

After-school Childcare Funding in Islington
Report for Executive, October 2022

After-school Childcare Funding in Islington.....	1
Report for Executive, October 2022	1
Section 1: Executive Summary.....	3
Section 2: Introduction	4
Section 3: Analysis of responses.....	6
Parents.....	6
Responses to the proposals	6
Further comments.....	6
Table of Comments, Parents.....	7
Make-up of respondents	7
Providers.....	9
Responses to the proposals	9
Make-up of respondents	9
Further comments, Providers	10
Table of Comments, Providers	10
Section 4: Response of Islington Council	10
Parents.....	10
Response to Question 1	10
Response to Question 2.....	11
Comments relating to Questions 1 and 2	11
Providers.....	13
Response to Question 1	13
Response to Question 2	13
Comments relating to this question	13
Response to Question 3	14
Comments relating to Questions 1 and 3	14
Response to Question 4	15
Comments relating to this question	15
Response to Question 5.....	15
Comments relating to this question	15
Section 5: Council response to further comments made through the parent and provider consultations and individual meetings with providers	16
Parents.....	16
Providers.....	18

Section 1: Executive Summary

- 1) Islington Council has for many years subsidised out-of-school childcare in schools and voluntary sector settings to make sure we have enough affordable, good quality childcare for working and studying families. The council has increased funding for out-of-school childcare despite reductions in core funding of over 70% from central government to the council budget between 2010 and 2020. We have also increased funding to the Childcare Bursary to support parents with the costs of childcare as they move towards training and employment. The council also supports families with the costs of childcare in the early years through subsidy funding to children's centres and some voluntary sector community nurseries, which enables working and studying parents to be charged on a sliding scale depending on household income. Islington's financial support for parents with the costs of childcare is over and above what is provided by other local authorities and is in addition to government initiatives.
- 2) We want to support residents out of poverty through work. We are introducing changes to how we allocate funding to after-school childcare which will make things fairer for families across the borough. Council funding will be used to support families on the lowest incomes with the costs of childcare.
- 3) During the summer term 2022, the council consulted on changes to the after-school childcare funding model, asking parents and providers for their views about whether they agreed with the principles of the model and the charging structure to be adopted by providers receiving subsidy funding. Providers were asked some additional questions to help us understand their views on the operational aspects of the model.
- 4) The council received 212 complete responses from parents and 22 complete responses from providers.
- 5) Most parents were in favour of the principles of the model and the charging structure, with a minority of parents expressing concerns about the low-income household threshold being set too low at £30,999, and the upper charge for other parents being set too high at the London average, currently £12.
- 6) Providers raised concerns about the administrative burden and cost of assessing household income and the potential risks that the charging model posed to the sustainability of their provision. Providers felt that it was hard for them to assess the full impact without knowing how many parents would be eligible for the low-income rate.
- 7) As a result of the responses received, the council has reviewed the proposals and the recommendation is to proceed with the broad outline of the proposals with the following amendments:
 - Raise the low-income household threshold to £34,999
 - The top charging rate should be a recommendation, rather than being mandatory. The recommendation is that providers' maximum charges are in line with inner London averages. This would allow providers to charge at a rate which gives a

balance between keeping the non-subsidised charge as low as possible, while enabling their provision to be sustainable.

- 8) The council will be monitoring the impact of the new model on parents and providers and will review its effectiveness in year two.
- 9) The council will be providing contingency funding for providers to enable any adjustments to be phased in over the academic year 2022/23.
- 10) The council will supply providers with information about the national and local support available to help parents with childcare costs, including tax-free childcare, childcare through Universal Credit and Islington's Childcare Bursary. Providers will be encouraged to share this information regularly with parents, along with a leaflet about the full range of support the council is providing to help with the cost of living.

