

# CIRCULATED AT THE MEETING

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**Meeting:** Schools Forum  
**Place:** Committee Room III - County Hall, Trowbridge  
**Date:** Thursday 2 December 2010  
**Time:** 1.30 pm

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**The Agenda for the above meeting was published on 26 November and indicated that the reports detailed below would be to follow. These are now available and are attached to this Agenda Supplement.**

Please direct any enquiries on this Agenda to Liam Paul, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718376 or email [liam.paul@wiltshire.gov.uk](mailto:liam.paul@wiltshire.gov.uk)

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This Agenda and all the documents referred to within it are available on the Council's website at [www.wiltshire.gov.uk](http://www.wiltshire.gov.uk)

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6. **Review of the Early Years Single Funding Formula** (Pages 1 - 26)

A paper by the Head of Business and Commercial Services (DCE), was circulated at the meeting, following the meeting of the Early Years reference group on Friday 26 November.

13. **Funding Allocation for Resource Bases** (Pages 27 - 28)

An updated Appendix 2 was circulated – Showing a summary of the Resource Base funding proposals.

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DATE OF PUBLICATION: 03 December 2010

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## **THE EARLY YEARS SINGLE FUNDING FORMULA – REVIEW OF ARRANGEMENTS**

### **Introduction**

1. At its meeting on 21 January 2010 the Schools Forum received a report on the Early Years Single Funding Formula (EYSFF) and resolved to recommend:
  - that the EYSFF be adopted for implementation; and
  - that Wiltshire Council apply for pathfinder status to be able to introduce the EYSFF in April 2010.
2. The DCSF approved the application for pathfinder status and the EYSFF was introduced to all accredited childcare providers in April 2010. As part of the implementation plan, the Early Years Reference Group (EYRG) undertook to keep the EYSFF under review and to recommend revisions if deemed necessary.
3. This report presents the recommendations of the EYRG which have arisen from a review of the current arrangements.

### **Review of Early Years Funding**

4. A survey form was constructed and sent to all free entitlement childcare providers on 22 October. The survey took account of comments which had been made in the EYRG and by a number of providers.
5. 98 replies were received from the 385 providers who were sent copies of the survey: a response rate of approximately 25%. The indicative responses to the questions, together with the comments and suggestions raised were considered by the EYRG at its meeting held on 26 November 2010.
6. The group was very grateful for the many comments and suggestions offered but noted that the overall level of response was insufficient to provide conclusive evidence for changes to be made.
7. Although keen to make the EYSFF effective and efficient the EYRG noted the formula had been in operation for only six months and considered that unless there was an overwhelming rationale for change the present arrangements should continue to avoid the potential confusion which could result from changes to arrangements which are only just being understood.
8. The EYRG considered a summary of all the responses and comments received in relation to each of the topics included in the survey, a copy of which is attached as the appendix to this report, and concluded as follows:

Question 1: Base rate - no overwhelming mandate to change at this early stage but may need to address complexity issues in due course;

Question 2a: Deprivation Supplement - continue with option A (current) - a reduction would be contrary to pupil premium concept;

Question 2b: Deprivation Supplement calculation - continue with option A (current);

Question 3: Sustainability/rurality supplement - continue with current basis but include ability for providers to apply for the supplement when needed;

Question 4a: Quality Supplement – noted difficulty of assessing quality on an objective basis. Review when position of Graduate Leader Funding is known;

Question 4b: Flexibility Supplement - continue with no supplement;

Question 5: Premises - no strong feeling to change formula as it will only make it more complex but recognised individual cases should be pursued separately;

Question 6: Estimating the Annual Budget - continue with current arrangements but with an eye on reducing complexity if possible;

Question 7a: Significant Differences - continue with current arrangements and retain 20% trigger;

Question 7b: Late starters & leavers - a more formal system is required. Officers requested to develop options to enable this;

Question 8a: 12 Monthly Payments - continue current arrangements of 12 monthly payments;

Question 8b: Payment Adjustments – invite providers to indicate which option they would like to be applied each year, i.e. some settings having adjustment phased over remaining months in financial years and others as a lump sum;

Question 8c: Funding Periods/Annualised Hours – recognised the current administrative arrangements do not provide for full 52-week flexible delivery. Officers requested to investigate options to reconcile this.

9. Other Comments – Many comments related to the overall complexity of the EYSFF arrangements and the difficulty in forecasting income due from the council. The group recognised the tension between fairness and complexity and the need to obtain a reasonable balance. Any simplification of the formula (e.g. reducing the number of different hourly rates) would increase its ability to reflect individual circumstances. Similarly, a number of comments suggested including additional factors (e.g. more precise premises costs) to better relate to individual circumstances which could only be achieved by making the arrangements more complicated. The ending of transitional protection from April 2011 will make the calculation of payment much easier. The group noted the wide range of comments and suggestions and the need to provide clear information and access to further advice and guidance.

### **Recommendations**

10. The Forum is invited to note the contents of this report and is recommended to make the following amendments to the Early Years Single Funding Formula:
- Enable providers to apply for sustainability/rurality supplement for each funding period;
  - Enable providers to receive adjustments to estimated funding as either lump sums or phased over remainder of year as selected annually.

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Unpublished documents relied upon in the production of this report: None

# **Review of Early Years Funding**

**Invitation to feedback comments and suggestions**

**October 2010**

**Analysis of responses**

# Review of funding arrangements for Free of charge early years provision (Nursery Free Entitlement)

## Early Years Single Funding Formula (EYSFF) Review

### Feedback Questionnaire - analysis of responses

This consultation closed on 19 November. Detailed below are the collated results relating to each of the questions raised of the consultation. This paper also draws together all of the free text comments picked up during the feedback exercise.

<b>Details of responses received</b>			
	No.	%age	
No. questionnaires sent out by email or paper copy	385	100	
No. of responses received from all providers	98	25.5	
No. of responses received from Childminders	14	14.3	
No. of responses received other PVI early years providers (excl childminders)	80	81.6	
No. of responses received from maintained nurseries	4	4.1	

<b>Details of responses received</b>			
	No.	%age	
Private	37	37.8%	
Voluntary	32	32.7%	
Independent	11	11.2%	
Childminders	14	14.3%	
Maintained	4	4.1%	

## 1 – Hourly rates

<b>Question 1 Different base rate according to provider type and size</b>		
<p>Within Wiltshire we have a number of different types of childcare providers e.g. private, voluntary and independent (PVI) and maintained nurseries, and childminders. Currently, the basic hourly rate paid for Free Entitlement is partly determined by what type of provider you are and also the number of children receiving Free Entitlement at your setting.</p> <p>Currently larger providers receive a lower hourly base rate as there are certain provider overhead costs which remain the same regardless of how many children attend. Do you think this method of allocating a basic hourly rate is appropriate?</p>		
<b>Responses</b>	<b>No.</b>	<b>%</b>
<b>Option A</b> Continue with a range of stepped/banded hourly rates within a provider type as determined by the number of children receiving Free Entitlement at the setting (current).	30	30.6
<b>Option B</b> As above, but applying the different hourly rates incrementally.	28	28.6
<b>Option C</b> A different single hourly rate for each type of provider e.g. a different single hourly rate for childminders, PVI and maintained nurseries, but not adjusted for the number of children receiving Free Entitlement at the setting.	3	3.1
<b>Option D</b> The same hourly rate for all types of providers; stepped according to the number of children receiving Free Entitlement at the setting.	11	11.2
<b>Option E</b> One hourly rate for all providers irrespective of the number of children receiving Free Entitlement at the setting and type (as previously used before Single Funding Formula implemented)	23	23.5
<b>Option F</b> None of the above. I wish to suggest an alternative, below	3	3.1
<b>Total</b>	98	100
<b>Comments:</b>		
It must be a nightmare for the council and soak up valuable hours that could be used to help us improve our businesses instead. Decide on a rate for Wiltshire and pay everyone the same. As long as it increases with the retail price index each year to account for increasing internal costs.		
This would be fairer for all but paperwork would need to show breakdown clearly.		
We are all inspected by Ofsted, all work to the same guidelines and should all receive the same funding.		
An increase in the hourly rate as our lowest hourly rate is currently £3.75 and this increases depending on the session, e.g. 9am-12 = £15.10 therefore we lose a lot on this session (£5.03 per hour)!		
Happy with option A or B, but feel B might be slightly fairer as there wouldn't be a significant fall in funding due to taking on an extra child - which might discourage a provider from taking on an extra child if it would effect the funding band.		
DSC - am assuming our 50% extra still applies! Would prefer option E as this system is transparent & easy to operate, but can't work out if we are likely to lose by it.		
Option E - inclusive, fair, simple, easier to forecast budget		
Option E-fairness		
Option E-this provides for simplicity all round. The larger nurseries who might benefit from this tend to have greater operating costs around rent		
Option B-I do not understand the logic of more children less funding. The ratio of staff to children in the pre-school remains the same as directed by Ofsted however many children. Therefore more children equals more staff (staff costs being the largest financial outgoing). Smaller pre-schools have lower numbers of children therefore require less staff resulting in lower staff costs		
Option C-settings with more children should receive a better rate as they are likely to be in bigger premises which require greater maintenance and heating costs etc and the cost of consumables is higher. Childminders should receive a lower rate as their overheads are less.		

