

Department for Education
Delivering extended and flexible hours
in school nurseries
Toolkit
April 2016

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Introduction to the Toolkit

1 Overview of delivery of extended and flexible hours

The toolkit has been drawn from two Department for Education (DfE) initiatives to test the delivery of an extended, more flexible early education offer in school nurseries, including for two, three and four year olds entitled to the universal and targeted free offer. A pilot ran from late 2014 until 31 March 2015; with a subsequent rollout continuing until 31 March 2016.

A key principle was that children should be able to access places that delivered the Early Years Foundation Stage (EYFS) and are available between the hours of 8am and 6pm, Monday to Friday.

Furthermore, the initiatives explored options for parents to purchase additional hours over and above the 570 hours free entitlement¹ and for their children to be able to access the entitlement over different times, e.g. two whole days for 7.5 hours each day or three days for 5 hours rather than the traditional three hour sessions five days per week over 38 weeks per annum. It should be noted that the primary focus of the project was to extend the time during which parents could select early years provision in schools, rather than having children spend all of these hours in early years provision.

A key test was to ensure that the models developed were financially sustainable and did not impose a further burden on schools' budgets.

The pilot was solely London based and there were 20 participating schools from the following boroughs: Bromley, Haringey, Havering, Lambeth, Lewisham, Wandsworth, Tri-borough – Royal Borough of Kensington and Chelsea and Hammersmith and Fulham.

The rollout project was delivered outside London in 20 schools across East Sussex, Lincolnshire and Liverpool.

Family and Childcare Trust (FCT) were contracted by the DfE to support the schools taking part in the projects delivering business planning support including: parental consultation and assessing demand, financial costing and planning, staffing, marketing and parent contracts.

Some key points emerging from the initiatives:

- The greater awareness of broader demographics in the school's locality, which formed part of the approach taken in the work provides additional information and perspective to decisions around the school's role, function and activities within its catchment area
- A focus on embedding financial sustainability within new areas of activity for the school can also encourage thinking about new opportunities to develop training and job opportunities for staff and parents
- Whilst there can be no guarantee that children in school nurseries will be offered a Reception place at the same school, Heads in the pilot were confident that it would have a positive impact on stated first preferences
- There is no simple or single prescription to achieve financially sustainable extended, flexible provision. Each school takes a different journey depending on their particular circumstances.
- There is no single model for delivery of extended hours: pilots included schools expanding their own direct provision; working with PVI's, Children's Centres and other providers; and working towards a hub of dedicated EYFS provision.

Some key issues for schools to tackle when extending nursery hours:

- Good financial and business planning for sustainability and understanding the full costs of the provision in the context of the whole school budget
- Achieving quality in provision through the deployment of Early Years Educator experience
- Achieving a close working relationship with parents that allows the school to understand and respond to a diversity of family needs in the locality and their changes over time
- Having an approach that permits employment development opportunities for school staff and parents
- Using a school's unique educational advantages to provide the best opportunities, environment and standards for children in the Early Years Foundation Stage
- Integrating EYFS extended hours within or alongside wraparound care for older children
- Preparing for the extended FEEE offer to some working parents from September 2017
- Balancing quality and cost within the EYFS Statutory Framework:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/335504/EYFS_framework_from_1_September_2014_with_clarification_note.pdf

2 Why 8-6 nurseries in schools

The drivers to establish extended hours nursery provision as part of the school offer come from many directions, reflecting the benefits to the child, their parents/carers, the family and the school of good quality provision matched by a badge of quality and consistency across the full nursery day and the child's pattern of attendance.

There is also a new driver for schools to consider extended and more flexible early years provision through the new Government's commitment to extend the number of funded early education hours available to working parents. From September 2017 eligible working parents will be able to access 1,140 hours/year (equivalent to 30 hours/week if delivered in term times only).

Benefits to the child

Flexible extended early learning provision in the school can more specifically benefit children through delivering:

- Continuity and consistency of high quality provision throughout the full day and across flexible patterns of use, creating a stable supportive learning environment and reducing the disruptions of patchwork childcare arrangements
- An age specific and, hence, improved out of core hours environment for younger children rather than being accommodated in pre and after school provision that caters for a wider and older age range.

Benefits to parents

- A flexible extended school offer enables parents to simplify the patchwork of childcare and costs that many face when they are working or studying
- It also streamlines logistics of drop-off and pick-up of children and, hence, removes additional stress and pressure from everyday routines
- Parents tend to trust a school environment and are reassured by the quality and standards of teaching and staff skills usually present
- Evaluation of the early education offer for disadvantaged two year olds found a positive impact on parent-child relationships when children attended good quality settings.²

Benefits to the family

- Flexible provision that fits family work patterns and is delivered in a trusted environment with streamlined logistics, removes a number of 'everyday' stresses and supports family wellbeing
- A common education setting for younger and older children that enables supportive relationships.

Benefits to the school

- Schools that offer extended nursery provision³ have reported measurable differences in the attainment and behaviour of the children who attend the nursery, particularly the more vulnerable
- A financially sustainable delivery model, built on knowledge of local family needs, can inform decisions about the school's role, function and activities within its catchment area.

²Smith, R et al. Early education Pilot for Two year Old Children. DCSF Research Report RR134. 2009

³ From case studies collected by the DfE in 2014

3 Overview of tools included in the toolkit

The tools that have been developed in collaboration with the schools in the pilot are intended to:

- ensure financial sustainability
- be set within the context of the school's own objectives and values
- place quality, benefits to children and value for money at the heart of the offer.

They were produced in draft and amended after consultation and trialling by the pilot schools.

Although the tools that have been developed are all included in this one toolkit, they are designed for schools to take out for use as individual documents and according to their own requirements. They are not set in tablets of stone and schools should feel free to adapt them.

3.1 Business planning template (Appendix 1)

The business planning template is one of the standalone documents. Its purpose is to:

- Give a structure to the proposed provision and take schools through the necessary steps and actions that will be required to develop a full picture of sustainable provision
- It can be adapted to the needs of an individual school.

3.2 Financial modelling & guidance (External document and Appendix 2)

Good financial modelling is critical to any sustainable early years and childcare provision and FCT have, therefore, developed a self-calculating Excel workbook. It should be read in conjunction with the guidelines which are contained in **Appendix 2**.

It is designed to:

- Help schools undertake financial planning and monitoring
- Calculate staff ratios, occupancy, income and expenditure⁴
- The workbook itself is accessible as an external document to this toolkit.

3.3 Setting up a nursery (Appendix 3)

There are many legal and other issues to tackle when a school embarks on setting up a nursery for the first time.

The tool in **Appendix 3** includes the essential issues that schools should consider when starting a new early years provision.

3.4 FAQs: Schools and two year olds (Appendix 4)

Schools have been encouraged to offer or create places to two year olds who are entitled to the Free Early Education Entitlement (FEEE).

The FAQs document in Appendix 4 answers questions about:

⁴ The financial modelling toolkit explains ratios for children aged two, three, four and five; further information about ratios can be found in the EYFS Statutory Framework https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/335504/EYFS_framework_from_1_September_2014_with_clarification_note.pdf

- How this might work for them
- What they need to put in place to ensure a high quality place for the children
- How to develop a sustainable provision for the school.

3.5 Assessing Parental demand and a marketing strategy (Appendix 5 & 6)

Knowing local parental demand for early education and childcare and having a good marketing strategy are key elements of ensuring that a school's offer meets parental need and attracts parents who might be interested in and need the extended hours for their child. Appendices 5 and 6 are intended to help schools measure demand and market their offer.

3.6 Parental contract financial elements (Appendix 7)

Schools are often concerned about ensuring that they get it right in respect the agreement they have with parents if they are paying for additional hours. The toolkit includes a draft parental contract template in Appendix 7.

3.7 Help with Childcare costs

Family and Childcare Trust has extensive research evidence that demonstrates that many parents continue to be unaware of the help that is available to them to pay for childcare costs.

Further information and downloadable resources on help with childcare costs can be found on the Family and Childcare Trust website: <http://www.familyandchildcaretrust.org/help-childcare-costs-0>

3.8 Other tools (Appendix 8)

The other tools section includes:

- The likely features of sustainable provision – DfE document (2014)
- Early Years Pupil Premium documents (provided through the Knowledge Hub)
- DfE Q&A sheet
- Letter to parents
- Form for parents.

Case Studies

4 Case studies

1 Embedding an extended early education offer in the school system

2 Getting the environment right for younger children

3 Engaging with parents

4 Business planning for quality and cost

5 Knowing the market and understanding the school's place in it

A word on the case studies...

The case studies are composites drawn from the experiences of schools participating in the pilot. This approach has been taken for two reasons:

- It is more relevant for the themes chosen and allows the studies to draw on wider experiences
- It avoids prescribing a 'right' or 'wrong' way to approach the process. The journey – and distance travelled - that each of the schools embarked upon was influenced by many factors that would, inevitably, dictate the course taken and the particular issues each school needed to tackle.

Case Study 1

Embedding an extended early education offer in the school system

The key issues raised in the planning processes with school leadership and governors were:

- Achieving buy-in to an extended day at all levels in the school from staff in the nursery, Senior Leadership Teams and Governors
- The option of a Foundation Stage out of core hours provision⁵ to include nursery and reception children
- Achieving excellence in early years education as a primary school and placing early years at the core of the school ethos.

Presenting issue A: Heads of primary schools were fully behind the offer but both the nursery staff, in particular the nursery teacher, and Governors were less convinced that it was an acceptable and viable option for the school.

Resolution: Examples of outstanding providers in the PVI and maintained sector⁶ were used to convince the teacher and nursery staff that a high quality early education experience could be provided by early years educators and that there could be an effective handover between out of core hours staff to those staffing core hours and vice-versa (there is often crossover of staff in any case). A strong business case was presented to Governors to reassure them that the offer would not negatively impact on the school's finances and, that, on the contrary, unit costing showed that the additional hours were viable and that the school's place in the local childcare market was adversely affected by the inability to meet parental need for longer hours.