Section 2: Introduction

- 1) This report sets out responses to the consultation and the council's response to these.
- 2) The council ran online consultations from 6 June to 15 July; one version for parents and another version for providers. There were 212 complete responses from parents and 22 complete responses from providers.
- 3) Responses to the proposed model were also gathered via an online information session for parents on 5 July.
- 4) Providers were also able to discuss the model and present their views through forums, and online individual meetings with council officers.
- 5) As part of the consultation information provided online, parents and providers were reminded of the national childcare support available, such as funding through [Universal Credit or Tax-Free Childcare](#). Tax-free childcare, for example, provides up to £500 every 3 months (up to £2,000 a year) for each child to help with the costs of childcare. These amounts are doubled if a child is disabled. This means that if a parent's after-school charge is £10, the tax-free childcare scheme could provide up to £2 towards the cost. Islington's after-school childcare subsidy for low-income households is designed to work in conjunction with the national schemes which support all parents with the costs of childcare.
- 6) The consultation process asked parents to comment on the following:
 - if your household income is less than £30,999, you will pay no more than £5 per day for after-school childcare, with *sibling discounts for these families
 - if your household income is more than £30,999, you will be charged at a rate decided by the provider, but no more than the average rate for inner London, currently around £12 per day
 - that each after-school setting has two free places for the most vulnerable children as decided by the provider

* For the purposes of this report, siblings are defined as children living in the same household.

- 7) The consultation process asked providers the same questions, as well as additional questions about the operational aspects of the model and the effect the model would have on their provision:
- How will the proposals impact on your current charging model?
 - What impact would a capped rate for low-income working families have on you as a provider?
 - Do you agree that the funding should be allocated using the proposed proxy measure of the pupil premium Free School Meal (FSM)/Ever6 data, weighted by the number of pupils at each school and deprivation (IDACI) information about the locality?
 - Under the model there is a small amount of funding available to support children with Special Educational Needs and Disabilities (SEND) and quality improvement. How can we use this funding to best support your setting?

Section 3: Analysis of responses

Parents

Responses to the proposals

Parents using childcare: Do you agree the council should help low-income working families with the cost of childcare?	No. of responses	% of responses
Yes	139	92%
No	12	8%

Parents not yet using childcare: Do you agree the council should help low-income working families with the cost of childcare?	No. of responses	% of responses
Yes	59	97%
No	2	3%

Parents using childcare: If your household income is less than £30,999, you will pay no more than £5 per day, with sibling discounts for these families. Everyone else will be charged at a rate decided by the provider, but no more than the average rate for inner London, currently approximately £12 per day. Do you agree that this will target council funding to those most in need of support with the costs of childcare?	No. of responses	% of responses
Yes	115	76%
No	36	24%

Parents not yet using childcare: If your household income is less than £30,999, you will pay no more than £5 per day, with sibling discounts for these families. Everyone else will be charged at a rate decided by the provider, but no more than the average rate for inner London, currently approximately £12 per day. Do you agree that this will target council funding to those most in need of support with the costs of childcare?	No. of responses	% of responses
Yes	52	85%
No	9	15%

Further comments

Respondents were asked for comments after each question and given an opportunity for general comments at the end of the survey. Where there was more than one comment on an issue or concern, we have summarised in the Table of Comments. Other more general and occasional comments are outlined in Section 5.

Table of Comments, Parents

Comment
Threshold of low income is too low
Charging cap is too high
Earnings should not be the only measure; disposable income is often the same as lower earners
Need more income bands
Sibling discounts should apply to all families; discount too low
Under £30K should be free
Cost of after-school clubs should be kept low; combine clubs and childcare costs
Funding for low-income families should not be at the expense of those above the threshold; funding should be available to all, regardless of income
Not enough spaces; often booked up
Full-time students should be included
All parents in household should be working to get subsidy

Make-up of respondents

Do you use after-school childcare?	No. of responses	% of responses
Yes	151	71%
No	21	10%
Not yet but intend to	40	19%

Type of provider	No. of responses	% of responses
School	80	53%
Voluntary sector	71	47%

If you use after-school childcare, or intend to, what do you use it for?	No. of responses	% of responses
Work	136	90%
Study	2	1%
Other, inc. Work and study; medical appointments; welfare of child	13	9%