Option A but it should be based on the number of places the setting is registered for (not the number of children receiving FE) Overheads are proportional to building size/total number of children
Option E-the assumption cannot be made that all costs decrease with size. As a bigger setting I have more supernumerary staff and higher maintenance costs. A rate should be agreed and settings should manage their own costs to this. My second preferred option is option B which is far more sensible than the current system and would be much easier to manage.
Option E All settings are providing "the same hourly care". We should all receive "the same hourly rate". Irrespective of whether a child lives in a council house or a mansion, every setting has the same overheads e.g. wages rates, electricity etc. We all want to provide the children in our care with the best resources and highly qualified staff.
Option E-one hourly rate would be fairer and simpler. Fairer for all settings and simpler to administer. Easier for owners, staff and parents to understand. Uncomplicated to work out budgets and financial planning.
Option B-I don't feel childminders need the rate proposed from next April - we are OK now.
Option E-this would be simpler to understand and administer. Helps to budget.
Option E-one hourly rate is simpler to administer, easier to budget for the year, helps with forecasting, more inclusive for all.
Give the money to parents to use as they wish
Option E-one hourly rate would be fairer, simpler to understand and administer and would make budgeting more accurate.
<p>The funding formula is set up so that as the number of children increases the hourly rate decreases (in bands). The reasoning being that the proportion of the overall costs as represented by the admin/supernumerary /back office staff decreases, this appears fair. However its implementation is not. It is not fair that</p> <ol style="list-style-type: none"> <li>1. Each nursery within a chain, of nurseries, is treated as a single nursery for the hourly rate calculation. Clearly this is unfair as chains benefit the most from the economies of scale, of admin/supernumerary/back office staff.</li> <li>2. Nurseries attached to schools benefit from the schools /Local Authorities admin support, without the corresponding reduction in hourly rate.</li> <li>3. That the playing field across the PVI sector is not level with different cost per rates type of setting.</li> </ol> <p>For the reasons given above plus the simplicity of implementation I recommend that a single hourly rate across all the sectors is implemented.</p>
Option E-I think there should be one hourly rat for all settings. It is more fair and the same amount no matter how many children you have as well!
Option A-I can see the argument for Option B but am not sure that the overheads justify this change - would need to see more details to be convinced of this.

## 2 – Current supplements to the base rate - Deprivation

<b>Question 2a Deprivation supplement - rate</b>		
<p>The current formula allocates additional funding to providers for children attending their setting who live in an area of deprivation. This is a requirement of the national Code of Practice. At present, Wiltshire includes a deprivation supplement which pays out an additional 40p per hour for those children living in the most deprived areas of Wiltshire and 20p for those living in lesser areas of deprivation. No supplement is received for children living in areas of non deprivation. The current approach benefits 30% of children.</p> <p>The council could amend this rate but is not permitted to withdraw this supplement altogether.</p>		
<b>Responses</b>	<b>No.</b>	<b>%</b>
<b>Option A</b> Continue with current payment rate	67	69.8
<b>Option B</b> Increase the deprivation supplement.	0	0.0
<b>Option C</b> Reduce the deprivation supplement.	22	22.9
<b>Option D</b> None of the above. I wish to suggest an alternative, below	7	7.3
<b>Total</b>	96	100
<b>Comments:</b>		
No provider understands this calculation anyway. Scrap it and provide a small pot of money (make saving on total fund) for officially deprived suppliers to apply to for a grant to buy nursery equipment.		
Current system does not appear to include those children from low income families unless they happen to live in the right postcode, and likewise does it not benefit unnecessarily families with a higher income who just happen to be in that postcode area?		
Deprivation needs to be identified. If a nursery identifies a family with needs, we should be able to apply for a fund.		
What about service children factor??? We have 95.5% service children with high mobility?		
This has not affected us much so far.		
There are needy children in some less deprived areas.		
Would care cost any more in a deprived area?		
Option A-the separate payment enables nurseries to use this fund to some effect.		
Option A-it would be useful to have the actual rate we are being paid i.e. 20p or 40p, identified on the formula payment sheet. More importantly our occupancy doe not reflect Ofsted registered numbers. We may be registered for 40 children but for a considerable part of the year have had an actual occupancy of well below 50%.		
I don't see how this supplement benefits the children (better to give them more free hours)		
Option C- the deprivation supplement is ridiculous as it provides no benefit to deprived children, the service received is the same.		
Option C would be fairest to every child. The current approach does not benefit 70% of children. The council should amend the deprivation supplement to benefit 100% of children. Children should not be means tested		
Option A- Seems to work so far, but have only had 1 term's experience of this.		
Option C-the deprivation supplement does not reach the children that need it as it is worked out on postal codes. This is not fair.		
Option D-deprivation is difficult to quantify fairly across the sector. Therefore there should not be any bias and this needs a better formula development		
Option C-ideally funding for deprivation should be directed via a different route		
Option C-a child from a deprived area does not automatically increase the costs to the setting. Increase in the general base rate would allow settings to be prepared to better cope with the needs of all children.		
Option D-this supplement should go with the child rather than to each setting in that area. If the parent is given the supplement then it opens a larger range of choice for them.		
Option A-this seems to be appropriate but as we are not receiving the deprivation supplement we have no direct experience of this.		

**Question 2b Deprivation supplement – calculation**

Wiltshire’s deprivation supplement is currently calculated once a year using wealth/poverty indices of those children who attended the setting in the preceding Autumn. This funding is not amended during the year.

The council could consider changing this.

<b>Responses</b>	<b>No.</b>	<b>%</b>
<b>Option A</b> Calculated once a year based on preceding Autumn data (current).	71	74.0
<b>Option B</b> Calculated on actual children in attendance during each funded period.	17	17.1
<b>Option C</b> None of the above. I wish to suggest an alternative, below	8	8.3
<b>Total</b>	96	100

**Comments:**

The numbers are so large that the overall figure will not change much in the year anyway. Keep it simple, do it once a year and stick to it.
I suggest Option B because the Autumn figures are when most settings are at their quietest. I would suggest that most settings will benefit by receiving funding based on actual figures.
Not received supplement so lack of experience makes it unfair for me to comment.
Deprivation needs to be identified. If a nursery identifies a family with needs, we should be able to apply for a fund.
At the moment funding may be being paid for a child no longer attending or child/children who might really benefit from this extra money may not get it for several terms. It should be linked to each child in attendance.
Why can we not know the postcodes involved, so we can do our own calculations? Otherwise Option A (grudging response!)
Option A -Flat rate for year would enable forecasting and budgeting
Option A-easy for financial planning
No preference
Option B It is much more accurate to calculate 3 times a year. Calculating once a year is based on guessing the future occupancy levels and is therefore not accurate enough
Option A-providers would know what amount they are receiving and would be able to budget accordingly via this current option.
Option C-to be calculated via information from the headcount and then included in financial statement going forward.
Option C-you should publish how this is calculated. Nursery catchment areas need to be taken in to consideration
Option B-a child from a deprived area does not automatically increase the costs to the setting. Increase in the general base rate would allow settings to be prepared to better cope with the needs of all children. However all payments should always be on an actual basis, even if this takes a little longer to finally pay out. We have to produce actual information so why can not this be used without any increase in administration?
Option C-if the payment is with the child then the amount should remain the same then easier to budget.
Option B-seems appropriate to ensure that the supplement is paid to those settings that require it, when they require it rather than on a previous year’s data.

### 3 – Current supplements to the base rate - sustainability/rurality

<b>Question 3 Sustainability/rurality supplement</b>		
<p>The current formula includes an additional supplement to providers (excluding childminders) if there is no other provider within a 2 mile radius of their location and if a provider has fewer than 9 children in attendance. This pays out an additional 50p per hour per child to some of our smaller rural settings. This year's allocation for this supplement is £35,000.</p> <p>This sustainability/rurality supplement is calculated based on information available in the preceding Autumn. Like the deprivation factor this is currently not amended during the year.</p>		
<b>Responses</b>	<b>No</b>	<b>%</b>
<b>Option A</b> Continue with current system.	59	62.8
<b>Option B</b> Continue with current system (as above) but increase funding.	1	1.1
<b>Option C</b> Calculate on actual children in attendance during each funded period.	10	10.6
<b>Option D</b> Discontinue this supplement altogether.	20	21.3
<b>Option E</b> None of the above. I wish to suggest an alternative, below	4	4.3
<b>Total</b>	94	100
<b>Comments:</b>		
Make the money available by application grant. This benefits the children directly, not the provider.		
I feel Option 3 is a fair solution as a setting may only have 8 children in September but may have double that in the January and yet still receive the same top up.		
As A, but with some form of supplement for childminders in the same situation as their expenses are over and above that of more urban childminders. E.g. Additional travelling costs and delivery costs of materials.		
All nurseries should be sustainable without funding. A setting that needs handouts does not deserve to be open. Basic common sense. The £35,000 would be better spent supporting SEN in a more pro-active way.		
This does not affect us.		
This question doesn't affect childminders at the moment so I will not choose an option.		
We have rural areas but don't benefit much? Higher rate may help us. There are other providers within the 2 mile radius, so we would not qualify. DSC provides for all children across North Wilts who have significant needs therefore very varied geographical area.		
Option C-to pay this supplement in the following year can defeat the benefit. The supplement is needed when the attendance is low to enable the nursery to survive		
Option D-many small rural providers use church halls, community centres etc which are rented out at a peppercorn rent, while providers in urban areas will pay a much higher premium for rents, ground rent etc. If they didn't close before rurality was introduced why should they have to close now?		
Option D-those living in rural areas are usually mobile. 50p an hour is more than children receive in deprived areas yet these families are generally more affluent and should not require this supplement. Our pre-school has less than 9 children attending some afternoons, but we receive no additional funding		
Option D-if there is no market there is no need for the supplement. People choose to live in rural areas.		
Every early years setting needs to be viable and managed according to market forces. We all need to have enough income through our fees to pay wages and improve resources and pay the utility bills. It is a waste of money to supplement a business that may collapse when the supplement is withdrawn. People skills, resources and outside support will also collapse as a lot of outside agencies have jobs that depend on our industry being successful. The supplement may encourage an "easy come easy go" mentality for the use of the money. To discontinue this supplement altogether may reduce a "cycle of waste"		
Option C-pay in arrears.		
Option D-every business has to be sustainable.		
Option E-if there is a rural supplement then I think it should not matter how many children you have because if you have less than 9 children this amount will not make a huge difference to the sustainability of the setting!		