Presenting issue B: Prior to the pilot primary schools ran traditional breakfast and after-school clubs which nursery children attended. Hence, three and four year olds attended a provision that included children as old as eleven, with no particular focus on early learning or the EYFS. There were two strong but conflicting positions amongst schools in the pilot on this issue: placing children's wellbeing at the heart of provision vs creating a more relaxed family atmosphere out of core hours.

Resolution: An important factor resolving this issue was the differentiation between a before or after-school club for all ages and a whole day provision that truly met the welfare and early education needs of young children and was firmly set in the context of EYFS, thereby taking into account the learning and environmental needs of young children at different times in a long day. Instead of opting for an 8-6 provision for only nursery children, schools understood the potential value of creating a Foundation stage unit for out of core hours that could accommodate children aged two (or three) to five. Participating began planning provision to take account of the needs of distinct developmental stages in the cohort. There developed an understanding in the course of the pilot that the concept of a more relaxed family atmosphere (mixing age groups up to and including Reception year) might be better conceived of as a more homelike environment for young children towards the end of the day and that this involves addressing the layout and furnishings in the space.

⁵ A Foundation Stage out of core hours provision accommodates children from two year through to five years in Reception Class i.e. all children in the Early Years Foundation Stage

⁶ This term is used to embrace both maintained nursery schools and nursery classes in maintained schools

Presenting issue C: Primary schools reported that the extension of hours to create an 8-6 provision caused them to explore their approach to early years and consider whether they required support to develop more in-depth expertise in order to deliver excellence for the under-fives age group.

Resolution: The pilot provided the opportunity to share experience across different types of setting and in two of the boroughs maintained nursery schools were participants. Those nurseries were already working together to develop an early excellence hub model, a part of their own long-term sustainability, through which they will offer their specialist expertise in early years education to other providers across the sector, including schools, PVI providers and childminders. One group of nurseries has already established a Nursery Schools Training and Development Consortium which will offer:

- Accredited and non-accredited training
- Support for settings
- Early Years Conference
- The opportunity for staff to become associate trainers.

One key objective is the development of a key partnership with the local authority to supplement the reduced support through quality teams in the current financial climate.

This future opportunity was welcomed by schools as option for supporting their own quality in nursery provision and learning from this model that could be rolled out across the country.

Case Study 2

Getting the environment right for younger children

The key issues raised in the planning processes with both school leadership and governors were:

- How to effectively plan for a longer day to cope with the different needs of children at different times in the day
- Getting the environment right for two year olds when nurseries were providing Free Early Education Entitlement (FEEE) for this age group for the first time; or offering paying places for two year olds as part of the new extended hours provision

Presenting issue A. Heads, Governors and Early Years leads were concerned that the longer day was challenging for two, three and four year olds and that they felt inexperienced at planning the Early Years Foundation Stage (EYFS) over an 8-6 day. Furthermore, the schools were particularly worried about the effect on children with Special Educational Needs and Disabilities (SEND) of the extended time they might spend in the nursery.

Resolution: the experience of maintained nurseries and the Private, Voluntary and Independent (PVI) sector who have been offering full day early education for some years brought useful suggestions to the thinking around this issue. Examples of that were:

- Careful planning of the physical environment, including thinking about the colours used in rooms and the furnishings in different areas. One nursery gave the example of soft colour shades in some areas for a calming effect and carpeting and comfortable seating to create a more home like environment in another for later use in the day. Consideration was also given to creating a space where the youngest children, in particular two year olds, could sleep when needed and in a comfortable and suitable space
- One school decided that the out of core hours⁷ provision would be offered in a separate space from the nursery so that the children could experience a different outside space and indoor environment from the core hours and to combine this with early learning through trips and off site activities such as the forest school
- Another school proposes to concentrate on the EYFS three prime areas of learning in the out of core hours (these being communication and language; physical development; and personal, social and emotional development) as a means of creating a less pressurised learning environment for the children.

Presenting issue B: a number of the schools in the pilot decided to explore the option of places for two year olds who were entitled to FEEE and/or paying two year olds as part of the extended provision but were concerned that they lacked the expertise in delivering early learning to that age group and were less certain about how to get the physical environment right.

Resolution: Schools have derived considerable benefits from drawing upon the experience of and visiting established two year old provision run by other schools and providers across

⁷ The term out of core hours provision was used throughout the pilot to shift thinking away from full-time being the core school day and to embed the concept of the whole day being part of the EYFS rather than additional hours being considered as wraparound

the sector. There are also a number of excellent resources available about two year olds and their needs which schools can access.⁸ One of these specifically deals with the physical environment.⁹

In brief, key factors to consider when thinking about delivering early education to two year olds are:

- There is significant acceleration of brain and neurological development in that age group and the environment and activities need to stimulate that development to the maximum
- Two year olds are and need to be very active. The space and activities need to provide opportunities for all the things that two year olds like to do: jumping, hopping, digging and sweeping, washing windows, pushing a wheelbarrow or truck, throwing a ball, filling and lifting a bucket, carrying heavy objects, dancing and running. Settings report that they have lots of schemas¹⁰ being used in play and learning for that age group
- The space should allow two year olds to move freely and easily between the indoor and outdoor spaces
- Staff working with two year olds benefit from specialist training and support on brain development and the two year old developmental stage. It is likely that some children will start a placement with a level of developmental delay, particularly in areas of Personal, Social and Emotional Development (PSED) and a clear understanding of how to support children to catch up with their peers is important. Equally crucial is an understanding of how to sensitively raise with parents the question of, for example, language delay caused by the use of dummies or poor diet that has led to tooth decay
- Settings report that they have had to learn to stand back and observe a lot more with two year olds than they would with three and four year olds; one local authority coined the phrase “the standby practitioner” to reflect this
- Good nutrition is important for all children but, in the very early years, it is critical to the child’s later growth, development and achievement. The two year old offer provides an ideal opportunity to encourage healthy eating and work in partnership with parents. Some settings have created a community garden in their outside space where parents work alongside their children to grow food products that they can then take home. This has been very successful particularly where families have no access to their own outdoor space. In fact, one school reported that, whatever developments took place regarding expansion of the provision, their outside space remained protected as a community and child-friendly resource.¹¹

⁸<http://lincolnshiremontessori.co.uk/uploads/pdf/being-and-becoming-under-threes-in-focus.pdf>;

<https://www.leyf.org.uk/blog/wp-content/uploads/2014/02/The-Twoness-of-Twos-Final.pdf>

⁹ <http://www.communityplaythings.co.uk/learning-library/training-resources/a-good-place-to-be-two>

¹⁰ For an overview of schemas in play see <https://www.dorsetforyou.com/schemas>

¹¹ For more resources see <https://www.tes.co.uk/teaching-resource/early-years-in-schools-6393244>

Case Study 3

Engaging with parents

The key issues raised in the planning processes with school leadership and governors were:

- How to understand parental preferences and willingness and/or ability to pay and the potential role of parents in business planning
- A change in school ethos with the introduction of charging

Presenting issue A: A number of schools at the start of the pilot were only offering parents Free Early Education Entitlement (FEEE) places, with additional wraparound breakfast or after-school clubs, and had limited experience of business planning consultation with parents around preferences and ability to pay. This contributed, in some cases, to low expectations of take-up for an extended offer and led to concerns over access for low income families.

Resolution: Critical factors in schools shifting their thinking were:

- The demand surveys carried out for the purposes of the pilot provided clear – often unexpected – evidence of parental demand for additional hours
- The parental consultation process also uncovered the patchwork of provision that some parents, particularly full-time working parents, were using
- In one school with low expectations of take-up, it was a revelation to find out that one of their families was employing a childminder in the morning to take their child to the school for FEEE hours and again at lunchtime to transfer the child to a private nursery in the afternoon
- This resulted in an immediate mini-pilot to provide top-up hours
- The pilot demand survey exercises also provided an opportunity for parents to be more actively (and meaningfully) involved in nursery planning. Examples included:
 - compiling and/or piloting surveys
 - becoming involved in marketing activities
 - working in task groups with Governors and senior staff to develop provision
- A broader perspective of the school as a business may also raise opportunities to consider the role it might take in working with local people to create training and/or job opportunities. This might, for example, be in extending training opportunities with existing TAs to be trained in early years or to think about how the school might work with local childminders or childminder networks to provide flexible staff cover where required.

Presenting issue B: Head teachers, Governors and nursery staff were concerned that development of a full business model, in which charges were based on true cost of the additional hours would discourage parents who were less able to pay and create demand for nursery places from those most able to pay. In particular, it was felt that this could change the atmosphere of the nursery and create distinctions between children of paying and non-paying parents, as well as potentially create an imbalance in the social mix in the nursery.

Resolution: Key elements of the pilot work that developed thinking and changed approach were:

- Participating schools benefited from the experience of, and discussions with, schools that already charge for additional hours which demonstrated where fears may be overstated
- A general conclusion was that, where a school is providing quality care and operates in a transparent way, children will receive the same standard of provision, whatever their family income, and parents would have no cause to be privy to each other's financial affairs
- Using research data to show that there remain significant numbers of parents who are either not aware of their entitlement to help with childcare costs or do not access that entitlement, and that schools could adopt a proactive role to ensure that FEEE hours are taken up
- Schools, as a result, looked at how information on help with childcare costs could be embedded in the schools admission systems in order that parents' decisions about affordability of charges be based on a true understanding of how much they would pay
- An example of an information note that could be used for parents is included in the appendices
- Exploring how good business planning need not detract from the ethos of the school, but could inform that ethos by e.g. allowing informed decisions about charging, whereby there may, for instance, be a sliding scale to accommodate the needs of parents who were less financially advantaged
- This can accommodate the changing demographics of a school area through the influx of new families or regeneration.

Case Study 4

Business planning for quality and cost

The key issues raised in the planning processes with school leadership and governors were:

- Working with unfamiliar business/planning concepts (sometimes without requisite skills)
- Business planning and the access vs cost dichotomy (concerns over a two tiered system geared to those who can pay extra rather than those who can't)

Presenting issue A: As one Head described in the pilot:

'I started life as a primary school teacher and here I am trying to make sense of architect's plans, space and place planning, and pricing mechanisms!'

Not all schools have business managers with costing, budget and spreadsheet skills, and the skills to undertake business planning may not be widespread within the school.