What are the ages of your children?	No. of responses	% of responses
3-4	50	17%
5	52	17%
6-8	114	39%
9-11	70	23%
12+	12	4%

Do any of your children who use after-school childcare have special educational needs or disabilities?	No. of responses	% of responses
Yes	11	7%
No	135	90%

Prefer not to say	5	3%
What are you currently paying per day?	No. of responses	% of responses
£3-5	16	11%
£6-8	24	16%
£9-12	84	56%
£12	25	17%

Your ethnicity	No. Of responses	% of responses
Black Caribbean	10	5%
Black Somali	1	0.5%
Other Black African	10	5%
Black - Other	4	2%
Bangladeshi	5	2%
Other Asian	5	2%
White - British	68	32%
Turkish	4	2%
Kurdish	4	2%
White - Other	51	24%
Mixed White and Black Caribbean	2	1%
Mixed ethnicity	14	7%
Prefer not to say	16	8%
Other – please specify	16	7.5%

Responses to 'other'	No. Of responses
Arab	2
South American	1
Latin American	3
East Slavs	1
Algerian	1
White mixed	1
What difference does it make?	1
Afghan	1
Columbian	1
Indian	1

Do you consider yourself to have a disability?	No. Of responses	% of responses
Yes	14	7%
No	186	88%
Prefer not to say	11	5%

What is your household income?	No. Of responses	% total (% with data)
Up to £24,999	62	30% (35%)
£25,000-£30,999	24	11% (14%)
£31,000-£39,999	13	6% (7%)
£40,000-£59,999	25	12% (14%)
£60,000-£99,999	22	11% (13%)

£100,000+	30	14% (17%)
Prefer not to say	34	16%

Providers

Responses to the proposals

Do you agree with the aims of the model to distribute funding across more providers and to target childcare subsidy more effectively to low-income working and studying families?	No. of responses	% of responses
Yes	20	91%
No	2	9%

Do you agree that the funding should be allocated using the proposed proxy measure of the pupil premium Free School Meal (FSM)/Ever6 data, weighted by the number of pupils at each school and deprivation (IDACI) information about the locality?	No. of responses	% of responses
Yes	15	68%
No	7	32%

We are proposing that providers should charge no more than £5 per day for families with household incomes of £30,999 or below. Individual providers can determine their charges for families with incomes above £30,999 but should charge no more than the inner London average, currently approximately £12 per day. Low-income families should also receive discounted rates for siblings. Do you agree with this charging model?	No. of responses	% of responses
Yes	7	32%
No	15	68%

We propose that funding allocations to individual providers fully funds two free places for vulnerable families per setting. Do you agree?	No. of responses	% of responses
Yes	20	91%
No	2	9%

Make-up of respondents

Type of Provider	No. of responses	% of responses
School	15	68%
Voluntary sector	7	32%

Do you currently provide after-school childcare?	No. of responses	% of responses
Yes	22	100%
No	0	0%

Further comments, Providers

Providers were asked for comments after each question and given an opportunity for general comments at the end of the survey. We have summarised provider comments to specific questions in the Table of Comments. Further general comments from providers in the survey and through forums and one-to-one discussions are outlined in Section 5.

Table of Comments, Providers

Comment
Income deficit – the model would reduce the overall income generated to keep their provision sustainable
Administrative burden created by the requirement to assess family income
Don't mandate an upper cap
FSM proxy is too broad a measure and not an indicator of income of those using childcare
Need more income bands
Threshold of low-income household is too low
Voluntary sector needs greater protection as is it is more vulnerable to income deficit and to competition from school providers
Number of children with SEND should be included in the proxy measure
Impossible to predict impact as do not know number of families in low-income households
Voluntary sector capacity is not sufficient to cover demand at non-member schools
Remove sibling discount
Sibling discount should be an amount not a percentage
Free vulnerable places need funding at actual cost
Free vulnerable places need a flexible approach
Low-income can't be assessed by FSM

Section 4: Response of Islington Council

Parents

The council is very grateful to all the parents/carers who took the time to respond to the online survey. We appreciate how considered the comments were and have aimed to acknowledge and address these in our responses. The council's responses set out what aspects of the proposed model will be introduced as well as those that require clarification and modification in the light of responses received.