Option E-as a childminder this does not affect me.
Option D-if a setting is this small can it ever be viable, even with the supplement?
Option C-actual is correct
Option C-We have queried why, as one of the smallest preschools, we did not receive this supplement as we seemed to meet all criteria. If a pre school does meet the criteria they are likely to have fluctuating numbers which has a proportionately larger impact on smaller settings – so better to pay more regularly.

#### 4 – New supplements

<b>Question 4a Quality supplement</b>		
<p>The government is committed to improving the quality of all settings so that all children are best supported with their learning and development. The current formula does not include an additional supplement to reflect high quality provision. However, some settings do receive the government's Graduate Leader Fund (GLF) as a lump sum where their curriculum is lead by a Qualified Teacher or Early Years Professional. This fund may not be available after April 2011.</p> <p>Introducing this supplement would result in a reduced basic hourly rate of funding.</p> <p>We are seeking your views on whether to include a quality supplement in Wiltshire's formula.</p>		
<b>Responses</b>	<b>No.</b>	<b>%</b>
<b>Option A</b> Yes, include a supplement based on OfSTED's judgement of the setting.	7	7.2
<b>Option B</b> Yes, include a supplement to those providers who have a Qualified Teacher/Early Years Professional responsible for managing the curriculum.	12	12.4
<b>Option C</b> Yes, include a supplement based on both OfSTED judgement and the employment of a Qualified Teacher/Early Years Professional responsible for managing the curriculum.	9	9.3
<b>Option D</b> Yes, include a supplement based on an assessment by the Early Years Advisory Teacher following discussion with the setting.	4	4.1
<b>Option E</b> Yes, include a supplement based on a wide range of quality criteria for example OfSTED judgement, Quality Assurance Scheme, employment of a Qualified Teacher/Early Years Professional, NVQ level of staff.	20	20.6
<b>Option F</b> No, don't include a quality supplement.	42	43.3
<b>Option G</b> None of the above. I wish to suggest an alternative, below	3	3.1
<b>Total</b>	<b>97</b>	<b>100</b>
<b>Comments:</b>		
<p>What is quality? We are high quality according to our children and parents, but are neither Ofsted outstanding nor have a graduate leader. This is because of the inspection cycle and a business decision to allow our team leader to qualify later. Create a fund for applications, by CDO approval.</p>		
<p>All settings should have an EYP but this alone does not suggest a quality setting, neither does having a full complement of qualified staff. Unfortunately the only indication of quality is either that of Ofsted, or the opinion of Wiltshire Early Years Advisory Teacher and they are still subjective. However, the latter could also accuse accusation of favouritism or cause fallings out.</p>		
<p>This would encourage all settings to strive to be the best they can - A QT/ Early Yrs Prof does not in itself guarantee that the setting as a whole offers the highest possible standards.</p>		

We should continue to support GLF ensuring all settings have the highest qualified staff. Basing a payment on an Ofsted judgement is problematic as inspecting only takes place every four years.
But if one is to be included it should be based on the Ofsted judgement or the Early Years teacher otherwise childminders will be excluded.
All settings have to take part in the FIP, and also have to satisfy Ofsted of stringent standard, then to link funding to a further 'set of hoops' is discriminatory to those smaller settings that do not have the funds to spend on additional paperwork/staff time to duplicate a high quality outcome!
EYAT better qualified to make a judgement - Ofsted have small window of opportunity to see a setting. Those undertaking the Quality Scheme also demonstrate their commitment to quality. Graduate led settings should also figure not just EYP's/QT's as if funding is withdrawn, not all will be able to follow this pathway.
Concerned re admin time - don't think extra admin time would be huge and would not change often
Option F-fairness
Option F - it seems unfair to pay those settings (who have already achieved) extra money whilst penalising other settings striving to raise their quality. Poorer settings would be disadvantaged. Quality brings its own rewards of extra children – honey-pot effect
Option E-a nursery not providing high quality childcare will benefit from additional county support from other staff.
Option F-introducing this supplement would mean a reduction in our basic hourly rate of funding which is already below the hourly rate for fees charged at the nursery. We are already supplementing the monies paid for the 15 hours supposedly paid for by Wiltshire Council. What we gained with a quality supplement we would lose on our basic funding
Option E-without additional funding for staff training it is very difficult for a setting to improve particularly if a setting has received a poor Ofsted report which has affected numbers. The GLF should not be stopped and if a new version is introduced it shouldn't be linked to the basic hourly rate.
Option F-this would be just another complication and level of inspection/control/bureaucracy. The level of variance would not compensate the true cost.
Option F-the basic hourly rate cannot afford to go down. A setting can change substantially between inspections therefore the judgement won't always reflect quality. We are working in a free market so parents can choose where to send their children based on all the information available to them. The funding should not try to influence the free market.
Option F - What's the point of introducing a supplement if you are going to reduce hourly rate
Option B Yes a supplement should be given to providers for having a qualified teacher because a qualified professional will improve the teaching of the Early years curriculum and should be supplemented to cover the cost of higher wages and more resources. Qualified teachers do make a difference to a child's nursery education as they have been trained to teach children
Option C What a shame that a more qualified workforce will actually lead to a reduced basic hourly rate from April 2011. What is the point of having EYP in post if the setting then receives less money
As an EYP, I would like to hope that an alternative to GLF is brought in after April 2011; however, I would also like to think that my EYP status and 'professional expertise' is able to be shared in other settings as well as my own. This may make the quality supplement idea more complicated?
Option E-quality education and care should be reflected in the payment. Settings will not be able to afford highly qualified staff.
Option B-if this is not continued, we will not be able to continue as a maintained nursery.
Option F-a quality supplement is not fair. An Ofsted inspection is all down to 'one person's' opinion. A graduate leader/EYP after graduating will find working in a nursery not challenging enough and will use that qualification to move into other fields
Option F-I believe this supplement or the current training funding only covers settings which are open for more than a certain number of hour per day. We do not fall into this bracket even though we have a graduate leader and are therefore not currently eligible. Grossly unfair - we provide what is required in our local area!
Option F-Having a qualified teacher or early years professional would not necessarily lead to an improvement in the quality of the setting.
Option G-no supplement, but continue to support staff development and QA schemes.
Option A-it should be given as a reflection of the high standards of achievement without penalising by reducing the hourly rate.
Option F-there is potential for disagreement here over subjective judgements, out-of-date assessments etc and will create a lot of work.

Option F-the funding was originally provided to allow parents the opportunity to choose between various types of provision for the benefit of their child. By exercising this choice parents would 'reward' provisions that were in their view better and so more popular. The council should not try to skew this process by a system of attempted reward. Instead the council should use its resources to support and try to improve those provisions that are not seen to be the best by their best judges - the parents of the children who experience what they have to offer.
Option F-don't think there should be a quality supplement. Surely you will get more children if you are doing well. I think it would be hard to determine a fair system to judge this as Ofsted is not a good example and this also would be a matter of opinion.
Option E-Any quality supplement would need to be based on a wide range of criteria which are equally accessible for all settings. For example employment of a Qualified Teacher/Early Years Professional is more difficult financially for small settings – so making this a criterion might exclude them unfairly.

<b>Question 4b Flexibility supplement</b>		
<p>The government is committed to the provision of increased flexible access to early years education/Free Entitlement in order to support parents to better balance work and family life, access employment or training and contribute to the drive to reduce poverty. The current formula does not include an additional supplement for flexibility of provision. Ideally, Wiltshire would like parental access to Free Entitlement hours to match the opening hours of a provider.</p> <p>Introducing this supplement would result in a reduced basic hourly rate of funding.</p> <p>We are seeking your views on whether to include a flexibility supplement in Wiltshire's formula.</p>		
<b>Responses</b>	<b>No.</b>	<b>%</b>
<b>Option A</b> Yes, include a flexibility supplement to be paid to those settings who are fully flexible (no fixed sessions).	25	25.5
<b>Option B</b> No, don't include a flexibility supplement	69	70.4
<b>Option C</b> None of the above. I wish to suggest an alternative, below	4	4.1
<b>Total</b>	98	100
<b>Comments:</b>		
Don't over complicate matters! If parents find it flexible, you will have a full salmon form. If they don't, you won't. The providers are doing all they can, but we have to pay wages and total flexibility doesn't help this.		
Flexibility should be rewarded but additionally to Option A, those settings that will agree to none standard hours, e.g. Settings may only be open 9-3, therefore be eligible under Option A but may not allow a parent to do 10-2, so are therefore not being fully flexible.		
The only concern with this is that it may penalise those settings who through no fault of their own are not able to offer flexibility.		
Once again, we all work to the same standards and are governed by the same agency Ofsted. We should not be encouraging parents to take any more hours than they want or for that matter, providers.		
Offering flexible sessions creates a lot of extra work as no child seems to the same hours as another.		
Based on our customer base, many parents (most) do not work and are on benefits. They would not wish this service and we would not justify altering to fit this. This mainly applies to private day care/ large chains.		
DSC - don't think this is possible for us - as have other pressures on provision of hours. No supplement could cover additional staffing cost in setting lie ours. Main childcare is at their mainstream settings.		
Does flexibility cost more?		
To be paid to those settings prepared to offer free entitlement between 8:00am- 6:00pm		
Option B-day care settings already provide this service. We would not be able to remain open if the basic hourly rate is decreased any further. It would be an administrative nightmare and security could be a problem to manage as parents have access to the building at all times to drop off and collect.		
Option B-the FEF variance will not be sufficient to properly cover the cost of flexibility and it is too complicated already		
Option A-this is the only way to obtain flexibility as the currently hourly rate does not allow a provider to be fully flexible.		