Resolution: A key element of the pilot work was the development of a collaborative process within the school which was supported through the development of tools included in the toolkit to provide practical support and build confidence. This approach:

- Involved the participation of key stakeholders across the school from the start of the delivery planning, including the Head, SLT/SMT, Governors, business managers and Early Years leads and practitioners, in order to ensure that the decision-making process was shared across these many roles. One school recognised that representation of the nursery was siloed into limited roles at SLT level and would benefit from a lateral approach that spread responsibility across wider functions to create a stronger sense of shared interest and accountability
- Permitted the draft tools in the toolkit to be developed with key staff, road tested in schools and amended to best meet their needs
- Provided tools to help calculate financial costs (an issue which was central to the pilot and key to informing potential charges, the break-even point and the capacity to deliver more affordable charges for parents in lower income brackets). The financial spreadsheet covers nursery expenditure, children and ratios (staff needed to meet ratio requirements at the different points in the day, depending on how many children are present), accumulative income (providing a weekly total), accumulative expenditure and monthly budgets (to ensure that income and expenditure is tracked so that increases in expenditure or decreases in income against budget can be easily identified)
- Assisted in calculating the full cost of their existing nursery provision. Some core costs (such as building and utilities) were difficult to identify from whole school budgets (but are also big costings advantages compared with private providers' rent and rates expenses). As it may not be possible to extract these figures, the spreadsheet tool is based on calculating the square footage of the nursery as a proportion of the whole building. This was a particular issue for many of the schools taking part in the pilot
- Covered less familiar processes through tools dealing with ways to find out about demand and provided marketing advice.

Presenting issue B: Even where business planning skills are in place, the school's decisions will reflect the wider issues of quality and access as well as cost. Head teachers, Governors and staff were sometimes concerned that development of a full business model in which charges were based on true cost of the additional hours would create demand from those most able to pay parents and restrict access to those who could not.

Resolution: Key elements of the pilot work that developed thinking and changed approach were:

- Exploring how good business planning needs not to detract from the ethos of the school but could inform that ethos by allowing informed decisions about charging whereby there may be a sliding scale or discounting system to accommodate the needs of parents across earnings brackets
- The tool covering financial elements of parent contracts explores the options within the context of the school's own decisions on what it should charge for and the levels of fees, with advice that these will reflect:
 - The demography of the area – particularly income diversity – and the school's role/aim as a local provider/community anchor within the local population and for local workers
 - The vision and objectives for the nursery
 - The targets to achieve financial sustainability
 - The capacity and/or willingness of parents to pay (based on consultation and market research)
 - The need to balance charging policies with divergent family incomes – maintaining affordability for those on low incomes whilst avoiding undercharging
 - Using payments as incentives or deterrents to manage use of the nursery (e.g. refundable deposits to secure a place where demand is high, discounts for hard-to-fill sessions, timekeeping penalties to encourage compliance with your terms)
 - The use and extent of discretion in particular circumstances.

The use of discounting and discretionary approaches is, again, unfamiliar territory and raised questions about whether and how such measures can be applied fairly. Schools are advised to give some thought to deciding how criteria will be applied so that the policy is clear about when, how and by whom these tools can be used; and to ensure that the policy is transparent in how it's applied and reviewed regularly.

Case Study 5

Knowing the market and understanding the school's place in it

The key issues raised in the planning processes with school leadership and governors were:

- Adapting to a new view about the school: an outward-facing brand posing ethical dilemmas or creating unique selling points?
- Schools as part of a wider childcare sector in a competitive mixed economy of provision

Presenting issue A: School admission systems operate outside and beyond the schools' own structures so the need to be proactive and compete with other providers, primarily in the private sector, can be both unfamiliar and uncomfortable. Heads expressed concern that the shift to a planned and costed charging policy signalled the establishment of the school as a business and raised ethical concerns about their traditional status as a public good and their role as an accessible community provider.

Resolution: Critical factors in schools shifting their thinking were:

- The business planning process itself challenged some of these concerns. The demand surveys highlighted willingness amongst many parents (and not necessarily 'high' earners) to pay more than a nominal sum for high quality provision and, in some cases, a clear indication of an intention to place their child at another setting if they could not access the type of flexible and longer care they required.
- The pilot has emphasised throughout that the potential benefits of extended provision come from a range of perspectives: a better start for children, easing pressures on the family, and being able to address (and hopefully ameliorate) developmental or behavioural issues before children reach reception (at whatever school they attend). The evidence of demand and the potential to deliver high quality early education also provide a strong case for schools' delivery of extended hours.
- In addition, the capacity of schools to compete on cost whilst providing high quality early education with the input of registered teachers within a wider learning environment enjoying good indoor and outdoor space provides a unique selling point for schools.
- Discussions held in mixed groups of participating schools made the strong case for age appropriate out of core hours provision for Foundation Stage children and that this was an equally important element of the school's place as an anchor of the community that needed to be developed through business planning. This would ensure that the school could provide high quality age appropriate early years and childcare that was sustainable.

Presenting issue B: Although schools are part of the mixed economy of local early education and childcare, it was clear from the pilot work that primary schools, in particular, may be missing out on the benefits of a structural relationship with other parts of the sector. The absence of this results in the schools being unaware of how other providers operate and deliver early education, missed opportunities in respect of collaborative relationships with other providers and a lack of understanding on how parents make decisions about which type of early education and childcare their children will attend. This was particularly pertinent for schools whose nursery rolls were falling, leading to them operating at significantly under full capacity.

Resolution:

- The surveys allowed schools to have a better understanding as to how parental decisions about placing their children took account of the whole local market and thus allowed them to reach a conclusion that they required more intelligence about other providers in their locality. In one borough, the local authority provided local data from the childcare sufficiency research so that schools could develop a unique selling point with an emphasis on high quality in a school setting. The demand surveys demonstrated that parents gave importance to quality and felt schools were pivotal in this.
- Furthermore, the approach in the pilot of collaboration across the participants and work undertaken to demystify the modern role of childminders (as highly qualified early educators) assisted in building local relationships and the development of insights into options for future and important collaboration. Examples include:
 - A joint Maintained Nursery School & Children's Centre/school collaboration to create a fully flexible 8-6 offer for two year olds on the school site provided by the Nursery & Children's Centre; the school had a potential site for the two year old offer but did not wish to deliver the offer itself. The building was, however, in the Hub of a local Children's Centre and the proposal involved the delivery of the offer by the Nursery & Children's Centre on the school premises under the auspices of its own Ofsted registration¹² but working in close collaboration with the school
 - Schools exploring how they should work more closely with other providers, including childminders where different providers look after the same child at different points across an 8-6 day and tackling issues of smooth transition between providers
 - Maintained nurseries considering where they could develop an extended day for children who attend local primary schools which do not have a flexible or extended offer
 - Schools developing an understanding of the true financial cost to themselves of falling nursery rolls and the impact on the wellbeing of parents and children when the needs of the different ages of children cannot be accommodated on the same site.

¹² The Small Business, Enterprise and Employment Act 2015: a registered provider can transport their Ofsted registration to a new site without the requirement to register again on the new site

The Tools

5 Appendices

Appendix 1

Business Planning template

5.1 Appendix 1: Business planning template

The template in the following pages contains the draft contents and structure for a business plan. The template can be extracted and amended by schools to meet their own purposes. The text in italics in each section covers suggested themes that the school might want to tackle in that part of the plan.

Extended and flexible nursery hours

Business Plan [Please insert name of your organisation and date of plan]

1. Introduction

- Context about the nursery/school and the children who attend
- Context about the direction that the school wants to take nursery provision
- How the proposal to offer early education over extended hours and flexibly fits into the overall development plan for the nursery/school, including with other forms of childcare offered

2. Why extended hours in nurseries?

For example:

- Increasing capacity and sustainability of nursery
- Maximising capacity in main school population
- Tackling issues arising from deprivation and other demographic factors in the school area
- Meeting parents' needs for flexible and extended provision
- Streamlining drop off and pick up of children where there are older children in the school
- Establishing the school as a focal point for the local community

3. Delivering the entitlement

3.1 Assessment of demand

Priority 1: Strategy/how to go about assessing demand	
What do you know about the demographics of your local area, your school population and your existing catchment area?	
Do you want to change your existing catchment area and/or target different families within it?	
What do you know about why parents choose your nursery above others or choose not to come to your nursery?	
What do you already know about demand for additional hours and willingness to pay?	
What systems do you have in place for following up with parents who express an interest in some kind of provision e.g. an after-school club and don't take up the opportunity when it is provided?	

<p>What do you know about the capacity of your parents to complete traditional surveys?</p>	
<p>Have you used any other means of consulting with parents to overcome e.g. literacy and language issues and what are these?</p>	
<p>Have you ever tried to consult with parents who are not part of your current school population?</p>	

Insert results of parental demand survey.

3.2 Project management and leadership

For example: Describe the project management and leadership arrangements: who will be leading the planning on behalf of the nursery/school. Describe the team supporting the project manager and how financial and other expertise is being provided. Describe the involvement of the Governing Body.

Assess the capacity to deliver and how any shortfalls will be addressed. If there are transitional arrangements to be managed describe how this will be done.

The suggested Actions are designed to ensure that all activities are covered and can be amended as necessary.