Response to Question 1

Do you agree the council should help low-income working families with the cost of childcare?

With 92% of parents (97% of those not using or intending to use childcare) agreeing with the principle, we will proceed with the implementation of a model which helps low-income working families with the cost of childcare.

Several respondents commented on the need for funding to support studying parents. The council recommends where students require childcare for study, they will also be eligible for the low-income rate.

Response to Question 2

If your household income is less than £30,999, you will pay no more than £5 per day, with sibling discounts for these families. Everyone else will be charged at a rate decided by the provider, but no more than the average rate for inner London, currently approximately £12 per day. Do you agree that this will target council funding to those most in need of support with the costs of childcare?

With 76% of parents (85% of those not using or intending to use childcare) agreeing with the proposed charging model, we will proceed with the £5 maximum charge for the lowest income households.

However, many providers raised concerns about the financial viability of their provision if large numbers of their families were eligible for the £5 rate. This could mean that providers would need the flexibility to charge above £12.

The recommendation is, therefore, to proceed with the broad outline of the proposals, with an amendment to the charging cap. Instead of making the top rate mandatory, the council proposes a recommended top rate in line with the inner London average. The council recognises that providers could need flexibility on the upper charging limit. As part of the review in year two we will be monitoring the number of subsidised places being made available in each school to determine whether the level of funding to each provider determined through our proxy measure is working or whether this needs adjustments.

Comments relating to Questions 1 and 2

- A significant minority, 16%, commented that the £31K low-income threshold is set too low.

I think the threshold should be £45000, because £31000 is still very little for a one-parent family and I'm struggling even on £32000

Council response: The council recognises that the low-income household threshold set out in the proposals needs adjustment. We, therefore, recommend that the low-income threshold is raised to £34,999.

- A small minority, 8%, commented that the cap on the proposed charge was too high at £12 (or the current London average).

£12 per day is quite expensive for those who earn higher than 31k due to other outgoings. I think the rate should be lowered to £8 per day.

Without after-school childcare I would not be able to continue my job. As I work in the charity sector, I do not have a huge income, although our joint family income would be over £31,000, we would really struggle to pay £12 per day for this provision.

Council response: The proposed model does not mandate that providers should be charging this upper limit rate for parents outside the low-income threshold. The charges are at the discretion of each provider, and they may set their non-subsidised rates lower than this. We will continue to make providers aware of the inner London average to enable them to set the right balance between the financial viability of their provision and the affordability

of childcare for parents. We will also ensure that providers continue to make parents aware of the national childcare funding support available.

- A small minority, 8%, commented that earnings should not be the only measure of household income and that a household's 'disposable income' should be the measure of families who need support with childcare costs.

A blanket approach looking at just income isn't accurate. I earn about £30000 but my rent is £1800/month. Someone with a lower income but living in council housing will be better off financially than me. There should be room to allow these scenarios, and not automatically exclude those earning above an arbitrary amount. Anyway, with the cost of living in London, £30000 is not much. Even if there is a threshold, it should be much higher.

Council response: We agree earnings are not the only measure and that household income refers to the gross earned and unearned income. It is the best measure we have as it would not be possible to assess 'disposable income' consistently.

- A small minority, 6%, commented that there should be more income bands introduced to allow a sliding scale of charges.

Providers could make a broad increase to the maximum of £12 for people on more than £30,999 and parents could end up losing out (would be around £5 increase for my childcare which is a lot). It might be worth considering suggestions on how a sliding scale is managed in the above £30,999 bracket.

Council response: The introduction of more income bands would require more income assessments to be carried out. The proposed model aims to strike the right balance between what is fair for families and what is practicable for providers. The administration required in the proposed model is proportionate to the level of subsidy funding being provided. However, the model does allow providers to implement more income bands if they choose to.