Option A -Yes a flexibility supplement should be paid to a setting for providing flexible hours. It would cover the higher staffing costs as most staff do not want to be flexible and do not always want to do "extra hours" Also there will be administration costs in managing the flexible hours for both staff and children. Staff would need higher pay rates like a "Supply Teacher" in schools
Our sessions are linked to the school day as we are a school. Flexible sessions would not match our structure.
We have a long waiting list so it will be more sustainable if more flexible. We wish to offer as many places as possible.
Option B-we are restricted by our pre-school taking place in a village hall, and so we are unable to offer the flexibility we would like due to this restriction. It would be an unfair supplement.
Option B - some settings like ours try to be flexible but in most cases it is not possible so it would not be fair to penalise those who cannot.
Option B-we are not able as a school to offer the flexibility required to fit in with the directed time of teachers hours.
Option B-this is not fair as some settings cannot offer more than they offer because of the groups circumstances, i.e. rental of hall which is shared by the community.
Option B-by including childminders in the EYFS you are already providing flexible hours to fit in with parent's working hours.
Option B-not all providers can open more than 5 mornings so it would be unfair
Option B-there is no clear, agreed definition of flexibility
Option B-Ideally I would like to be paid the full rate for ALL hours that are made available without charge to the parent using them
Option C-I think that the amount should be equal for all settings. I am flexible with the hours (I won't say free as they are far from free to me) but we find the flexibility very disruptive for the children who stay and leave and the children leaving get quite upset as they feel they are missing out.
Option C-to be paid to those settings who are fully flexible offering Free Entitlement between 8am-6pm
Option C-to be paid to those settings who are fully flexible offering Free Entitlement between 8am-6pm
Option B-I'm not sure how much more flexible most settings can be – would need to see more examples of this more flexible model in order to comment.

## 5 – Cost of premises

<b>Question 5 Cost of premises</b>		
<p>The Early Years Single Funding Formula (EYSFF) currently includes an element for premises within the base hourly rate paid to all providers. Whilst Wiltshire recognises that the cost of premises vary from one provider to another the formula does not make provision for this.</p> <p>We are seeking your views on this.</p>		
<b>Responses</b>	<b>No.</b>	<b>%</b>
<b>Option A</b> It's up to providers to find their own premises. No action needs to be taken	62	63.3
<b>Option B</b> The council should not indirectly subsidise any providers and the EYSFF should include a factor to reduce the rate paid to settings who benefit from occupying council land and/or premises.	26	26.5
<b>Option C</b> None of the above. I wish to suggest an alternative, below	10	10.2
<b>Total</b>	98	100
<b>Comments:</b>		
I didn't know this! We are all businesses. Even charities do it for a reason. You can't hold the hands of providers, so let them find their own premises. If there is money to spend, it would be better given to CDO's to support rent on expansion projects.		

Additionally a childminder should not have their household costs subsidised by the EYSFF and a factor should be included to reduce that too.
Not sure I understand the question, so prefer not to comment.
This question is worded very badly. We are not asking you to be estate agents. A reasonable cost must be written in for premises. Commercial mortgages are generally 2% above base, yet committee run ventures pay minimal rent.
A fixed annual amount for providers not occupying council land and/or premises
Premises need to be suitable. We have increased costs. Village halls, air/army bases - may not pass on rate etc - lower cost than councils? Too much admin to make this work on the actual premises costs whether council or not to make it fair.
How much is paid for premises in the EYSFF?
The larger settings are often faced with the higher premises costs. If no allowance is made for this they should not be penalised by a lower SFF rate
Option A-occupying council land is not a cheap option and there doesn't appear to be any benefits however there will be pre schools occupying church halls, community centres etc who benefit greatly from peppercorn rent which will include utilities. Perhaps they could take a reduction in the basic rate paid.
Option A-better to keep the FEF the same but require settings in council premises to pay rent.
Option B-premises costs i.e. rent must be taken into consideration. Settings with low rent should receive a reduced funding amount or there is little incentive to the larger providers who may have more expensive properties to maintain to invest money back into the nursery.
Option C Rates should be reduced for all private rural providers because we are paying for our own playgrounds, car parks, road signs etc. We have no parks nearby or roads for parents and staff to park in. Local councils will not provide signs for us, but they will for pubs and caravan sites, trading estates and offices
In this current climate, we feel there should be some financial assistance from somewhere just in case.
Option A-not sure about this one.
Option C-I think there should be some level of support settings with high rent costs. Some settings have to pay high rent for premises; they then cannot afford to fund resources, extra staff. This then reflects on the care and education offered.
Option B-each setting must/should be self sustainable, run as a business.
Option C-I suggest that there is only one standard hourly rate this overcomes the wide variation in premises costs and administration as to proof of costs.
Option C-the council should not subsidise premises for some settings and not others so the only equal way would be to not subsidise any.
Option B-the larger settings often are faced with the higher premises cost. If no allowance made for this they should not be penalised by a lower SFF rate.
Option B-the larger settings often are faced with the higher premises cost. If no allowance made for this they should not be penalised by a lower SFF rate.
Option A-Anyone occupying council land, including school sites, should be paying appropriate rent and that is the responsibility of their landlord.

## 6 – Your annual budget

### Question 6 Estimating your annual budget

Before the beginning of each financial year, Wiltshire Council must provide all its settings with an estimate of how much Free Entitlement Funding they are likely to receive for that year. Wiltshire bases these figures on actual take up in the September of the previous calendar year. The figure from September is adjusted to reflect the expected higher numbers of children in the spring and summer funding periods, by applying a weighting calculated on average attendance across all providers over the last 5 years.

Providers are offered the opportunity to have this statement revised prior to the start of the financial year if they consider the estimate to be more or less than 20% different from expected take-up. Providers can do this by completing a Significant Differences Form.

Do you agree with this approach?

<b>Responses</b>	<b>No.</b>	<b>%</b>
<b>Option A</b> I agree with this.	84	85.7
<b>Option B</b> I disagree with this approach (Please specify an alternative in the comments box below)	14	14.3
<b>Total</b>	98	100
<b>Comments:</b>		
It has taken some getting used to but with the ability to revise, the estimate seems to work. For childminders however, I think the percentage rate should be lower so that they do not struggle financially with under or overpayments.		
Although this is not perfect and some problems have occurred this year, as long as we can inform you of significant changes before each term this should help to solve many of their problems.		
Children entering in September can vary considerably in PVI's according to location and demographics		
Can't think of an easier way		
Option A-it does seem a very complicated way of calculating it and does not aid cash flow. Why can we not be paid accurately based on attendance in the funding period to which the child attends? It seems under the current system we are always playing catch up to get back funding which is due.		
Option B All providers need to be sent a "Significance Form" so we are ready in case we need the statement revised. This would make our administration easier and faster		
As a very small setting we asked for a revised statement which greatly reduced our monthly amount from £3,500 to £800. Our numbers increased over the september term and we assumed that the extra funding would be readjusted after the headcount but apparently this will not be rectified until at least end of Dec so we are now struggling to keep the nursery running		
Option B I would like to go back to the old way of being paid each half term for the children in session at that time		
Option A-we agree with this in principle, however the deadline for this was 6th September this year. We did not return until that date so effectively missed out on increased funding for the first term. We think they need to look at the deadline date for this form (term-time pre-schools).		
As a childminder, children who are eligible for funding in my care changes, therefore the budget has to be more flexible to help us, i.e. I have had 1 child receiving funding 2 sessions a week for 18 months, then a term receiving no funding, then 2 years of full funding for 2 children.		
Estimate forms are very complex - not easily understood so mistakes can be overlooked as with our funding this year.		
Please send forms to apply for revised statement before beginning of July. We missed the chance as letter was sent last week of term and by the time, holiday post was sorted we had missed the chance to apply.		
Option A-its going to be difficult with all children starting in September. Will have an impact on nursery numbers.		
Option B-think settings should be asked for estimated take up in September, and then weighting calculated for following 2 funded periods. If no information is provided, then current scenario should be used.		
Small settings like ours fluctuate massively term on term and 1/2 more children can have a big effect. I think the bracket should be lower than 20%.		
As a childminder numbers of children accessing the funding can fluctuate greatly throughout the year which was where the projected numbers was a useful tool.		
Option A-it can be quite complicated though - needs to be made easier to complete		
It does not seem a very good way. You need to know what income you have each month, but it needs to be accurate not estimated. If you could send in your actual numbers each half term so you get paid correctly the next half term. Children's numbers change a lot many reasons.		
Option B-there is no point in calculating a meaningless figure. Providers should be paid on an actual basis and should be capable of estimating/forward planning (or could be helped to do so) for themselves.		
Option B-this approach leads to considerable confusion and makes budgeting difficult. Also the weighting can result in a 40% over payment in summer if in the previous autumn the nursery was 100% full.		
Option B-I find it impossible to budget as I have no idea how much I will be receiving and I just do not understand your system! I liked it when I could tell the parents the amount available to them and they understood and could budget their childcare cost themselves. It's impossible for both of us now.		
Option A-The importance of this wasn't really clear for this year – and with all the other new things happening it slipped through the net. Unfortunate as I think we should have done!		