Project management and leadership						
Actions	Lead & Partners to be Engaged	Resources allocated	Milestones and Timescales	Monitoring and Progress Update Arrangements	Links to Other Plans	Other
Assessing the demand						
Shaping the offer						
Agree the final offer						
Marketing the offer						
Analyse, review and adapt, where appropriate/necessary the offer						
Deliver the offer						



3.3 Getting the legalities right

For example:

Contractual issues for current staff, including caretakers, cleaners and catering

Meeting EYFS staffing and space requirements

If planning on providing for two year olds, meeting all the requirements for that age group, including possible registration

If setting up new provision, consideration of TUPE, contractual and leasing arrangements, possible registration

Getting the legalities right					
Actions	Lead & Partners to be Engaged	Resources allocated	Milestones and Timescales	Monitoring and Progress Update Arrangements	Links to Other Plans

3.4 Description of the provision

For example:

Staffing ratios, qualifications and numbers and contingency planning for staff absence

Opening times

Flexibility of offer

Curriculum planning across the day and week

If decisions not yet made, agree responsibilities and time scales

The provision					
Actions	Lead & Partners to be Engaged	Resources allocated	Milestones and Timescales	Monitoring and Progress Update Arrangements	Links to Other Plans

3.5 Creating a suitable environment

For example:

Sleeping arrangements, quiet spaces for three and four year olds who are in full days

For two year olds, physical and learning environment for that developmental stage

Getting the balance right between places for children of parents who can pay for additional hours and those who cannot

Ensuring that the environment and delivery is inclusive for children with SEND, whether previously identified or not

Suitable environment					
Actions	Lead & Partners to be Engaged	Resources allocated	Milestones and Timescales	Monitoring and Progress Update Arrangements	Links to Other Plans



3.6 Management and staffing

For example:

*Agreeing management structures and processes; staffing levels and qualifications; recruitment process; planning for staff absence
Accountability arrangements*

Management and staffing					
Actions	Lead & Partners to be Engaged	Resources allocated	Milestones and Timescales	Monitoring and Progress Update Arrangements	Links to Other Plans

3.7 Financial planning to support delivery

For example:

Identifying set up costs

Getting an annual revenue budget including occupancy planning, calculating a breakeven point and charges (including decisions to subsidise places).

Other potential sources of funding or sponsorship

Capital programme – is capital investment needed? Has this been properly costed? Who is providing financial support (is a grant application needed?). Time scales for getting funding in place and carrying out work. Do any existing services need relocating?

Financial planning: revenue					
Actions	Lead & Partners to be Engaged	Resources allocated	Milestones and Timescales	Monitoring and Progress Update Arrangements	Links to Other Plans

Financial planning: capital						
Actions	Lead & Partners to be Engaged	Resources allocated	Milestones and Timescales	Monitoring and Progress Update Arrangements	Links to Other Plans	Other



3.8 Communication and marketing

For example:

Partnership working protocols – partners identified, working arrangements agreed and protocols in place where needed

Marketing – need for marketing strategy assessed and arrangements in place to deliver if necessary

Communication of offer, admission criteria and expectations to parents

The role/adaptation of website and use of social media

Communication and delivery					
Actions	Lead & Partners to be Engaged	Resources allocated	Milestones and Timescales	Monitoring and Progress Update Arrangements	Links to Other Plans



3.9 Administrative systems to support the provision

Assessment of the extent to which existing processes will support future requirements, preparation of a plan to make appropriate changes and implementation of the plan to effect changes if needed

Administrative systems						
Actions	Lead & Partners to be Engaged	Resources allocated	Milestones and Timescales	Monitoring and Progress Update Arrangements	Links to Other Plans	



3.10 Future planning

Keeping on top of demand and supply

Step expansion of extended offer hours

Planning for different governance

Planning for extending age range e.g. to include two year olds

Planning for all year round provision

Future planning						
Actions	Lead & Partners to be Engaged	Resources allocated	Milestones and Timescales	Monitoring and Progress Update Arrangements	Links to Other Plans	



4. Risk assessment

For example:

Reduction or increase of local or national universal free early education hours, introduction of two year old offer to the nursery, demand emanates from paying parents, bulging reception class, transition, sustainability

Risk Assessment						
Risk	Impact	Likelihood	Initial RAG	Mitigation	Revised RAG	

5. Appendices

The following appendices are optional:

- Equality Impact Assessment
- Demand survey analysis
- Work plan

Appendix 2

Guide to using the financial planning workbook

5.2 Appendix 2: Guide to using the financial calculation spreadsheet

1. Introduction

The financial modelling tool is provided in a separate Excel document so that it can be used by schools in their financial planning and management. This section includes snapshots of the sheets for information and to accompany the following advice on its use.

The financial modelling workbook is designed to:

- Permit financial planning throughout the year
- Allow a school or nursery to reach broad conclusions about unit costs
- Inform their future financial planning for sustainability and charging policies.

You do not have to complete the whole workbook in one sitting or use all of it if you only feel some sheets are useful.

This sheet:

- Should be used to calculate the overall expenditure relating to the nursery and includes a formula for apportioning costs to the nursery where it is part of a school or another building where there are other services.
- Will calculate the percentage occupancy of the nursery and, once you input the whole costs for e.g. utilities, the percentage of apportioned cost will be automatically applied.

You need to know the square footage of the nursery and the whole building and input these. The spreadsheet will then calculate costs accordingly.

There are examples of names of staff and salaries but you can simply remove these and input your real data.

2. Sheets 2 and 3: Children, ratios and income

These sheets allow you to:

- Calculate in one place how many staff you need to meet ratio requirements at the different points in the day, depending on how many children are present.
- Capture staffing levels required for actual numbers of children rather than the capacity of the nursery. This is important in financial modelling since staff is a high cost and overstaffing can threaten sustainability.
- Calculate the income from FEEE and paid hours for each child.

Number of children, age group & ratios	Mon					Tuesday				
	8-9 am	Core hours a.m.	Core hours p.m.	Core hours (full school nursery day)	End of core hours - 6pm	8-9 am	Core hours a.m.	Core hours p.m.	Core hours (full school nursery day)	End of core hours - 6pm
3 - 5 years										
Number of available spaces (3-5) ratio 1:8										
Number of actual children ratio 1:8										
Number of staff ratio 1:8 (actual children)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of staff ratio 1:8 (full occupancy)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of available spaces (3-5) ratio 1:13										
Number of actual children ratio 1:13										
Number of staff ratio 1:13 (actual children)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of staff ratio 1:13 (full occupancy)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of vacancies ratio 1:8	0	0	0	0	0	0	0	0	0	0
Number of vacancies ratio 1:13	0	0	0	0	0	0	0	0	0	0
2 years										
Number of available spaces 2 years										
Number of actual children										
Number of staff ratio 1:4 (actual children)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of staff ratio 1:4 (full occupancy)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of vacancies	0	0	0	0	0	0	0	0	0	0
Under twos										
Number of available spaces under 2s										
Number of actual children										
Number of staff ratio 1:3 (actual children)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of staff ratio 1:3 (full occupancy)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of vacancies	0	0	0	0	0	0	0	0	0	0

The ratios are set out as per the presence of a qualified teacher (QTS) for three to five year olds or where the provision is staffed without a QTS out of core hours. Five year olds are included because of the option to include reception children in the out of core hours provision, thereby creating a Foundation Stage Unit for out of core hours early education and childcare.

Friday													
8-9 am	Core hours a.m.	Core hours p.m.	Core hours (full school nursery day)	End of core hours - 6pm	Total hours	FEEE Hours	Hours charged	FEEE hourly rate	Total FEEE income	Charge per hour for charged hours	Total charged hours income	EYPP Income	Total Income
					23.5	15	8.5	5.00	75	7.25	61.63	7.95	136.63
					21		21		0	7.25	152.25		152.25
					0		0		0		0		0

The amount received from the local authority per child for the Free Early Education Entitlement (FEEE) at the different rates per age will need to be entered in column AF in the sheet and the hourly rate charged for additional hours in column AH. The Early Years Pupil Premium (EYPP) is £7.95 per child per week for 2015-16 but this will need to be changed if this rises in future years. Once again, the names that are in the sheet are just to demonstrate how it works.

This sheet is intended to be used on an ongoing basis.

3. Sheet 4: Accumulative income

This sheet requires manual inputting with the data on the previous sheets. It will provide a weekly total.

Yearly accumulative income	Week commencing	Number FEEE hours	Number charged hours	TOTAL Income FEEE	TOTAL INCOME Charged hours	TOTAL Other income	TOTAL EYPP income	TOTAL INCOME
Week 1		15.00	29.50	75.00	213.88			288.88
Week 2								0.00
Week 3								0.00
Week 4								0.00
Week 5								0.00
Week 6								0.00
Week 7								0.00
Week 8								0.00
Week 9								0.00
Week 10								0.00
Week 11								0.00
Week 12								0.00

4. Sheet 5: Accumulative expenditure

As per the income sheet, manual inputting of data is required and a weekly total will display automatically.

Yearly accumulative Expenditure	Week commencing	Staffing costs	Other costs	TOTAL Expenditure
Week 1				0.00
Week 2				0.00
Week 3				0.00
Week 4				0.00
Week 5				0.00
Week 6				0.00

5. Sheet 6: Monthly Budget Report

This is designed to ensure that income and expenditure is tracked so that increases in expenditure or decreases in income against budget can be easily identified. The figures in the sheet are, once again, illustrative and should be removed. It is shown here in two snapshots.

	April Budget	April Actual	May Budget	May Actual	June Budget	June Actual	July Budget	July Actual	Aug Budget	Aug Actual	Sept Budget
Fees											
3 & 4 year olds											
FEEE children											
Children purchasing hours											
2 year olds											
FEEE children											
Children purchasing hours											
Under 2s											
Children purchasing hours											
5 year olds											
Children purchasing hours											
Total all fee income											
Other income											
EYPP income											
Expenditure											
Staffing costs nursery											
Other expenditure											

Nov Actual	Dec Budget	Dec Actual	Jan Budget	Jan Actual	Feb Budget	Feb Actual	Mar Budget	Mar Actual	Budget to date	Actual to date	Variance
									0.00	0.00	0.00
									0.00	0.00	0.00
									0.00	0.00	0.00
									0.00	0.00	0.00
					2000.00	2500.00			2000.00	2500.00	-500.00
					2500.00	2500.00			2500.00	2500.00	0.00
									4500.00	5000.00	-500.00
									0.00	0.00	0.00
									0.00	0.00	0.00
									9000.00	10000.00	#####
											TOTAL
									0.00	0.00	0.00
									0.00	0.00	0.00
									0.00	0.00	0.00
											TOTAL

Appendix 3

Setting up or extending Early Years Provision in Schools

5.3 Appendix 3: Setting up or extending early years provision in schools

Schools can provide early years and childcare services onsite, off site and in partnership.