- A small minority, commented on the cost of after-school clubs saying that these were too expensive and needed subsidising by the council. Some parents also commented that they struggled to pay for after-school clubs as well as after-school childcare and that this meant their children could not benefit from the enrichment clubs.

Council response: The proposed after-school childcare funding model aims to support low-income working and studying parents with the costs of childcare, 3.30-6pm. In line with the proposed model, low-income parents should not be paying more than £5. If after-school enrichment clubs form part of the 3.30-6pm childcare provision, then schools can choose to apply the childcare subsidy. If, however, a child is only attending until 4.30pm, the subsidy would not apply. Schools may, however, choose to subsidise the costs of their after-school enrichment clubs in other ways.

- A small minority, commented that sibling discounts should apply to all families

Council response: The funding is to support the lowest-income families. Discounts for siblings for other families could be applied at provider discretion, depending on the school cohort and parental need. We are mindful of the pressures on school budgets and want to create a model which supports providers to be viable. An enforced sibling discount for a provider accommodating large numbers of siblings could be unworkable.

- A small minority felt that places should be free for low-income families

Council response: Council funding is being targeted towards subsidising childcare fees for those on the lowest incomes. The proposed model is the fairest way to allocate the funds available.

- A small minority commented that funding for low-income families should not be at the expense of those above the threshold.

Council response: The model aims to provide a balance between affordable places for the lowest income families, fair and reasonable charges for families above the low-income threshold, and financial sustainability for providers. We have committed to reviewing the model in the second year to understand its impact for families and providers.

- A small minority commented that there are not enough spaces, and they are often booked up

Council response: We would encourage providers to respond to parental need and expand their provision where space and staffing allow. Where parents are needing support to find childcare, we would encourage them to contact Islington's Family Information Service.

- A small minority commented that all parents in the household should be working to get subsidy

Council response: The income assessment to determine childcare subsidy, is applied to both parents, where applicable.

- A small minority commented that full-time students should be included in the subsidy

Council response: The proposed model includes full-time students, but as with the subsidy for low-income parents, both parents need to be either working and/or studying and therefore require childcare.

Providers

Response to Question 1

Do you agree with the aims of the model to distribute funding across more providers and to target childcare subsidy more effectively to low-income working and studying families?

With 91% of providers agreeing with the aims of the proposed charging model, we will proceed with the model with some modifications.

Response to Question 2

Do you agree that the funding should be allocated using the proposed proxy measure of the pupil premium Free School Meal (FSM)/Ever6 data, weighted by the number of pupils at each school and deprivation (IDACI) information about the locality?

With 68% of providers agreeing with the proxy measure of the proposed charging model, we will proceed with this aspect of the model.

Comments relating to this question

- Number of children with SEND at each provider should be included in the proxy measure
- Free School meals is not a good indicator of childcare need

SEND should also be included to ensure adequate funding for the staffing levels required. Where a school has high numbers of low-income non-free school meal children this should also be considered. Schools can have the same level of FSM but very different levels of disadvantage.

Council response: Unlike the levels of SEND, the Free School Meal and IDACI indicators are relatively consistent indicators of deprivation. The proposed model aims to support existing working families, and to encourage new families into work by making childcare affordable. Current childcare costs could be preventing low-income families from working. The council will review, and monitor take up and consider other proxy measures in future where appropriate. Furthermore, the council is considering additional funding support for children with SEND – see responses to Question 5.

Response to Question 3

We are proposing that providers should charge no more than £5 per day for families with household incomes of £30,999 or below. Individual providers can determine their charges for families with incomes above £30,999 but should charge no more than the inner London average, currently approximately £12 per day. Low-income families should also receive discounted rates for siblings. Do you agree with this charging model?

A majority of providers, 68%, disagreed with this aspect of the model and raised concerns. While the council appreciates the concerns raised, the model allows for sufficient protection funding support to providers to enable them to adopt the model. Furthermore, with a significant majority of parents in favour of the model, the council recommendation is to support providers to adopt the model with a review in year two.