## 7 – Counting children

<b>Question 7a Three census/headcounts each year – significant differences</b>		
<p>The School Finance Regulations specify that the counting of children must take place at least three times a year. We currently request this information during the first four weeks of each funded period using a common census/headcount form.</p> <p>During the year, we send you three revised financial statements on which we indicate funding for the current funded period (based on actual numbers). These statements also include details of estimated funding for the following funded period(s).</p> <p>Providers may complete a Significant Difference Form if they consider their estimate for the following funded period does not accurately reflect their expected numbers. At the moment a further revised statement is only issued if the expected difference varies by 20%.</p>		
<b>Responses</b>	<b>No.</b>	<b>%</b>
<b>Option A</b> Continue with current system for notification of a significant difference.	77	78.6
<b>Option B</b> Change the percentage variation (please specify preferred percentage).	11	11.2
<b>Option C</b> None of the above. I wish to suggest an alternative, below	10	10.2
<b>Total</b>	98	100
<b>Comments:</b>		
The old way was much easier to understand and plan for.		
10-15%		
Any change should be amended immediately.		
Go back to basing payments on actual numbers		
Why not use information sent 3 times a year with the census date to LA from our MIS?		
Change to 15%		
Option A-Headcount forms must be sent to the sites at least a week if not two prior to the headcount taking place to allow names, hours etc to be added ahead of the week.		
Option B 10%		
Option B 10% would be more accurate		
Option A-please make these sheets easier to understand and explain what the money is for when we receive the funding by BACS. Sometimes we have more than 1 payment from Wiltshire Council a month.		
Option A-seems to work so far.		
Option B-15%		
Option B-10%		
OptionB-10%		
Option A-it would still be advantageous to have the projected figures taken into consideration.		
Option B-10%		
Option C-It does not seem a very good way. You need to know what income you have each month, but it needs to be accurate not estimated. If you could send in your actual numbers each half term so you get paid correctly the next half term. Children's numbers change a lot many reasons. Childminders only have small numbers of children.		
Option C-there is no point in calculating a meaningless figure. Providers should be paid on an actual basis and should be capable of estimating/forward planning (or could be helped to do so) for themselves. Actual count=actual payment. Please do away with all other futile accounting exercises. Save the money and pass it on to providers as an increase in payment rate.		
Option C-rather than providing estimates of future payments only those based on the actual hours within the term should be provided. This would mean that in each term the exact amount of payment for that term would be given. It would probably be simpler to go back to the 2 payments per term system.		
Option C-I think it is too long between headcounts as children get missed and then we can't claim and it happens too much and we then have to cover this cost. I think there should be a headcount 6 times per year and we need the forms sent out promptly. This time was not much time to get it done!		

<b>Question 7b Three census/headcounts each year – late starters and leavers</b>		
<p>At present providers are unable to claim free entitlement funding within a funded period for any children who start after the headcount week but they must honour the free entitlement for that child if a space exists at their setting. An informal arrangement currently exists whereby a provider may request the transfer of funding from a previous setting if a child transfers to them midway through a funded period but this is currently not enforceable. Providers are also not obliged to inform the local authority of any children leaving after the headcount week.</p> <p>We would welcome your thoughts on whether you would like the council to consider developing a more formal system to deal with these situations.</p>		
<b>Responses</b>	<b>No.</b>	<b>%</b>
<b>Option A</b> Continue with current system.	29	29.9
<b>Option B</b> Consider changing the current system.	68	70.1
<b>Total</b>	97	100
<b>Comments:</b>		
<p>If the child moves, the council should act as the formal broker between settings. EG. We are on £3.76 per hour, a child has moved to us, and we can only claim back £3.61 per hour from the old provider. Don't move without reason, so there should be a formal process for payment.</p>		
<p>It should be made part of the regulations that should a child transfer after headcount week then the 'old' setting MUST send the funds on. New setting would need to 'request' the payment. It should then be possible to add children who start after headcount week.</p>		
<p>I think a more formal agreement should be set up as some providers are honourable but others will not part with funding.</p>		
<p>I think that it hinders settings if children leave before the headcount week or join afterwards - we all want what's best for children but we all have to make the books balance at the end of the day.</p>		
<p>This system is unworkable for a childminders as this is the only source of income. Childminders will refuse to take children part way through the term.</p>		
<p>Otherwise the financial side would just get too complicated - the transfer of funding could be made more formal but it would be a different amount if changing from a different type of setting - settings would presumably have to raise some form of paperwork/invoice.</p>		
<p>Children joining after the headcounts should not qualify for grant until the following term. Cut off dates apply across the board in everything we do, why not grant funding?</p>		
<p>I deal with other councils including Hampshire and Swindon. Both fund children whenever they start but are informed of leavers and money paid back.</p>		
<p>As a nursery setting within a school with high mobility (93% service children), the current system can cause extra paperwork - can it not just be on headcount day - school funding is set on ONE headcount a year in January, and children leaving/starting does not transfer between schools.</p>		
<p>This has worked fine when a child moves from another setting but if a child is new to pre-school/ nursery, they should receive funding regardless of when they start - and not at our expense.</p>		
<p>There should be some way for a provider to claim funding for a child even if they start after the headcount, as long as they have not claimed funding at another setting already that half term. E.g. It should be possible to add the weeks of attendance from the previous term onto the next term's form with a signed declaration from the parent to say what date the child started and for how many hours. At the moment in the Summer term, you could have a situation where a child starts 5 weeks into the term, and the provider would have to provide the 15 hours free of charge for 8 weeks. In the case of small providers, this could prevent them taking on another child a week later who would be paying/ and cause a potential loss of income.</p>		
<p>Most settings transfer the funds when requested, however a formal procedure would ensure clarity for all maintain fairness.</p>		
<p>As per the Significant Difference Form; there should be a form completed if a child joins or leaves after the headcount week. For us this could mean a lot of admin.</p>		
<p>6 headcounts to be held within the first fortnight of each term. Give longer to get signatures</p>		

<p>The current system would be fairer if 6 headcounts were done and adjustments made to reflect the movement of children from one setting to another. Formalise procedure. Form to give leaving dates signed by previous pre-school, then 2nd section to fill in saying when a child started and how many weeks this term they have places for. As adjustments in funding already being calculated these changes could be included as adjustments</p>
<p>Unreasonable to provide a free place for almost a complete term when funding rates already fall short of covering costs. The cost should be picked up the following month.</p>
<p>We shouldn't have to rely on the goodwill of other nurseries forwarding funding when children start after the headcount week. Funding should be claimed from the council and returned there when children leave. At present we have to meet the time and administrative costs of doing this</p>
<p>Pre-schools should have to notify the local authority of a new starter/leaver part way through a term and the funding adjusted accordingly.</p>
<p>A system needs to be implemented to allow us to claim for children starting after the headcount and we should inform you of any child leaving.</p>
<p>Allow settings to claim at the end of the funding period for large imbalances between FEF children joining/leaving during the period</p>
<p>A more formal enforceable system needs to be put in place. It is not acceptable for a setting to have to provide free care just because they move into the area or start after the headcount week</p>
<p>Are we really expected to provide free places for a whole term? Is this realistic? Childcare is not like schools and parents need do not fit in to neat termly blocks.</p>
<p>Option B Need to introduce a late claim procedure as we feel we lose out as we have more children coming in late than leave</p>
<p>Option B It would be good if a system could be put in place to accommodate changes of children coming and going and to receive grant for them</p>
<p>Option B Providers should inform council of children leaving so next provision can apply for the free entitlement funding, should be enforceable</p>
<p>There needs to be a system in place nationally to transfer funding from one Local Authority to another.</p>
<p>Have not been affected by late starters/leavers but it would make sense to have a formal process in place.</p>
<p>It should be made a part of the regulations that should a child transfer after headcount week, then the 'old' setting MUST send the funds on. New setting would need to 'request' the payment. It should also be possible to add children, who start after the headcount week.</p>
<p>As a childminder I do not look after enough children to be forced into looking after a child I won't be paid for.</p>
<p>Option B-We have always passed money on but never receive money for late starters even when requested. I would like to see this become policy for Free Entitlement.</p>
<p>Option B- The informal arrangements between providers to transfer funds don't work as very few requests are honoured by settings.</p>
<p>Option A-evens out with the current system and seems easier for all parties.</p>
<p>Option B-the gentleman's agreement works at the moment. However there should be a procedure to appeal to LA if request is turned down. At the moment the only reason for a request to be turned down is for bad debt and think this fair.</p>
<p>Option B-we are a service school and have children moving in and out of the area all the time. Sometimes we may have up to 5 children move into the area, and can't claim! I have found it very difficult to contact schools out of area. I would like a system that lets me claim after the headcount.</p>
<p>Too much paperwork/admin</p>
<p>Option B-seems unfair if new child joins after the headcount. Would be good if there was a formal system - but how would it work for children from a different council.</p>
<p>Option B-there should be 6 headcounts a year over the first 2 weeks of each of the 6 terms. It is morally and unfair that if a child's parents demand a place and the settings has the space, we are not given any funding after a headcount.</p>
<p>Option B-we often have new children joining part way through a term and this can cause significant shortages if a child attends for a high number of sessions. Can't we add a child at half term if they have not been claiming elsewhere. Also we have had children transfer to us but not once has anyone ever given us their voucher money. Not enforceable - make it enforceable!! Half termly checks would tighten this - 12 weeks is a long time to leave your child somewhere you are not happy for them to be!</p>
<p>Option B-make funding transfer mandatory</p>
<p>Option B-there is no way I could afford to provide a child with a free place if they were not getting the funding till the following headcount period. Only being allowed to have 3 children at any time means I need paying for every child. I would not expect funding for a child who has left before the headcount period.</p>