Governance/organisational option	Detail
Nursery Class	Set up as part of the school for age groups two to four or three to four and is direct provision of the school with children being pupils of the school
Governor run Preschool/Nursery	For age groups 0- four, two to four or three to four that is managed by the school or by a separate governance structure. Set up by the school, set up by governing bodies that use the power given to them in the 2002 Education Act to set up and run extended services. The preschool/nursery could be organised as a Foundation Stage Unit (FSU) or as a standalone group.
Foundation Stage Unit	Formed of a combined maintained nursery class (or governor run preschool/nursery) and reception class to collaborate, share, communicate and integrate to provide high-quality effective provision across the whole foundation stage.
Partnership Foundation Stage Unit (PFSU)	Two management structures: a preschool/nursery on site run by a Private, Voluntary and Independent (PVI) provider and reception class that are integrated for age groups two to five, or three to five (the PVI managed under its own management arrangements and the reception class managed by the school). The defining factor of a PFSU is the integration of children and staff from an early years provision with children on the school roll.
Separate Preschool /Nursery	On school site or nearby with its own management/ownership arrangements for ages 0- four, two to four or three to four.

A PFSU may operate as:

- **Fully Integrated:** both providers share the same internal and external physical space.
- **Semi-Integrated:** the physical space has the potential to accommodate fully integrated practice but providers choose to work independently for all or part of the day.

As a result of changes made by the **Small Business, Enterprise and Employment Act 2015**, from early 2016 – once new regulations are published - childminders will be able to register with Ofsted to work from school sites and could run before school, after-school and holiday care. The Act also made it possible for childcare providers who are registered on one site to open on another without having to register again with Ofsted. Hence, a PVI provider which is registered elsewhere can bring their registration with them to a building on the school site or nearby.

There is a non-statutory process for schools wishing to extend their age ranges by up to two years (for example from 4-11 down to 2-11) and this would be the process to be followed if a school is starting a new nursery class and already has a Reception Class.

Whichever route a school selects, it is very important to seek advice from the local authority at the earliest point when consideration is being given to establishing nursery age provision.

Things to consider:

- The age range of the provision
- Lowering the school age range¹³
- Having in place a robust business plan and sustainable financial model, including for additional hours for which the school may charge
- Demand
- The local early years and childcare market
- The hours and weeks of opening
- Staffing and recruitment
- Marketing
- Funding and administrative arrangements - schools can charge for early years education over and above FEEE hours
- Practicalities e.g. accommodating children for school meals, other additional space requirements, equipment and outside space.

Taking over an existing separately run pre-school/nursery on a school site or near the school

If the school is considering taking over an existing separately run nursery, the following are things to consider:

- Lease/building issues: for instance, terminating the lease, ownership of the building
- Does Transfer of undertakings (Protection of Employment) (TUPE) apply?
- Ofsted registration process
- Having in place a robust business plan and sustainable financial model, including for additional hours for which the school may charge
- Demand
- The local early years and childcare market
- The hours and weeks of opening
- Staffing and recruitment
- Marketing
- Funding and administrative arrangements.

¹³ The upper or lower age limit can be altered by up to two years (except for adding or removing a sixth form) without following a formal statutory process: (Schools Organisation Guidance January 2014)

Ofsted and Inspection

Where a school delivers direct provision and there is at least one pupil of the school present, from 26 May 2015, there will no longer be a requirement for them to register with Ofsted separately on the Early Years Register in order to offer two, three or four year old places.¹⁴

If early years places are not delivered directly by the school, or there are no pupils of the school present in the provision, registration will be required, either by the school or the PVI provider (unless that provider is transporting their registration from another site).

Details of the registration process are contained in the School delivering the free early education entitlement for two year olds Frequently Asked Questions section of this toolkit.

From September 2014, Ofsted have introduced a separate early years judgement into whole school inspections. More details on how Ofsted inspect the early years in schools can be found in the [Inspecting Schools: Handbook for Inspectors](#).

A school that extends the age range of its pupils into a **new key stage** is normally inspected, under Section 5, after one calendar year and within the second year after the change. This policy does not apply where a school already includes nursery provision and extends the age range downwards to include two year olds.

However, as with all schools, Her Majesty's Chief Inspector (HMCI) can exercise their powers under Section 8 to inspect a school at any time where there are concerns about the school.

The role of the local authority

The local authority can advise schools on setting up a nursery and must be involved in the statutory process when setting up a maintained nursery. The local authority is responsible for distributing funding for Free Early Education Entitlement (FEEE) places to schools and can assist schools with intelligence about the local childcare market and marketing the provision through its channels. Local authorities cannot refuse to fund places in good or outstanding schools where there is demand from parents for places. They can, additionally, fund places in Requiring Improvement schools if there are insufficient places in good and outstanding Schools.

Funding

Some two year olds and all three and four year olds are entitled to 570 hours of FEEE per annum. This translates as 15 hours over 38 weeks but the offer can be stretched over more weeks if the provision is open for longer. The local authority will be able to tell schools how much the funding is per child per hour since this differs across the country and the local Single Funding Formula (SFF) which determines how much settings are paid, often includes differentials between different types of provision.

Following the May 2015 election, the Government announced its intention to legislate to introduce an extended entitlement for three and four year olds of 1,140 hours per annum. In addition to FEEE funding, schools also receive the early years pupil premium of £302.10 per annum per entitled child.

¹⁴ The Small Business, Enterprise and Employment Act removed the requirement for schools to register separately for two year old provision. This brings two year old provision in schools in line with three and four year old provision

Appendix 4

FAQs Two Year Old Free Early Education Offer

5.4 Appendix 4: FAQs – Schools and the two year old entitlement

Q: *What is the entitlement?*

A: 570 hours free early education (15 hours if taken over 38 weeks – can be taken over more weeks). Schools can decide on their own delivery models so, for instance, can offer term-time only or can decide to stretch the offer over up to 52 weeks (amounting to just under 11 hours each week). Similarly, how the 15 (or fewer hours) are offered is also a decision for the school. There are various models in operation e.g. 5 x 3 hours sessions, 3 x 5 hour sessions, 3 x 4 hours over 48 weeks and 2 x 7.5 hours.

Q: *Who is entitled?*

A: Two year olds whose parents are in receipt of one of the following benefits are entitled to a free early education place:

- Universal Credit
- Income support
- Income based Jobseekers Allowance
- Income related Employment and Support Allowance (if you are unable to work due to illness or disability)
- The guaranteed element of State Pension Credit
- Child Tax Credit and earn £16,190 or less per year
- Working Tax Credits (WTC) with a household income of less than £16,190 as assessed by HMRC
- Support under Part VI of the Immigration and Asylum Act 1999 (in essence, asylum seekers or failed asylum seekers)

In addition, places are free for children who:

- are looked after by their local authority
- have a current statement of special educational needs or an Education, Health and Care plan
- have left care through special guardianship or an adoption or residence order
- are in receipt of the Disability Living Allowance.

Q: *What funding is available?*

A: The amount received by each local authority is determined by the number of children accessing the offer in the local area (see below). The funding is in the Direct Schools Grant (DSG) and is not ring-fenced. Its expenditure is controlled by the local schools forum and decisions as to how it is deployed locally for expenditure on the two year old offer is at their behest.

Q: *How long will funding last and how is it worked out?*

A: This has been an initiative of both the previous and the current governments and the ongoing commitment to funding as part of the early intervention strategy has been reiterated on many occasions. Funding for the two year old programme is allocated to local authorities using the January census data (i.e. funding on the basis of number of children in places =

participation funding), with a mid-year second data count in the autumn term to adjust funding in-year to reflect any significant increases in take-up of the entitlement. The local hourly rate is set by the schools forum.

Q: *Who can deliver the offer?*

A: Registered providers that follow the Early Years Foundation Stage (EYFS) are able to deliver funded places to eligible two year olds. The current national position is that Outstanding and Good providers should be treated as a priority for places and, if there are insufficient places at settings of this quality, then provision that Requires Improvement can deliver the offer.

Q: *What is the statutory basis for a school delivering the offer?*

A: There are various statutory options for schools

Maintained Mainstream schools

- Making Changes to a Maintained Mainstream School using the procedures established by The Education and Inspections Act 2006 (EIA 2006) and further regulations by altering the lower age limit¹⁵. In this case the children become registered pupils of the school, as a result of the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013 and the subsequent School Organisation Guidance 2014
- Governing bodies are no longer required to follow a statutory process for the alterations set out in paragraph 1 [lowering the school age range by up to two years]. They are nevertheless required to adhere to the usual principles of public law: they must act rationally, they must take into account all relevant considerations and they must follow a fair procedure. The department expects that in making the changes set out in paragraph 1 governing bodies will:
 - Liaise with the LA and trustees/diocese (if any) to ensure that, where possible, a proposal is aligned with wider place planning/organisational arrangements, and that any necessary consents have been gained to ensure effective consultation with parents and other interested parties to gauge demand for their proposed change(s) and to provide them with sufficient opportunity to give their views.
 - Once proposed changes have been implemented, the governing body must inform the Secretary of State by ensuring that the department's Register of Educational Establishments (EduBase) is updated. Guidance on how schools and LAs can update EduBase is available at: <http://www.education.gov.uk/edubase/faq.xhtml>
- Use the 'community facilities' powers under Section 27 of the Education Act 2002 to develop separate provision, managed and delivered from within existing school governance structures
- Leasing school premises to an outside provider to deliver childcare and early education within the school's grounds

¹⁵ It is possible to alter the upper or lower age limit by up to two years (except for adding or removing a sixth form) without following a formal statutory process: (*Schools Organisation Guidance January 2014*)

- Commissioning an outside provider to deliver childcare and early education within the school's premises
- Commissioning an outside provider to deliver childcare and early education on a site near the school

Section 27(1) of the Education Act 2002 enables schools to provide a wide range of community facilities, including childcare/early education. The limits on the powers of the governing body under Section 27(1) have recently been reduced and they are now as follows.

Section 28(1) identifies the specific limitations and restrictions on the power as:

- Any limitations or restrictions contained in school's own instruments of government and
- Any limitations or restrictions in a local authority Scheme for Financing Schools (The Fair Funding Framework) made under section 48 of the School Standards and Framework Act 1998.