However, we fully appreciate that providers need to be able to run provision which is financially viable. The council, therefore, will clarify the upper limit charge within the model changing 'should charge no more than' to 'recommends that providers charge no more than' the London average, currently £12. This enables providers to support families who need it the most, through the council subsidy funding, while enabling them to charge childcare fees which enable them to be sustainable.

Comments relating to Questions 1 and 3

- The charging model could result in a drop in income which would make the provision unsustainable.

Council response: While the council acknowledges provider concerns regarding the effects on income, the financial protection built into the model should enable providers to remain sustainable. The protection aims to support providers during the first year of operation while the impact of the model is assessed, and to allow charging changes to be introduced to parents over a reasonable period.

- There will be considerable administrative burden of income assessing parents when staff and school budgets are already stretched.

Council response: Some providers are already doing parental income assessments and have expressed willingness to provide guidance for other providers. Furthermore, some providers wanted more income bands to be adopted to support parents with a sliding scale of charges depending on household income. For these providers, the model allows for flexibility. Guidance on how to assess household income will be shared with providers,

through workshops and one-to-one training where necessary. The expectation is to carry out income assessments only for families who wish to take up a subsidised place. The council is also looking at ways that household assessments could be done centrally, by local authority officers, or proactively through the use of household data already held by the council.

- There should not be a cap on what providers can charge non-subsidised parents

Council response: The funding model supports a reduction in fees for low-income families. Providers need to be able to run provision which is financially viable. The council, therefore, will clarify this aspect of the model, recommending a cap, rather than mandating it.

- No sibling discount on top of £5 cap for low-income families

Council response: Many schools currently provide discounts for siblings. The model does not prescribe a sibling discount for all household incomes, just for the lowest incomes to help families with multiple children who need the most support.

Response to Question 4

We propose that funding allocations to individual providers fully funds two free places for vulnerable families per setting. Do you agree?

With 91% of providers agreeing with this aspect of the model, we will proceed with the model.

Comments relating to this question

- Funding for these free places needs to be provided at the actual cost of the place, with the amount reflected in the childcare subsidy to each provider.

Council response: The funding allocations for each provider are not based on the number of subsidised places being offered at any given time. The level of funding allows providers a degree of flexibility within staff ratios to enable two free places to be accommodated within each provider's charging structure.

- There needs to be flexibility in these places – if there is no need one term, there could be a need for three places another term. Provider should be able to apply the equivalent of two places over time.

Council response: Free places are to be allocated at provider discretion, which could include discretion on the length of time the place is allocated. This enables flexibility as suggested by this provider.

Response to Question 5

Under the model there is a small amount of funding available to support around SEND and quality improvement. How can we use this funding to best support your setting?

Comments relating to this question

- The majority of providers suggested funding for children who require 1 to 1 support in order to attend. Some providers suggested funding to: create accessible changing spaces for older children; for equipment; for trips.
- A few providers suggested funding a SEND coordinator within the council to give advice and guidance to providers around how best to support specific children with SEND.

As the school has the highest number of children with SEN needs in a mainstream setting in Islington, it would be beneficial if the funding could be allocated to paying for the one-to-one care that SEN children attending the provision require. Therefore, it is important that this additional funding is allocated based on actual SEN data for individual schools.

As a community childcare setting and with the current SEND offer very limited, we are keen to provide fully inclusive childcare provision and have worked hard already to develop our capacity to care for children with SEND. This is vital for families but costly. Funding for SEND provision should be considered separately to ensure that all provisions have the capacity to recruit, train and retain one specialist staff member.

The SEND offer [for after school childcare] does not address the current issues. There needs to be at least 1 staff cost being funded at each setting to help ASC meet the 47% increase in SEND diagnosis in Islington in the last 3 years.

Council response: We are aware that schools and voluntary sector settings are under considerable pressure in this area. We will give further consideration to the suggestions made about how the funding for SEND within the new model is to be used. We will continue to work in collaboration with settings to support children with SEND.