Option B-at the moment it is very unfair if you are experiencing an influx of children post headcount, but it falls short of the 20% variation.
Option B-six headcount forms within first 2 weeks of each term in line with school terms.
Option B-longer time for parents to sign form to allow for illness. A headcount for each term i.e. 6 per year.
Option B-we don't have problems with children changing settings - have always been able to swap funding. But have problems if children want to start after the headcount.
Option B-Needs a months notice
Option B-settings should be able to claim additional funds for children joining during the term. This should be via an on line system
OptionB-6 headcounts to match the new school year. Those who miss one then only wait 8 weeks or so until the next one. It would help to have a longer headcount period to cope with parent absences.
<p>Option B-</p> <p>Year 1 – term 1</p> <p>Wk 1 - pay estimated term 1 – 30% (based on previous term)</p> <p>Wk 2 – headcount</p> <p>Wk 8 - pay estimated term 1 – 80% (less paid to date)</p> <p>Wk 10 - headcount adjustment +/- with details of movers</p> <p>Year 1 – term 2</p> <p>Wk 1 - pay estimated term 2 – 30% + 100% term 1 actual less paid to date</p> <p>Wk 2 – headcount</p> <p>Wk 8 - pay estimated term 2 – 80% (less paid to date)</p> <p>Wk 10 - headcount adjustment +/- with details of movers</p> <p>Year 1 – term 3</p> <p>Wk 1 - pay estimated term 3 – 30% + 100% term 1 actual less paid to date</p> <p>Wk 2 – headcount</p> <p>Wk 8 - pay estimated term 3 – 80% (less paid to date)</p> <p>Wk 10 - headcount adjustment +/- with details of movers</p> <p>Year 2 – term 1</p> <p>Wk 1 - pay estimated term 1 – 30% + 100% term 3 actual less paid to date</p> <p>Therefore only 2 payments made each term. One full headcount &amp; one adjustment per term. Actual payment for actual children</p>
Option B-I imagine actually making amendments to add or subtract a child mid term is complex. Therefore I suggest addition fields on the census form mid term children's name, hours in new setting and the name of the old setting and the hours. Then reconciliation between the hours can be made at the next funding period, with the new setting being paid from the start date (hours) and the old setting getting reduced funding equal to the hours at that setting before the child left.
Option B-if the headcounts are done 6 times per year then the chances of missing late starters is lower and we don't have to rely on the morals of other settings and they might have genuine reasons for keeping the money due to their late starters. But a 6/year headcount could help.
Option B-unreasonable to provide a free place for a whole term when funding rates already fall short of covering costs.
Option B-unreasonable to provide a free place for a whole term when funding rates already fall short of covering costs.
Option A-Sometimes you win, sometimes you lose. I'm not sure how the current system could be changed without making it hugely complex. However, if children with special needs join there may be an argument for claiming within the funded period.

## 8 – Payment and adjustments

<b>Question 8a 12 monthly payments</b>		
Wiltshire is currently paying your total Free Entitlement funding in 12 monthly instalments.		
<b>Responses</b>	<b>No.</b>	<b>%</b>
<b>Option A</b> Continue with 12 monthly payments (current).	81	82.7
<b>Option B</b> I would like to propose an alternative (please specify in comments box below)	17	17.3
<b>Total</b>	98	100
<b>Comments:</b>		
Fantastic compared to the old way. I know in August when I have no funded children in, I still get my regular payment to pay the wages, and I don't have to accrue for the whole year leading up to it. PLEASE PLEASE don't change it, PLEASE!		
Return to 3 payments		
Payments for Summer period just did not work. Some needs to be done to cover that very expensive time of the year and figures for the summer term.		
This question is not worded correctly. 12 monthly instalments are fine but we need an adjustment time to be set each term when all payments are up to date.		
Go back to termly		
Or quarterly - but would we receive payments on time! At least these are on time.		
I would prefer to revert back to termly payments (6 per year) as my nursery is open term-time only and I run my nursery on a termly basis.		
Would prefer payment each term. It is easier to put in a precise claim for each term, see exactly what we are claiming and whether the correct amount had been paid rather than trying to understand how its been adjusted several times in the year.		
Pay during term time only so that timing of income matches the timing of service provided		
It was easier to manage cash flow and forecast ahead when receiving payment for each term based on the headcount for that term. I would propose a return to this system as I also believe it would require less management at the setting and at Wiltshire Council.		
12 monthly instalments make it very difficult to manage cash flow. Funding should be paid in full at the beginning of the term which accurately reflects children in attendance. Children who join later in the term should be added and at the end of term with the balance payable immediately.		
Monthly payments are fine but our costs are highest in the summer term due to the greater number of children and the smoothed monthly payments do not take account of this.		
Option B I would like to go back to being paid each half term for the children that are with you at that time because we are a smaller nursery - 12 monthly payments DOES NOT work for us		
I like being paid on the same date each month. Would prefer 1st monthly rather than 22nd. Just a thought, but understand this would not suit everyone.		
Return to 3 payments		
Option A-seems to work well.		
Option B-as a school, termly would be fine, but I appreciate many settings would prefer monthly.		
Payments need to be more accurate.		
Option B-cash flow was easier when we were paid 6 times a year as before (especially September). Where wages are needed to be paid but fees are not yet paid!		
Option A-the only problem I have is being able to check that I am receiving the correct amount.		
Option A-but more accurate with quicker reconciliation		
Option A-with better level of accuracy and quicker reconciliation		
Option A-quicker reconciliation would help		
Option B-as before payments should always be actual. Part payment need not be actual, with correction to actual taking place once only at the end of the year.		
Option B-I propose that the payments are for the actual number of children per term with no estimations, as this may be complex to administer on a monthly basis. I suggest that we go back to the twice termly payments.		

Option B-monthly is fine or twice per term as long as that funded period is sorted within that time too. If the headcount is changed to 6 times per year this will be monthly anyway
Option A- 12 payments fine but needs to work on educational years (Sept - Aug) not financial (Apr-March). Every year the last set of accounts i.e. august will be wrong before starting new year.

<b>Question 8b Payment adjustments</b>		
Your estimated annual budget and any revised financial estimates provide you with information about your monthly payments. Currently, any funding adjustment based on actual pupil numbers, be it an increase or recovery of funds, is spread over the remaining payments due in the financial year.		
<b>Responses</b>	<b>No.</b>	<b>%</b>
<b>Option A</b> Continue with spreading funding adjustments over the remaining months of the financial year (current).	54	55.7
<b>Option B</b> Adjustments to be paid/recovered as a lump sum within the funding period (3 times per year) by increasing/ decreasing your next monthly payment.	36	37.1
<b>Option C</b> I would like to propose an alternative arrangement. (please specify in comments box below)	7	7.2
<b>Total</b>	<b>97</b>	<b>100</b>
<b>Comments:</b>		
It can vary so much that being paid a lump sum sounds attractive, but as a business, any unexpected debits can be threatening. So keep it as an average, much easier to swallow if there is a debit coming!		
This year, the August payment was reduced dramatically with paperwork not received until September, so no time to correct (as it was wrong) having a serious effect on accounts to year end. Please do not do such adjustments during periods when groups are closed so problems cannot be rectified.		
There should always be a way to repay money to the council if a provider realises they have been overpaid. Hopefully the new Significant Change form will help iron out big differences.		
Great to receive lump sum, but not great if paying back and no income for several months e.g. after our high nos. of under 3's have left		
Option B-it is important to be able to reconcile at least termly		
Option B-this would give me some hope of knowing whether I am being funded correctly		
Option B-if we cannot return to the old system of receiving money for the term in the term after the headcount period, option B would be the next best thing. It requires less management and if settings are correctly using the 20% difference reporting there should not be a case of large refunds.		
Option B-the funding should be paid/recovered in the term to which it relates or the expenditure for that term gets out of sync with the income. Spreading it over following 12 months makes it very difficult to budget and project income and expenditure and makes analysis year on year very hard		
Option C-to be paid as actuals on month by month. Childminders will probably have no more than 3 children receiving NEG at any one time on their books as the hourly rate is reduced if we have more. The childminder could confirm 1st monthly by email to confirm headcount.		
According to our experience, Option B would be catastrophic.		
Option B-if payments were a set amount and 6 times a year based on headcounts, there would be no need for any adjustments.		
If you are owed money you should be paid it as a lump sum when it is realised. If you owe money back it should be collected slowly as it isn't your fault.		
Option C-If money is owed me, pay in the next cheque. If I owe money but it was your error, pay back over the year.		
Option B-this makes it easier to reconcile revenues in accounting periods		
Option C-we would prefer to go back to the previous system of 2 payments per funding term		
Option C-adjustments should be sorted in the current funded period		
Option B-Appreciate that the downside is that large amounts may be withheld to recover overpayments but if a setting has been underpaid for a funding period then that could still have implications for cash flow – so better to pay/recover within funding period.		
Option B- financially our setting runs on academic years		

### Question 8c The free entitlement offer – funded periods/annualised hours

At present parents are entitled to claim up to a maximum of 570 hours of free entitlement during a year but with up to a fixed number of hours being available during specific funded periods based on the traditional number of term time weeks. (Autumn = 210 hrs, Spring = 165 hrs, Summer = 195 hrs)

We would welcome your thoughts on whether you would like the council to consider developing an alternative system based on spreading the entitlement over a whole calendar year (annualised) rather than having distinct funded periods.

