

# 30hr funded places

Piloted in Northumberland from September 2016  
with a key emphasis on rurality and flexibility

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# Introduction

- ▶ Small chain including two private Nurseries offering approx 100 places and a Holiday Club in Northumberland; affluent areas with little additional needs / ethnic minorities / funded 2yrs
- ▶ Business opened in 2004 and has 'survived' in a tough financial market (economic downturn, introduction of NMW / NLW, increasing running costs, VAT, etc.)
- ▶ Offering funded places since 2005, fully flexible up to last year. 15hr funding was usually 'balanced' by parents with additional hours which went towards closing the cost gap
- ▶ Last few years, funding from NCC has remained static against increased running costs making viability of offering funded places an issue

# The run up....

- ▶ Apprehension! Would it be viable to run? Free to parents, not to providers...
- ▶ Uncertainty... How would parents access funding? Increased paperwork? Funding splits? Optional extra services? Enough children for all settings? Risk of settings running others out of business...
- ▶ Communication... Keeping informed from media / NDNA / local authority. NCC hosted an Early Implementers conference Summer 2016 to speak directly to providers
- ▶ Fear of the unknown...

# Local Authority support

- ▶ Local Authority emphasis on explaining, placating and supporting schools and PVI's
- ▶ New guidance for how the funding could be used to maximise viability and parental choice
- ▶ Online portal for parents to apply released in phases
- ▶ Key factors – to work in partnership with other settings to offer parents a range of options (funding can be split with upto three providers)
- ▶ Increase in hourly funding - critical

# Possible options...

- ▶ How to make it work for me?
- ▶ Flexibility offered must suit business viability
- ▶ Optional additional costs to be charged at business discretion (wrap around / holiday care, meals, etc.)
- ▶ Term time or stretched entitlement?
- ▶ Clear and transparent charges and invoicing

# Example models (as suggested by NCC)

- ▶ Term time only  
30 hours for 38 weeks of the year
- ▶ Stretched entitlement  
1140 hours divided by the weeks you are open / choose
- ▶ Partnerships  
Flexibility for parents to use more than one childcare provider

# Term time only

- ▶ **Over three days 8am - 6pm**
- ▶ **Optional additional charges for extra days / meals / holiday care**
  
- ▶ **Over five days (6 hr days)**
- ▶ **Additional charges for wrap around, hourly rates, meals and holiday care**
  
- ▶ **Possibility to increase income with optional extra services**

# Stretched entitlement

- ▶ Feasible for settings that open all year round and parents who require full time care
- ▶ Example; 40 hrs full time place over 4 days 7am to 5pm  
Free entitlement hours (1140 over 48 weeks = 23.75hrs p/wk)  
Remaining hours to be paid (40 - 23.75 = 16.25)
- ▶ Example; 50 hrs full time place over 5 days 8am - 6pm  
Free entitlement hours (1140 over 50 weeks = 22.8hrs p/wk)  
Remaining hours to be paid (50 - 22.8 = 27.2)
- ▶ Optional additional charges for extra hours / sessions / meals

# My offer

- ▶ Key - making the increased funding offer to not run at a loss
- ▶ Trial set hours that funded places could be used, similar to our local school and pre-school
- ▶ Maximum of 6 hours per day, with 2 sessions
- ▶ Funded sessions run between 8.30 - 11.30am and 12.30 and 3.30pm
- ▶ Hourly charges apply to all other times (7.30 - 8.30am / 11.30am - 12.30pm and 3.30 - 6.30pm)
- ▶ Optional additional charges for meals and holiday care
- ▶ Intake every term

# Parental response

- ▶ Parents delighted to be offered increased 'free' hours
- ▶ Parents applied through on line application via NCC
- ▶ Most parents happy with funded hours offered, as worked well with older sibling school times
- ▶ Not all parents using their full entitlement
- ▶ Some parents choosing to share their entitlement between settings

# Key challenges

- ▶ Viability
- ▶ Competition (local schools and PVI's)
- ▶ Creating a model to suit your business
- ▶ Shared children... (settling and transistions between settings)
- ▶ Partnership barriers (each setting has it's own agenda / business model / cash flow)
- ▶ Parental decisions of how and where to use their extended entitlement

# Working it out...

- ▶ Viability - with increased pressure from some pilot providers the funding level was increased... t.b.c. Hourly rate from Sep 2017
- ▶ Competition - decision whether to all offer a similar model (level playing field) or alternative / different models (increased parental choice)
- ▶ Working out costs involved with model and how it effects cashflow

(model may need tweaking / changing on a termly / annual basis dependent on external factors such as how many children, parental opinion, local setting's offers, accessibility)

- ▶ Shared children - developing good relationships with parents and other settings to work together and ensure child PSED is supported
- ▶ Partnership barriers - not easy... Support from L.A to facilitate meetings / options for viability control measures for schools and PVI's
- ▶ Parental choice – why use YOU? Strong partnerships / advertising what YOU offer / what works for the parent

# Things to think about....

1. What support is your Local Authority offering? Are they imposing guidance to access funding (re; flexibility / optional extra costs / shared providers)
2. How to design a model to make the entitlement work for you...
3. What are your local competition offering? How can you open communication / work together – communication is key