Section 5: Council response to further comments made through the parent and provider consultations and individual meetings with providers

Parents

Parent comment	Council response
Consistent prices across all provision	The model is based on supporting low-income families while enabling providers to be sustainable. Each provider will need to do their own financial modelling depending on their parent cohort. The model is not aiming to control the after-school childcare market, but rather to target funding to those who need it the most.
The council is pushing issue of funding cuts on to providers	These are not funding cuts. The council is funding providers from core budget as there is no government funding available for after-school childcare. The council has increased after-school funding, not decreased it.
Charge per hour not per session	Providers will not be able to remain sustainable with an hourly charge as staffing will need to be arranged to accommodate the full childcare offer 3.30-6pm.
Funding should make childcare affordable for all regardless of income	The council is doing all it can to make after-school childcare affordable in addition to national support through paying for childcare schemes. Locally, the council is going above and beyond what is provided nationally. We are aiming to make this as fair as possible. The national support available is communicated through the Family Information Service (FIS), working with providers to make this information available to parents. In addition to after-school funding, the council supports childcare costs for parents starting work or for short-term study through the Islington Childcare Bursary .

Quality of provision is mixed; funding should reflect quality	The funding model allocates funding to schools and settings to pass on to low-income families in the form of a subsidised place. We are allocating funding based on the financial circumstances of parents at each provider rather than any judgement on quality. Only Ofsted regulated providers are receiving funding. Ofsted is the arbiter of quality. The council supports providers with training and continuing professional development.
High earners could donate extra to enable struggling families to go free or at reduced rate	Some schools do run a scheme where parents can donate to support schools to support families in need.
Sudden increase to £12 is too high	The model allows for protection to providers to enable them to apply any potential increases with sufficient notice.
How was this figure reached?	The capped rate for low-income is based on modelling with providers on what is sustainable to run provision. We have mitigated the increase to the income threshold with the change to a recommended rather than capped higher rate.
What about supporting costs of childminders	As small, private providers, childminders who are required to work to smaller ratios of staff to children, would not be sustainable within the model.
Include victims of Domestic Violence in subsidised rate	Providers could choose to allocate free places to victims of Domestic Violence who are not otherwise supported through the subsidised places outlined in the model.
Paying for clubs and childcare is too expensive; combine the costs	The model allows for a flexible approach where clubs form a part of the full childcare offer, 3.30-6pm.
Insufficient provision for 5 years and younger	Where parents are finding insufficient provision for younger ages, we would encourage them to contact the Family Information Service (FIS) which can help with finding a childminder. We would also encourage parents to speak to their school about expanding provision where possible.
Schools currently applying concessions to different parents each term	The model aims to introduce a more consistent approach to allocating subsidised places. We would encourage providers to make the charging structure and allocation of places clear and transparent.
It's already too expensive	The model subsidises places for low-income families and is designed to work alongside national childcare funding schemes, such as Universal Credit or Tax-Free Childcare. The Family Information Service can support parents with information around the schemes available to help reduce the costs of childcare.
Struggling families should not pay the same as wealthy families	The model allows for providers to structure fees for low-income households. Providers could introduce a sliding scale of fees based on household income, balancing what is practicable and affordable for their provision with the needs of their parent cohort.
Sibling discount is too low	The sibling discount in the model is configured to provide some support for families with multiple children, while enabling the provision to be financially viable.