Responses	No.	%
<b>Option A</b> Continue with current system of fixed funded periods.	69	71.1
<b>Option B</b> Consider changing the current system to one based on annualised hours.	22	22.7
<b>Option C</b> None of the above. I wish to suggest an alternative, below	6	6.2
<b>Total</b>	97	100

#### Comments:

Give the parent an account of hours. The nursery can debit their account as the parent wants. Certain limits would exist, to ensure care all year, but it would also mean in the longer holidays, the parent could debit some hours and carry on working as many are only 10-15 hours per week.
If the system changed to one based on a number of hours over a year, could this not open up a scenario where a parent has all their entitlement in the period to July at pre-school and then from September the primary school will not get any funding?
This is easier to work with.
We need to be able to offer the choice for parents as approximately half of our children will not attend during school holidays.
However, annualised hours would/may help solve the problem of a child who starts late.
Flexibility over terms is needed. This would ensure settings would match school opening times giving better staffing and meeting parent's needs. By allowing providers to claim the hours annually will give settings the freedom to amend their weeks they plan to be open, i.e. longer in Spring Term and shorter in Winter Term.
Option B - can be used throughout the year - no specification, flexible. But think B will be very difficult to manage from admin point of view - can see parents might like it.
Option B-this is the only solution if we are to be able to offer parents full flexibility and encourage parents back to work.
Option A-if there is a significant change in the way that the funding is calculated e.g. number of weeks per term, the CDO should be advised so that she can clarify it with the settings
We allow parents to spread their entitlement over the 50 weeks a year that we are open because the guidance notes say we have to. This question implies we do not have to!!!!
Option A-invoicing/administration is time consuming enough without trying to predict a calendar year. Parents can be unsure what hours they require term to term let alone over 12 months.
Option A-it has always been difficult during the spring term when we are open for 12 weeks but only receive 11 weeks funding
Option B Many parents do not work just termly so need the free entitlement all year round. Parents may choose to use a different nursery during the school holidays
Option A-easier for you and us to manage!
Option C-the present system is too complex for parents to understand. The grant should be a bond or voucher for a set amount of money that each parent can spend as they wish.
Option A-Are these splits still correct as the Spring 2011 term is longer than the summer one!
Option B-the problem with the existing system is that parents find it harder to budget as they get free entitlement during term time and then have to pay during the holiday periods which makes no sense to a parent not tied to schools terms.
Change to annualised hours would be very useful, giving us a little more flexibility when it comes to holiday periods, but please keep the maximum hours per week to 15.
Option A-this suits term time only settings well.
Option C-have the number of weeks match the school terms. That is the most common complaint we have

from parents.
Option B-this suits the majority of working parents who like to budget monthly throughout the year.
Option B-in order that parents can have an even level of cost over the whole year the hours must be spread and providers who are open for 51 wks must be allowed to equalise the length of their terms. (This can be done while still adhering to approximately the 3 termly periods of maintained sector) i.e. term lengthened (to incl. holiday wks) = 3 terms x 17 wks = 51 wks. Hours split over terms = 570/3 = 190 allowed per term. Parents will not then face uneven bills as presently for 'unfunded' weeks.
Option C-this would be easier if there was a money value then it could be equally distributed throughout the year to enable both the setting and the parents to budget. I used to do this a long time ago and my parents preferred this but obviously I was told I couldn't and they were very upset.
Option A-Not relevant to us – like the majority of settings we are open term time only.

## Other comments

Do you have any other comments you wish to make about the Early Years Single Funding Formula? If so, please use the space below.

<b>Comments:</b>
I am happy with the current arrangements.
We welcome your ongoing openness to solicit our views before making fundamental decisions. THE most important thing to us is the monthly payment method/annualised average of credit and debit owed continues. Anyone who wants these scrapped is not a business person and should be ignored! All the extra grants and allowances etc, merge them into one fund (save some money and get more childcare development officers out to us/ specialise them to assist with certain elements of business management such as expansion/ finance/ marketing etc), and let each provider apply for additional funds on their own merits. This means your funds to straight to the heart of the provider, benefiting the children with new equipment that the setting might not be able to afford such as adventure playground, computer, expanding into new buildings, new tables and chairs, stair gates etc. If the CDO controls the budget, they know intimately how hard the setting is working, how good it is, and whether it deserves the funding support. Hiding the deprivation allowance/ premises money etc in the hourly rate just gives it to the provider and stands a risk of it not reaching the children, i.e. the provider pays it to themselves as profit instead.
One single payment for everyone would be much fairer and easy for the LEA to work out.
Please don't forget that some childminders may be registered to care for more than three children in the Early Years age range (with an Ofsted variation) and should therefore be entitled to claim for all eligible children.
We need to look at how the formula Wiltshire is working on actually effects us all. To suggest staff will only have 5 days off sick is ridiculous. No consideration has been taken for maternity. Where is 12.8% national insurance employer's contribution written in? Where is supernumerary member of management written in for groups of 20 and more? How are we going to consider commercial mortgages? Where is the provision for rates, gas, electricity, water insurance, training? We have just put our entire nursery through 12 hours of First Aid and Food Hygiene at a cost of £2000.00 for 19 on First Aid and £600.00 for 20 on Food Hygiene. Management medicals cost £160.00. Health & Safety at work is additional and needs to be written in. Bright Horizons Child Protection courses we are told now cost £50.00. All these costs need to be written in to the hourly rate. At least half of my staff have free childcare places. How do I write this in? As a private nursery I should not be expected to compromise my business while Wiltshire Council claims to offer FREE CHILDCARE. This is subsidised childcare. Wiltshire Early Years should have the guts to be honest about this. Legislation presently asks for quality staff with quality training. We have been denied GLF on two of our staff and have been told there will be no more funding next year.
The rules for the free entitlement are very complicated. It was much easier when we received a set amount for every child and were then able to deduct a regular amount from a child's fees.
I am happy with the arrangements as they are and think they benefit childminders.
There have been some big teething troubles with the introduction of this Single Funding Formula <u>but</u> they seem to be being sorted. The introduction of the significant difference form will help a lot with the problem of under/over estimates of numbers and should iron out the problem of big shortfalls in payments which happened this year. So please before changing things, think very carefully as people are just getting used to this system and too many changes might be confusing. Better/ clearer information on the statement about the actual hourly rate being paid required.

Parents have increased their hours so staff requirements increased, wages bill increased; but hourly rate DECREASED. Layout of premises not taken into account with allocation of staff costs - sticking to legal minimum fine in a purpose built all visible mobile with enclosed outdoor space, but not in twisty church hall.
The calculation is still confusing to calculate - I assume as we become more familiar with it, it will become clearer.
It would be a lot easier if parents were given a 'voucher/bond' to hand over to their preferred setting(s) of a value to use as and when and how they like. This would then be deducted from their bill.
The system had become much more difficult to understand and needs to be presented to providers in as simple a format as possible
It is far too complex and too costly to administer
The Single Funding Formula is confusing to administer. It has reduced our hourly payment (which I believe was based mainly on the size of the pre-school) which means we now supplement the education grant. We don't give any less service. We haven't reduced staff levels. In fact we have improved our quality levels by employing an EYP. Resources are unchanged. We have improved our outdoor learning area without any grant etc. We feel this is discriminatory to both our parents and ourselves.
To withdraw that GLF is an insult to all those who have undertaken the EYPS. The demands placed upon pre-school staff to meet the standards required of government bodies are not commensurate with the financial provision afforded to pre-school establishments. As a pre-school manager it is a grave concern that we may lose highly qualified and experienced staff due to insufficient funding. Currently a staff member would earn far more as a childminder. It would help if the Administrative Guide to Funding was issued earlier, before the start of the new school year and that terms were published so that holidays/closures can be organised at the start of the year (the summer term was not even published in the guide and we had to chase to find the dates). Communication is poor and deadlines are very short for completion of questionnaires etc
<ol style="list-style-type: none"> <li>1. The system introduced by Wiltshire is well intentioned but extremely complicated. As a result it is too difficult / time consuming to calculate whether we receive what we ought to.</li> <li>2. We spend a lot of time (=money) helping parents understand how it works and it is still our biggest area of parent discontent.</li> <li>3. This complicated system MUST involve a high administration cost to Wiltshire Council - money that would be better used to support children that need it.</li> <li>4. Would it not be simpler to allow settings to invoice WC for the FEF sessions that they have delivered/been contracted to deliver?</li> <li>5. The FEF rate is not sufficient for us to make a reasonable profit</li> <li>6. Our parents frequently request that we simply deduct the FEF we receive from what they would pay without it and we have to refuse (although I understand other settings still do this).</li> <li>7. The discrepancy between the length of terms and the funding available per term has caused parental confusion / upset and actual loss of revenue to us.</li> </ol>
Quite happy with how the single funding is being administered (so far)
Please note my comments x 4 sites representing approximately 400 children 0-5 years in Wiltshire.
Despite the early problems and the short period of time with which we were given to implement the formula it does provide regular monthly income with which cash flow can be maintained easier.
This questionnaire does not reflect the Real Issue with "The Free Entitlement" which is that we are unable to "Top up Fees" as we did before thus resulting in a great loss in our income. We must be allowed to "top up" or the industry will collapse in chaos resulting in working parents having no childcare. We continue to set the standard of quality and care which sustains our viability using market forces. Our industry provides jobs for many of the sectors in childcare. Once again our knowledge and understanding of the industry is being used to provide the answers. Why rock the boat? Why stop "top ups" when it was working well for everyone?
Could a system be in place so that parents can claim quarter or three quarters of an hour without the total having to be rounded up or down
I appreciate that efforts have to be made to make the system as fair as possible, but I am concerned that too many changes could make an already complicated system too difficult for each individual provider to check and to reconcile the amounts with the numbers involved.
I feel premises costs (rent etc) should be included in the formula unless the hourly rate is equal for all.
Quite pleased with the new 15 hour entitlement as it has made our invoicing and fees easier for us and parents (no lunch hour to pay for separately anymore). Forms are quite complicated though.
It's more work for us than before, harder to organise the hours within the school day, and harder work for staff. Worried about children starting school earlier and its impact.
I am a chartered accountant, and therefore believe I am financially numerate. I have found this system very confusing, but am now happy with how it all works. It involves difficulty in calculating our year end debtor/creditors. It worries me how less qualified people find this system.