If they are making changes to the schools arrangements, maintained schools will still need to meet the requirements to which public bodies are subject. The schools are nevertheless required to adhere to the usual principles of public law: they must act rationally, take into account all relevant considerations and follow a fair procedure. They must also meet their duty under the Equality Act 2010 and have due regard to potential equality impact of proposed changes to policies, procedures and practices.

Academies

The advice for academies in respect of lowering the age range is contained in *Making significant changes to an existing academy Departmental Advice for Academies January 2014*.

Academies wishing to expand making age range changes by up to two years, do not need to submit a formal business case to the EFA. However, they do still need to seek approval from the Secretary of State, through the EFA, to make such changes.

The Funding Agreement will not permit any of the academy's general annual grant to be used on nursery provision. DfE requires the nursery to be separately funded and accounted for.

The Academies Act 2010 restricts the ability of Academies to charge for education. If an Academy Trust intends to provide and charge parents directly for nursery provision, it will need the specific power to charge within its Funding Agreement (although they would not need this if they were only offering funded places).

An Academy Trust is able to run a nursery on Academy premises by:

- Direct provision, as a charitable activity within the Academy's objects (which in practice are broadly similar to the Education Act 2002 in relation to maintained schools)
- A wholly-owned subsidiary of the Academy Trust - either as a charitable activity within the Academy Trust's objects, or as a trading activity for profit (again the powers of the charitable trust as they exist in the trust's articles are sufficient for this purpose)
- Contracting out to an independent provider (which may or may not be a charity and in which a Trustee/Governor may have an interest)

Q: *What are the space and other physical requirements?*

A: There are a number of requirements and these are set out in the EYFS Framework.

The premises and equipment must be organised in a way that meets the needs of children. In registered provision, providers must meet the following indoor space requirements:

- Two year olds: 2.5 m² per child.
- Children aged three to five years: 2.3 m² per child.

These calculations should be based on the net or useable areas of the rooms used by the children, not including storage areas, thoroughfares, dedicated staff areas, cloakrooms, utility rooms, kitchens and toilets.

The provider must ensure that, so far as is reasonable, the facilities, equipment and access to the premises are suitable for children with disabilities. Providers must provide access to an outdoor play area or, if that is not possible, ensure that outdoor activities are planned and taken on a daily basis (unless circumstances make this inappropriate, for example unsafe weather conditions).

Sleeping children must be frequently checked but there is, no longer, any requirement to provide a separate space for sleeping.

Providers must ensure there is an adequate number of toilets and hand basins available. There should usually be separate toilet facilities for adults. There should usually be separate toilet facilities for adults. Providers must ensure there are suitable hygienic changing facilities for changing any children who are in nappies and providers should ensure that an adequate supply of clean bedding, towels, spare clothes and any other necessary items is always available.

Providers must also ensure that there is an area where staff may talk to parents and/or carers confidentially, as well as an area in group settings for staff to take breaks away from areas being used by children.

Providers must only release children into the care of individuals who have been notified to the provider by the parent, and must ensure that children do not leave the premises unsupervised. Providers must take all reasonable steps to prevent unauthorised persons entering the premises, and have an agreed procedure for checking the identity of visitors.

Providers must carry public liability insurance.

Q: *What staff qualifications and other requirements do I need to consider?*

A: There are a variety of matters to take into account with regard to staff qualifications and other requirements¹⁶.

Staff qualifications, training, support and skills

Providers must ensure that all staff receive induction training to help them understand their roles and responsibilities. Induction training must include information about emergency

¹⁶ Please see Statutory Framework for the Early Years Foundation Stage 2014
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/335504/EYFS_framework_from_1_September_2014_with_clarification_note.pdf

evacuation procedures, safeguarding, child protection, the provider's equality policy, and health and safety issues.

Providers must put appropriate arrangements in place for the supervision of staff who have contact with children and families.

Supervision should provide opportunities for staff to:

- Discuss any issues – particularly concerning children's development or well-being
- Identify solutions to address issues as they arise
- Receive coaching to improve their personal effectiveness.

In group settings, the manager must hold a full and relevant level 3 qualification (minimum) and at least half of all other staff must hold a full and relevant level 2 qualification. The manager should have at least two years' experience of working in an early years setting, or have at least two years' other suitable experience. The provider must ensure there is a named deputy who, in their judgement, is capable and qualified to take charge in the manager's absence.

Providers should ensure that regular staff appraisals are carried out to identify any training needs and secure opportunities for continued professional development for staff. Providers should support their staff to improve their qualification levels wherever possible. For staff without a relevant qualification, providers should consider supporting them to obtain a relevant level 2 qualification.

At least one person who has a current paediatric first aid certificate must be on the premises at all times when children are present, and must accompany children on outings. First aid training must be local authority approved and be relevant for workers caring for young children. Childminders and any assistant who might be in sole charge of the children for any period of time must hold a current paediatric first aid certificate.

Providers must ensure that staff have sufficient understanding and use of English to guarantee the wellbeing of children in their care. For example, settings must be in a position to keep records in English, to liaise with other agencies in English, to summon emergency help and to understand instructions such as those for the safety of medicines or food hygiene.

The qualifications criteria have changed with the introduction from September 2014 Early Years Teacher Status (EYTS) & Early Years Educators (EYE). From 1 August 2014 government funding of early years educator training courses through the **Skills Funding Agency** require GCSE English and mathematics, grade A*-C. Functional skills will not be accepted as equivalent to GCSEs. Training providers will be required to confirm learners' prior achievement of this and record it in the learning agreement before enrolling learners onto an Early Years Educator programme.

Learners aged 16-19 funded by the Education Funding Agency will not require GCSE English and mathematics grade A*-C prior to commencing their Early Years Educator qualifications. However the expectation is that they should be offered or encouraged to take up GCSEs as part of their study programme. From 2016/17 learners will need to have completed or be studying GCSE English and mathematics for their study programme to be funded.

Self-funding learners will not be required to have achieved GCSE English and Mathematics grade A*-C before commencing their Early Years Educator qualification. However, if learners who complete the Early Years Educator qualification do not achieve a minimum of grade C English and mathematics at GCSE they will not be able to be counted towards a nursery's ratios at Level 3.

Key person

Each child must be assigned a key person. Their role is to help ensure that every child's care is tailored to meet their individual needs, to help the child become familiar with the setting, offer a settled relationship for the child and build a relationship with their parents.

Staff: child ratios

Staffing arrangements must meet the needs of all children and ensure their safety. Providers must ensure that children are adequately supervised and decide how to deploy staff to ensure children's needs are met. Providers must inform parents and/or carers about staff deployment, and, when relevant and practical, aim to involve them in these decisions. Children must always be within sight and hearing of staff.

Only those aged 17 or over may be included in ratios (and staff under 17 should be supervised at all times). Students on long term placements and volunteers (aged 17 or over) may be included if the provider is satisfied that they are competent and responsible. From September 2014, staff working as apprentices in early education (aged 16 or over) may be included in the ratios if the provider is satisfied that they are competent and responsible.

The ratio and qualification requirements below apply to the total number of staff available to work directly with children. For group settings providing overnight care, the relevant ratios continue to apply and at least one member of staff must be awake at all times. Exceptionally, and where the quality of care and safety and security of children is maintained, exceptions to the ratios may be made.

For children aged two in all provision, including those exempt from registration:

- There must be at least one member of staff for every four children;
- at least one member of staff must hold a full and relevant level 3 qualification; and
- at least half of all other staff must hold a full and relevant level 2 qualification.
- In accordance with the Specified Work Regulations¹⁷, the school must ensure that supervision arrangements for staff are suitable.

Q: *What do I need to take into account in respect of registering with Ofsted?*

A: Where a school delivers direct provision in its nursery and at least one pupil of the schools is present, from 26 May 2015, there will no longer be a requirement for them to register separately on the EYR in order to offer two, three or four year old places.¹⁸ In all other cases, registration will continue to be required.

¹⁷ The Education (School Teachers) (Qualifications and Specified Work) (Miscellaneous Amendments) (England) Regulations 2012

¹⁸ The Small Business, Enterprise and Employment Act legislated for the removal of the requirement to register separately.

If a school has a contract with or has commissioned another provider to use part of the school premises or nearby to provide a separate, discrete service, then registration is required for the other provider.

The registration system for childcare on domestic and non-domestic premises uses the concept of a 'registered person'. 'Person' used in this context means both individuals and organisations. The registered person has overall responsibility for the provision of childcare and is legally responsible for ensuring compliance with the requirements of the Early Years

Register or Childcare Register, regulations and any conditions of registration that are imposed by Ofsted.

Where an organisation does not have childcare as its main purpose, the application should come from the most senior person in the organisation with delegated, clearly identifiable and direct responsibility for managing, planning and monitoring the childcare (known as the nominated person). The detail is contained in at the end of the FAQs.

It is important to plan ahead the various steps in registration. The registered person must appoint a manager who they need to decide is suitable to work with or be in regular contact with children and has the capacity to act as a manager of registered provision. It is important to ensure that capital works are carried out in time to interview and appoint a suitable person.

There must also be a nominated person to represent the organisation in its dealings with Ofsted. Normally this should be a committee member, partner or director. This person will be interviewed during the registration process and will receive all legal documents and correspondence.

Where the prime purpose of an organisation is not childcare, the nominated person is the most senior person with responsibility for childcare.

The nominated person must have a full and thorough understanding of their role in relation to the registered childcare provision. If they are involved in the recruitment and continuing employment of the manager of the setting they will also need to be clear about their responsibilities in relation to the manager.

Before an organisation can be registered it will have to demonstrate to Ofsted that:

- every person looking after children on the premises where you provide childcare is suitable to look after children in the early years age group
- every person living or working on the premises where you provide childcare is suitable to be in regular contact with children in the early years age group
- the premises, including any equipment, are suitable for looking after children in the early years age group
- it meets or will meet all the safeguarding and welfare and learning and development requirements of the Early Years Foundation Stage, all regulations and any conditions of registration that Ofsted imposes.

A window of about 25 weeks should be left to get everything in place for registration. Registration is currently reported as taking 4-6 weeks.

