to the need to:
- a) Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act;
 - b) advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it;

- c) foster good relations between people who share a relevant protected characteristic and people who do not share it;
- d) A “relevant protected characteristic” is age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;

9.9 An initial Equalities Impact assessments has been carried on the proposals set out in this report. The findings and mitigating actions have been summarised and included at **Appendix 2**.

10. Use of Appendices

10.1 Appendix 1 - Proposed Changes to Childcare Fee Rates

10.2 Appendix 1.1 - The impact of Government’s Financial support on Parental Payment of the proposed differentiated fee rates

10.3 Appendix 2 – Equality Impact Assessment

11. Local Government (Access to Information) Act 1985

Appendix 1

Proposed Changes to Haringey Council's Weekly Childcare Fee Rates from September 2017

Age Range	0 - 2	2-3	3 - 4	3 - 4	3 - 4
			Weekly fee rate before 15-hour or 30-hour free entitlement is deducted	Weekly fee rate after the 15-hour free entitlement is deducted	Weekly fee rate after the 30-hour free entitlement is deducted
Current weekly fee rate 2016-17	£230	£205	£179	£137	Not applicable
Proposed new differentiated weekly fee rates, to be applied from September 2017					
Woodside	-	£336	£244	£186.05	£128.10
Stonecroft	-	£351	£244	£186.05	£128.10
Triangle	-	£332	£244	£186.05	£128.10
Park Lane	-	£205	179	£137	£94

Appendix 1.1 – The impact of Government support for childcare on proposed differentiated weekly fee rates to be paid by parents

The example used in the table below assumes a parent qualifying for childcare element of the Working Tax Credit (i.e. Working a minimum of 16hrs per week) with one (1) child only and paying up to a maximum of £175 per week childcare. The weekly entitlement for Child Tax Credit will be 70% of payment made towards childcare. It should be noted that a parent may be eligible to receive childcare tax credit or tax free childcare but not both.

	Woodside		Stonecroft		Triangle		Park Lane	
	2-3YO	3 – 4YO	2-3YO	3 – 4YO	2-3YO	3 – 4YO	2-3YO	3 – 4YO
Proposed Weekly Fees(£)	336	244	351	244	332	244	205	179
Maximum Universal Credit/CTC (£/wk)	(122.50)	(122.50)	(122.50)	(122.50)	(122.50)	(122.50)	(122.50)	(122.50)
Parent pays (£/wk)	213.50	121.50	228.50	121.50	209.50	121.50	82.50	56.50
Maximum Tax Free Childcare (TFCC) (£/wk)	(38.46)	(38.46)	(38.46)	(38.46)	(38.46)	(38.46)	(38.46)	(38.46)
Parent pays (£/wk)	297.54	205.54	312.54	205.54	293.54	205.54	166.54	140.54

Appendix
x 2

Equality
Impact
Assessment
and
Action
Plan

Equality
Impact
Assessment
(EqIA)

Name of Project	The Introduction of New Fee Arrangements for Haringey's Maintained Childcare Provision	Cabinet Member signing meeting date If applicable	04/07/2017
Service area responsible	Early Help Commissioning		
Name of completing officer	Renata Moriconi	Date EqIA created	11/05/2017
Approved by Director / Assistant Director	Charlotte Pomery	Date of approval	23/06/17

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

- Eliminating 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.

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. Project Lead Ngozi Anuforo/Renata Moriconi	
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 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.</p>

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 assess the impact of the proposed changes in fees at the four Council-run childcare settings.

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 the four Council-run childcare settings 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)¹

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 - 31/05/2017

- 98 children attended the childcare provision
- 63% of the children accessing childcare lived in the reach area (ward or wards that each centre operates in)
- 7% of the carers registered at the centre are of White British ethnic origin
- 316 Lone Parents attended services at the centre

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 - 31/05/2017

- 299 children attended the childcare provision
- 46% of the children accessing childcare lived in the reach area
- 18% of the carers registered at the centre are of White British ethnic origin (3% are unknown)
- 296 Lone Parents attended services at the centre

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 - 31/05/2017

- 135 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

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 - 31/05/2017:

- 174 children attended the childcare provision
- 80% of the children accessing childcare lived in the reach area
- 16% of the carers registered at the centre are of White British ethnic origin

¹ Childcare data has been extracted from the following eStart event codes: (EEC) Early Education & Childcare + (EC) Extended Childcare

- 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 4 Council-run childcare settings there are in total 14 places for children with identified SEND and in total 21 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 Council-run settings' fees are lower than the average and compare favourably with the fees of Private Day Care (£60.00 per day).

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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	Number of children

http://www.haringey.gov.uk/social-care-and-health/health/joint-strategic-needs-assessment/figures-about-haringey#childrenandyoungpeople				
Estart data	Current access to maintained childcare provisions (Source: Estart database)			
Childcare Sufficiency Assessment 2015 http://www.haringey.gov.uk/children-and-families/childcare-and-early-years/childcare-options/childcare-sufficiency-assessment-csa	Access to and cost of childcare 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 Council-run settings' fees are lower than the average and compare favourably with the fees of Private Day Care (£60.00 per day).			
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	Residents: Statistically lone parents are overwhelming female. The increased access to 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>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	<p>Residents Potentially an increase in fees could affect younger parents who are looking for employment, in training or in lower paid jobs.</p>	
Disability		x	<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</p>	

			outside of the free entitlement.	
Race & Ethnicity			Changes in the funding of Early years Education and fee increases will be applied irrespective of race and ethnicity. The higher proportions of children and families from BME communities accessing Triangle and Woodside childcare services means there may be a greater impact of the increase in fees on families from BME groups.	
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)				Information about religion or belief is not routinely collected
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. Statistically more women are in part time	1) Promote and support access to national schemes providing financial support for childcare. 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

employment and the pay gap between male and female, means women could be disadvantaged by a fee increase.	<p>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>2) In addition, promote and support parents and carers of 3 & 4 year old children to access the free 15 or 30 hour free entitlement, if eligible, thereby reducing the overall weekly costs of a childcare place</p> <p>3) 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>4) Provision of access to the 30 hours free entitlement. The Council has been working with all providers in the borough since October 2015 to ensure the sufficiency of places and enable the local authority and providers to have a clear picture of offer and demand. The Council will also work 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 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.	<ul style="list-style-type: none"> • The settings were highly valued by users • 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 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 local authority can use to subsidise maintained childcare.

The Local Authority engaged 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:

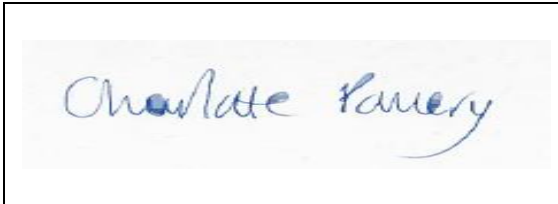
- Statistically lone parents are overwhelming female so a potential increase in fees could negatively affect this group.
- Statistically more women are in part time employment and the pay gap between male and female, means women could be disadvantaged by a fee increase.
- A fee increase could affect younger parents who are looking for employment, in training or in lower paid jobs
- Families with children with a 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 better access to relevant benefits
- The 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 27th June 2017

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.