<p>I have no problem with helping families who cannot afford childcare fees. But the grant must not put private nurseries in a position which puts their PRIVATE INDEPENDENT LIMITED COMPANIES into a bankrupt or a non-sustainable position. The amount of grant is not covering my cost, so the figure should be the same irrespective of where the child attends. It would be fairer and easy for parents to understand as well. When the voucher system came in originally, it worked well and everyone knew where they stood. I have been 'nationalised by the back door'. Many people are generating a business for themselves on my back.</p>
<p>It would be helpful to have a simpler term based way of calculation voucher payments. We are currently trying to forecast Spring &amp; Summer 2011 income and cannot work out our voucher entitlement accurately given the formula. Is this something you could help with?</p>
<p>The previous system of funding worked smoother. This is VERY hard to administer especially working with other settings i.e. sessions of 2 hours but 2.5 needs to be claimed. We would like all 15 hours to be claimed here for every child attending dues to the hassle factor.</p>
<p>Generally the formula works very well for our setting. Parents love the 15 hours and take up is good.</p>
<p>Whilst we are aware that settings feedback is extremely important, you will understand that pre-Christmas is always a very hectic period for Nurseries and we have therefore been unable to devote any time to offering alternatives or comments. The children and their Christmas festivity requirements have come first! We appreciate the very difficult task that Wilts Council has had in implementing this year's initiatives across the board. However from the Nursery's point of view the implementation of such has proved extremely time consuming, complex and costly.</p>
<p>Clearer brake down on the invoice, so we know who the money is for.</p>
<p>Government is promoting excellence within the early years sector yet the funding is not being made available to allow settings to maintain current levels yet alone deliver any improvements. In fact staff reductions are occurring due to lower funding levels.</p>
<p>The complexity of the system introduced this year has led to confusion among many setting operators. The uncertainty over levels of funding, due to the factors applying, has made it very difficult for many to know whether they are still running viably. Whilst it may seem fairer to apply weightings to the rates, the net result is unwanted complexity. The rate structure in place now clearly favours the childminders and the smallest settings, but is this the most efficient use of funds?</p>
<p>While understanding that small providers may need a little extra support it is clearly nonsense for example for childminders to be receiving a big increase in their hourly rate while other settings are not being covered for their normal hourly rate. PVIs cannot be expected to subsidise government policy and other providers.</p>
<p>I really think this new system is confusing for everyone involved. I don't understand why and how it works which makes it impossible for me to explain it to my parents. We both don't understand why it can't be a consistent money amount so everyone is able to budget. I also don't feel this survey is geared towards full time child care settings and it suits pre schools and settings that have limited opening times and these are two completely different services offered and we are being lumped together rather than using our strengths in our own rights. Also I don't think the system now is fair with all these supplements and stipulations which very few fall into and aren't given fairly. I honestly don't know why there can not be a money value given to each child and they have the choice to use it where they want. This enables everyone to budget. I think this "free" entitlement will backfire and pull down the quality of settings which I know we have all worked so hard to get to a very high standard. I am now running my pre-school at a loss and I can not to afford to offer new things that I would normally be offering. I can't do this forever and something will have to give. If things don't change soon I will have to rethink my situation. I don't think it would be fair to up the prices in other rooms to carry my pre school. I haven't had to do this in the past my pre school was financially viable and the only difference is this new system.</p>
<p>The briefing sessions (I attended one in May 2010) were quite high level – I thought I would be getting much more practical guidance on what to do next. As a volunteer member of a management committee I found it quite hard going/time consuming getting to grips with what we needed to do – I know there was lots of paperwork produced but sometimes this clouded the issue. Perhaps the use of checklists – 'You need to take care of: a) , b) etc - might be a more concise way of helping us through it? You need to take into account that many (or even most?) of the people who administer this are volunteers. They will either diligently work through it, not do it at all or will be somewhere in the middle – if you want it well implemented I'd be a little more prescriptive. As a general comment – it is quite difficult to get a personal response rather than voice mail when phoning the Early Years Funding team which can be frustrating. I appreciate that this is probably due to workload!</p>

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**Resource Base Funding Proposals**

Appendix 2

Current places	Proposed places	School	Type	Total Funding New Model	Current Funding	Change in Cost of provision
8	0	Holy Trinity	ASD	£0	£93,754	£-93,754
14	14	Chippenham Charter	ASD	£196,387	£184,085	£12,302
14	21	Manor	ASD	£328,099	£184,085	£144,014
12	14	Woodford Valley C.E.	ASD	£204,060	£180,663	£23,398
24	20	Calne Dunstan CE	COMPLEX	£181,579	£142,149	£39,430
24	20	Frogwell	COMPLEX	£185,194	£150,960	£34,234
24	20	Devizes Wansdyke	COMPLEX	£180,374	£153,163	£27,211
12	0	Durrington C.E. Junior	COMPLEX	£0	£94,867	£-94,867
12	10	Malmesbury C.E.	COMPLEX	£93,526	£77,245	£16,281
12	10	Marlborough St.Peter's CEJunior	COMPLEX	£93,526	£72,839	£20,686
12	10	Marlborough St.Mary's CE Infa	COMPLEX	£93,526	£83,853	£9,673
24	20	Kings Park Primary	COMPLEX	£182,784	£133,337	£49,446
12	0	Mere Primary	COMPLEX	£0	£81,650	£-81,650
12	0	Manor	COMPLEX	£0	£83,853	£-83,853
12	0	Salisbury Harnham C.E. Junio	COMPLEX	£0	£90,462	£-90,462
12	20	Salisbury Manor FieldsHighbury	COMPLEX	£190,014	£88,259	£101,755
30	20	Studley Green	COMPLEX	£181,579	£195,364	£-13,786
12	0	Zouch	COMPLEX	£0	£81,650	£-81,650
24	20	Warminster Avenue	COMPLEX	£180,374	£155,365	£25,008
12	10	Westbury C.E. Junior	COMPLEX	£93,526	£77,245	£16,281
12	10	Westbury Infants	COMPLEX	£93,526	£81,650	£11,875
12	10	Wootton Bassett Longleaze	COMPLEX	£93,526	£90,462	£3,064
12	0	Marlborough St.Mary's CE Infa	NURSERY	£0	£88,100	£-88,100
16	18	Amesbury Christ the King R.C.	S & L	£163,591	£100,852	£62,739
18	18	Corsham Primary	S & L	£161,987	£111,691	£50,296
16	18	Studley Green	S & L	£160,384	£100,852	£59,532
10	9	Wilton & Barford Primary	S & L	£82,597	£61,265	£21,332
		<b>TOTAL</b>		<b>£3,140,154</b>	<b>£3,039,717</b>	<b>£100,437</b>

Full year

2011-12 Cost	2011-12 Change from 10-11
£39,064	£-54,690
£191,261	£7,176
£268,093	£84,008
£194,311	£13,649
£165,149	£23,001
£170,929	£19,970
£169,036	£15,873
£39,528	£-55,339
£86,742	£9,497
£84,906	£12,067
£89,495	£5,643
£162,181	£28,844
£34,021	£-47,629
£34,939	£-48,914
£37,692	£-52,769
£147,616	£59,357
£187,323	£-8,042
£34,021	£-47,629
£169,953	£14,588
£86,742	£9,497
£88,578	£6,927
£92,249	£1,787
£36,708	£-51,391
£137,450	£36,598
£141,031	£29,340
£135,579	£34,727
£73,709	£12,444
<b>£3,098,306</b>	<b>£58,588</b>

Part year

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