Q: *What training might I need to secure for my staff?*

A: It is advisable to train staff on early learning tools and approaches that are specific to the developmental stage of two year olds. The local authority should be able to help and advise on this and will most likely provide appropriate training.

Q: Can the two year olds be mixed with the three and four year olds in one room?

A: Practitioners take different views on this issue in terms of the best environment for two year olds but there is nothing to prevent the children being care for in the same room. (Please see the answer to EYFS space and physical requirements above). There are many examples across the country of mixed provision working well and producing good results.

Q: *Are the two year olds entitled to Free School Meals (FSM)?*

A: If a school follows the route of lowering the age range to accommodate two year olds **and the child accesses the offer before and after the lunch period**, they are entitled to FSM as pupils of the school. This is not the case if they are not registered pupils (for example if the community facilities power has been used).

Q: *What are the key things I need to consider?*

A: In summary, a school embarking on providing for two year olds for the first time should consider the following:

- Business modelling: calculating how the offer will work financially for the school
- The number of children who can be accommodated and any adaptations required. Think in groups of four children to accommodate ratio issues (i.e. one member of staff required per four children)
- The creation of the right environment for two year olds: what adjustments are required and the costs of these
- Registration on the EYR (see above)
- The staff that will need to be deployed/recruited
- The delivery of the EYFS and meeting the welfare requirements
- Policy adjustments and new policies, including managing behaviour
- Working in partnership with other services to provide a holistic offer to the child and their family
- Preparing for the two year old progress check and liaising with any other provider who has the child in their care
- Training needs and how the local authority can help

Registered Persons

Registered person	Description	Application signed by	Ofsted carries out checks on	Name on the certificate
Companies whose prime purpose is not to provide childcare	Companies are legally constituted, have a company name, are registered with Companies House and have a company registered number.	Person responsible for childcare on behalf of the company*	Person responsible for childcare*	Company name and registered number and registered charity number where applicable
Statutory body	An organisation where the main purpose of that organisation is set out in legislation; for example a local authority or school governing body.	Person responsible for the childcare on behalf of the statutory body*	Person responsible for childcare*	Statutory body and, in the case of schools, the name of the school
Partnerships providing childcare	A partnership is where two or more individuals act together to provide the childcare. The registered person is each of the individuals making up the partnership. Partnerships can be formally constituted under a legal agreement, or informal.	A partner or partners on behalf of all partners or the firm	All partners	The name of the partnership or each partner's name
Committee providing childcare	Committees are not constituted in law and are informal associations/groups. Each individual in the committee is considered as the registered person and is equally responsible and accountable for the provision. The committee includes everyone who is part of the committee on the date that Ofsted takes any action in connection with the registration.	Chairperson on behalf of the committee	All committee members	Committee of [name of childcare provision] and registered charity number where applicable

Appendix 5

Assessing parental demand

5.5 Appendix 5: Assessing parental demand

1. Stages

- Decide: Who do you want to consult with?
- Decide: How do you do it?
- Undertake the consultation
- Analyse and use the results

2. Assessing parental demand

- Assessing demand from parents whose children currently use the nursery
- Assessing demand from parents whose children have confirmed a future place/are on a waiting list for a place
- Assessing demand from parents who do not currently use the nursery at all

3. Strategy/how to go about assessing demand

- What do you know about the demographics of your local area, your school population and your existing catchment area
- Do you want to change your existing catchment area and/or target different families within it?
- What do you know about why parents choose your nursery above others or choose not to come to your nursery?
- What do you already know about demand for additional hours and willingness to pay?
- What systems do you have in place for following up with parents who express an interest in some kind of provision e.g. an after-school club and don't take up the opportunity when it is provided?
- What do you know about the capacity of your parents to completing traditional surveys
- Have you used any other means of consulting with parents to overcome e.g. literacy and language issues and what are these?
- Have you ever tried to consult with parents who are not part of your current school population?

4. Suggested demand issues for consultation

- Home geographical location (postcode)
- Work geographical location
- Most important thing in deciding on childcare/early education (drop down list)
- Do you already have children in the nursery/school? (how many, what ages)
- Have you decided to send your child elsewhere because you can't get the hours/flexibility you need at the nursery?
- Hours required for early education/childcare in total by week (insert number)
- Days on which childcare/early education required (insert days)
- Entitlement to free early education (there may be children who are two or three who are not entitled)
- Are you willing to pay to pay for childcare/early education?

- How many hours do you want to buy?
- How much are you willing to pay per hour/day/week?
- What is your preferred method of payment?

5. Possible approaches

- Paper survey via school bags and other outlets
- Leaflet drop directing parents to school website
- Electronic Survey Monkey questionnaire
- Focus groups/meetings
- School gate consultation
- Engaging existing parents as nursery champions
- Consultation with parents at local children's centre, other voluntary and community contacts

The following pages contain an example demand strategy and two examples questionnaires used in the DfE projects.

Assessing demand strategy

Priority – Assess parent opinion			
Strategy	Actions	Resources allocated	Milestones and Timescales
Consult with current parents using the school nursery.	Provide all parents with a questionnaire and invite to information session.	FCT consultant	Jan 2016
Consult with potential parents of school nursery.	Post questionnaire to local homes.	Nursery staff	Jan 2016
Consult with potential parents using survey monkey.	Create a survey monkey and advertise on school website.	FCT consultant	Jan 2016
Consult with local nursery.	The local nursery will be contacted and invited to share ideas about how the school and the nursery can work together in future.	Nursery manager	Jan 2016
Analyse the questionnaires to determine parental demand of extended hours.	Collate the questionnaire results and present findings in a short report for parents and governors.	FCT consultant	Feb 2016

Means of Evaluation	Outcome Achieved
<p>Parents will indicate their opinions about the proposed extended hours for the nursery.</p>	<p>A range of parents views will be collected and used to guide the decisions made by the school in relation to extended early years hours.</p>

Due to popular demand for our nursery to extend hours we are seeking the views of parents/carers and reviewing our nursery sessions to ensure we are meeting the needs of families in our community.

<p>Which of the following reasons best describes your needs for childcare: Full time work <input type="checkbox"/> Part time work <input type="checkbox"/> Studying <input type="checkbox"/> Child development <input type="checkbox"/> Free place (NEG) <input type="checkbox"/> Other (please state) _____</p>						
<p>Where do you live? Post code</p> <p>Where do you work/study? Post code</p> <p>Please describe your current working pattern: 9-5 <input type="checkbox"/> Shifts <input type="checkbox"/> Evenings <input type="checkbox"/> Varied patterns <input type="checkbox"/> Term time <input type="checkbox"/> All year <input type="checkbox"/></p> <p>Do you use another childcare setting other than this one? Nursery <input type="checkbox"/> Childminder <input type="checkbox"/> School <input type="checkbox"/> friends/family <input type="checkbox"/></p> <p>Do you get any help with childcare costs?* Vouchers <input type="checkbox"/> Tax credits <input type="checkbox"/> Care to learn <input type="checkbox"/> Other</p> <p>*Speak to the manager if you would like information about how to apply.</p>						
<p>Please rate our service by circling a number from 1 - 4, one being poor and four being excellent.</p> <p>How would you rate the overall quality of childcare? 1 2 3 4</p> <p>How would you rate the environment we provide? 1 2 3 4</p> <p>How would you rate the range of activities we offer? 1 2 3 4</p> <p>How would you rate our staff team? 1 2 3 4</p> <p>How would you rate the cost of childcare? 1 2 3 4</p> <p>Would you recommend our nursery to another parent? Yes / No</p>						
<p>We are currently looking at charges of £15 per session. That is equivalent to £5 per hour and if claiming tax credits you could get up to £3.50 paid back to you. For more information ask nursery teacher.</p>						
<p>Would you be interested in topping up your child's free hours?</p>		<p>Yes</p>		<p>No</p>		
<p>Do you need childcare before the start of the school day?</p>		<p>Do you need childcare after the end of the school day?</p>				
<p>Yes</p>		<p>No</p>		<p>Yes</p>		
<p>No</p>		<p>Yes</p>		<p>No</p>		
<p>Which Days would you want to buy extra sessions?</p>		<p>Mon</p>	<p>Tues</p>	<p>Wed</p>	<p>Thurs</p>	
		<p>Fri</p>				
<p>Name _____ (This is optional but is required if you would like to be entered into the free prize draw)</p>						

1. What is your home postcode:

2. If you work, what is your work postcode:

3. What is the most important factor for you in choosing early education? (Circle your choice)

Number of hours offered

Flexibility of hours offered

Quality of education provided

4. Do you already have children at St Silas?

Yes / No

5. Did you/would you consider sending your children elsewhere because St Silas only offers full-time nursery placements?

Yes / No / Not sure

6. Would you like us to offer more flexibility in our nursery hours? E.g. part-time or flexi-time attendance.

Yes / No / Not sure

7. How much early childcare do you need?

Full-time Mon-Fri 8.45 am to 3.15 pm even if I have to pay a top-up fee	
Part-time Mon-Fri either am or pm session but only the free 15 hours	
Morning session 7.30 – 11.45 am even if I have to pay a top up fee	
Afternoon session 12.25 – 5.45pm even if I have to pay a top up fee	
Fully flexible (between 7.45 am and 5pm) with the option to pay top-up fees after 15 hours	

8. On which days do you require nursery education?

9. Are you willing to pay for nursery education in addition to the free 15 hours that each child is entitled to?

Yes / No / Don't know

10. How many extra hours per week would you need and how much would you be willing to pay per hour?

Appendix 6

Towards a marketing strategy

5.6 Appendix 6: Towards a marketing strategy

1. Towards a marketing strategy

The purpose of a marketing strategy should be to identify and then communicate the benefits of your nursery offering to your target market i.e. your potential customers. Developing a marketing strategy is vital for any provider competing with others in the same sector. Without one, efforts to attract customers are likely to be haphazard and inefficient and could undermine sustainability.

A strategy helps to sharpen focus and identify different ‘segments’ of the ‘market’ e.g.

- Free Early Education (FEEE) use only
- Top-up patchwork
- Full time extended hours

or

- Low income local parents
- Higher earning local parents
- Parents working locally but living further away.