This will enable providers to raise their prices	The funding model supports a reduction in fees for low-income families. Some providers may need to raise their fees, but protection funding is available to enable gradual adjustment.
Breakfast club discounts too	The funding available is not sufficient to subsidise breakfast club as well as after-school club. Many providers are funded for breakfast club through other schemes in the charitable sector.
Variety of activities has reduced	We would encourage families to speak to their schools or voluntary sector providers about the variety of clubs and activities on offer.
Funding for all regardless of income	The amount of funding available to subsidise after-school childcare would not be sufficient to subsidise all places, regardless of income. The aims of the model are to focus funding on those most in need.
Booking in advance is hard if you don't know your work schedule	The after-school childcare funding model does not aim to prescribe how providers manage their bookings. We would suggest parents speak to their provider about their booking processes and any flexibility which might be considered.
Childcare needed until 6.30pm	Within the model, providers can choose to extend provision beyond 6pm, but depending on staffing costs, would possibly need to charge a premium for this.
Why will only people on benefits get support?	The funding model supports low-incoming working or studying families. Household income, earned and unearned, will be assessed which could include some families receiving benefits. But receipt of benefits is not in itself a criterion for subsidy.
What about holiday childcare subsidy?	The council currently subsidises holiday childcare places in the voluntary sector. Funding for holiday childcare is outside the scope of this consultation but will be reviewed in future.

Providers

Providers were given opportunities to comment on the proposed model through the online consultation, provider forums and through conversations with council officers. The following comments summarise additional concerns and clarifications requested by voluntary sector providers and schools.

The after-school childcare subsidy funding arrangements for schools and voluntary sector providers would see:

- The introduction of a direct contractual arrangement between schools and voluntary sector delivery partners used by schools.
- Where schools have indicated that they do not wish to take part directly in the new model, 'passporting' arrangements would be set up to pass the school's allocation of funding direct to the voluntary sector provider on a case-by-case basis.

Some providers have voiced concerns about their financial viability, with voluntary sector providers expressing concerns about their vulnerability as smaller providers, potentially competing with school provision.

Comments and queries from voluntary sector providers and schools are addressed separately in the following tables.

Voluntary sector provider comments	Council response
<p>How can we make provision viable with significantly reduced funding? Voluntary sector requires a higher degree of protection and for longer</p>	<p>The council acknowledges that the model will result in reduced funding for some providers in the voluntary sector. The council will consider a longer period of contingency for these providers, and work with them to develop a sustainable financial model. Protection will be dealt with on a case-by-case basis.</p>
<p>Providers need a minimum length of contract with schools as one year is not sufficient to future-proof provision</p>	<p>Where providers are contracted by schools to provide after-school childcare, we would expect schools to work within a reasonable timeframe for renewal which allows enough notice to give providers time to build contracts with other schools. Good practice would suggest a three-year funding period with break clauses to be defined.</p>
<p>Where schools have agreed to 'passport' their subsidy funding to a voluntary sector provider, there needs to be a defined notice period if the school decides to run their own provision and stop the passporting arrangement.</p>	<p>We would support a reasonable timeframe. We would make this clear when discussing the passporting arrangements in partnership with the schools and voluntary sector. Good practice would suggest a minimum six-month notice period.</p>
<p>Could providers charge more for out of borough families?</p>	<p>The funding model subsidises places for low-income Islington resident families. However, the council recognises that after-school provision is designed to serve the local school community. Therefore, where an out-of-borough child attends an Islington school we would recommend the voluntary sector provider applies the subsidy, but where the child attends an out of borough school the subsidy would not be applied.</p>
<p>Can rental payments be considered in the level of subsidy funding?</p>	<p>The after-school childcare subsidy is aimed at supporting low-income families with the costs of childcare, rather than funding a provider to operate. Voluntary sector rental payments are, therefore, not part of the funding model.</p>
School provider comments	
<p>Request for guidance on how the vulnerable places are allocated</p>	<p>The council recommends provider discretion for these places because providers know best the needs of their cohort. Some providers have suggested they would like flexibility on how long the places are offered to a child. The model allows for this flexibility.</p>
<p>Students/training courses; how determine which will lead to employment</p>	<p>The Childcare Bursary exists to support students with short-term training. We would encourage providers to signpost parents for this funding. The after-school childcare subsidy can be used for students on long-term training courses.</p>

If a school decides they do not want to join the scheme or want to leave the existing scheme and their funding is passported to the voluntary sector, will this give the voluntary provider an advantage and will they be in competition with that provider?

We do not anticipate this being an issue for schools. There are already examples of mixed models where schools are operating without funding close by voluntary sector providers with subsidy funding.