This can contribute to decision-making around the balance the nursery wants to achieve between accessibility and financial sustainability. It will also help to identify the different ways you can talk to your existing or new ‘customers’, as well as pinpointing the demand and preferences for nursery 8-6 provision.

In broad terms, a marketing strategy has a number of functions and can be used to:

- Generate general awareness of the nursery and its activities
- Collect information about demand and parental preferences
- Advertise the nursery offer

In the lexicon of marketing, a successful strategy depends on understanding:

- Who your customers are
- What are their needs
- How you can persuade those customers to ‘buy’ from you rather than anyone else.

The principles apply whether the nursery is:

- Seeking to draw in parents who are not yet taking up their FEEE (and for whom educational outcomes may be the priority for the school/nursery)
- Attract fee-paying parents who might be targeted for financial sustainability
- Aiming to ensure that the nursery more closely reflects the income diversity of the local area.

In relation to school nursery provision, it will also reflect the school’s ethos around, e.g., being a local community hub, increasing first preferences for reception intake and improving outcomes for disadvantaged families.

There are a number of basic questions that might prove helpful in developing a strategy. The language is more of the private sector and often reflects a bias towards profit motives, but the ideas can be adapted to the school/nursery calculus to improve outcomes for all children, regardless of parental income, through the provision of financially sustainable quality early years education.

2. Some questions to ask when developing your strategy

Questions to start with would cover:

- What changes are taking place in our business environment? Are these opportunities or threats?
- What are our strengths and weaknesses?
- What do we want to achieve? (Set clear, realistic objectives)
- What are customers looking for? What are their needs?
- Which customers are the most profitable?
- How will we target the right potential customers? Are there groups that we can target effectively?
- What's the best way of communicating with them?
- Could we improve our customer service? (To gain a competitive advantage over rivals, keep customers, boost income and build a good reputation.)
- Could extending our product list or service provision meet existing customers' needs more effectively? (Nurseries can promote wider school facilities such as additional parental support services, assembly halls, good outside space, etc.)
- How to price? (Although prices need to be competitive, even private businesses find that trying to compete on price alone is a poor strategy. What are parents interested in? Quality? Reliability? Efficiency? Value for money?)
- How to best promote the provision? Options might include advertising, direct marketing, PR or marketing on the web.
- How can we tell if the marketing is effective?

3. Key elements of a successful marketing strategy

3.1 Segments

One of the key elements of a successful marketing strategy is the acknowledgement that your existing and potential customers will fall into particular groups or segments, characterised by different priorities of needs or preferences. This also helps to avoid the pitfall of making assumptions about what parents want and/or becoming complacent about the offer.

Existing knowledge and contact with parents will tell you only so much, but wider market research will build a more detailed picture of other segments that are less familiar, such as those who may not be aware that school nurseries are an option and only consider Private, Voluntary and Independent providers (PVIs) for their childcare. It will help you understand where, when and how to reach different parents and increase understanding of how the whole market works e.g. where do different segments of parents find out about nursery provision?; are their expectations of provision similar?

Your marketing strategy document should:

- Analyse the different needs of different groups of parents
- Apply this to school/nursery objectives for the provision
- Use the information to target activities proportionately to your aims and resources.

3.2 Understanding strengths and weaknesses

The strategy should start with an understanding of the nursery's own strengths and weaknesses, as this will affect your marketing messages and ensure you are not promising what you can't deliver. Marketing advice suggests that it's a good idea to conduct some research with your existing parents at this point, as it will help to build a more accurate picture.

An honest and rigorous SWOT analysis, looking at your strengths, weaknesses, opportunities and threats, is a recommended place to begin developing the strategy.

Strengths could include:

- Quality provision with registered teachers
- School readiness
- Same location for pre-school and school-age children
- Good space and facilities shared with school

Weaknesses could include:

- Detachment from early education markets
- Lack of an established reputation
- Inefficient accounting systems/unfamiliar with payment systems and ethos
- Insufficient demand knowledge, including from existing parents.

Opportunities could include:

- Increased demand for nursery places
- Wider diversity of family background
- Potential for financial security
- Using the Internet to reach new markets.

Threats could include:

- Transition to longer hours and fine-tuning extended provision
- Competition with other school nurseries
- Impact of any changes to FEEE hours
- Reduction in expenditure within public sector.

3.3 Towards a strategy

With the combination of nursery aims, market segments and business analysis, you can then create a marketing strategy that makes the most of your strengths and matches them to the needs of those you wish to target. A good strategy will:

- Look to the short, medium and long term, recognising that marketing needs will change with different patterns of use and take-up
- Build in mechanisms to update feedback, parent preferences and market changes
- Be reviewed regularly to change things that aren't working or focus activities on different segments as and when needed.

For example, the nursery may find it has maximised top-ups from existing parents but still have capacity in the nursery. The focus of marketing activities could be on parents who currently use PVI's but might be interested in a full time 8-6 place. In that case, marketing

activity might use different techniques and access points to those used for existing parents and draw attention to the high quality of provision within the nursery.

A key element often overlooked is that of monitoring and evaluating how effective the strategy has been. This control element not only helps you see how the strategy is performing in practice, it can also help inform your future marketing strategy. A simple device is to ask each new parent or parental enquiry how they heard about the nursery.

3.4 A marketing plan

A marketing plan explains how to put your strategy into action. It will set marketing budgets and deadlines (which will depend on the recruitment calendar for the nursery), but it will also tell you how you're going to talk to your target parents - whether that's through advertising, networking, word-of-mouth, etc.

A marketing plan (which might simply be set out in a table) includes the aims, actions, dates, costs and resources for marketing activity over a given period (say a year), together with any targets deemed relevant (e.g. around increasing take-up of FEEE hours; or in relation to capping full time fee paying places to achieve overall objectives).

As with any plan, progress should be regularly measured and reviewed to see what's working and what isn't; and to reflect changing priorities for marketing activity.

3.5 Marketing activities

This section contains a range of options to consider. It is not exhaustive but is designed to stimulate thinking.

Internet

- As more parents rely on internet searches to investigate childcare options, the nursery part of the school website should be kept up-to-date and include pricing schedules and general information, as well as a comment/feedback facility
- The local Family Information Service should include details of the nursery and a link to the website – check the information is relevant and reflects the nursery accurately.

School/nursery-based activities

- Prominent signage – boards and banners. These can also be used in the run-up to extending hours or developing new provision and can be a way of raising general awareness of the nursery's presence and activities

- Leaflets in school book bags. These can be timed for a specific event such as nursery open day or opening of newly built or refurbished premises; and could be produced in-house using children's artwork
- Branding – on t-shirts, bags, pens etc. Schools could keep on the lookout for sponsorship, e.g. from local businesses, including places where parents work.

Through word-of-mouth

- Current or past parents are generally held to be the most powerful/effective means to share information and promote the nursery. Parents will naturally share experiences – it is for the nursery/school to make sure the information is true and accurate
- Parent Champions or other more structured groups within the school (including parent governors and parent advisory groups)
- Through regular processes of feedback and consultation with parents.

Where the parents and carers go

- Coffee shops, restaurants, supermarkets, local shops
- Gym, health/fitness centres swimming pools etc.
- Doctors surgeries, dentists, health centres
- Anywhere that has a crèche.

Pre-school activities

- Libraries, swimming pools/leisure centres, etc.
- Children's centres, drop-ins, etc.
- Anywhere with a crèche.

Local businesses

- Asking local businesses to put leaflets in their shops or on their notice boards
- Piggy-backing on leaflet drops in the area (an example from the pilot was with a local estate agent).

Local media

- Small ads in local papers (including free papers and publications aimed specifically at parents) could be worthwhile, although will usually cost
- Events at the nursery might be of interest to local media sources (including radio) and it may be worth developing relationships with them.

Other nurseries

- PVI's sometimes refer parents to other nurseries when they're full and may be interested (and not threatened) in friendly cooperation
- Other school nurseries may want to join forces for advertising, especially where, e.g. they are combining forces to offer holiday provision

The next page contains eleven tips for marketing extended places.

Eleven tips for marketing extended hours places

- **Produce a strong image to use in marketing** – something bright and informative without being wordy that will work as a jpeg so you can use it in all your marketing
- **School website** – make sure it is up to date and includes information about the new places both in the nursery section and in the newsfeed if possible. Include prices and how to apply as well as a way of applying on-line if possible
- **Family Information Service** – tell them about your new offer. Check that the details are accurate and the link to your web site works.
- **Twitter** – use the school's Twitter account. Tweet often using a jpeg image if possible and include a link to how to apply
- **Facebook** – post on the school's Facebook page. Use images to make the post stand out. Include a link to how to apply and to where to find out about help with childcare costs if possible
- **Brief all school staff** – talking to parents (word of mouth) and personal recommendation are the strongest ways of advertising your new service so make sure all school staff understand the new offer and can tell parents how to apply (and that help is available with childcare costs)
- **Local press** – local newspapers (free and paid for) are often very short of content as they employ fewer and fewer staff. A press release which writes a story for them (again with a photo if at all possible) will often give you free publicity. Make sure you include contact details and how to apply for a place in the release.
- **Noticeboards in local shops, supermarkets and community meeting places (including libraries, community centres, sports venues)** – produce an A5 or postcard size advertisement for display in all these places. Again your school staff can help here to get the word out
- **In school advertising** - use all the usual methods of communicating with parents (letters in school bags, posters in school and so on). A banner on school railings can also be effective and lets passers-by and the local community know about your new offer as well as existing parents
- **Health visitors and school nurses** – make sure they know about your new offer and how parents can apply to you (the postcard or A5 advert can help here as well)
- **Local businesses** – they are employers and will have staff who need early education for their children. Contact any big local employers and ask them to promote your offer to their staff

Appendix 7

Parent contracts

5.7 Appendix 7: Parent Contracts – financial elements

1. Parent contracts – financial elements

This document has been drawn from a number of parent contracts, largely from the Private, Voluntary and Independent (PVI) sector, and is designed to show the range of items that might be included in a contract related to charging; and some examples of wording to consider.

This is NOT a model contract - nurseries will already have their own contracts covering general terms and conditions of nursery use – and it has NOT been legally checked. An example contract used is included at the end of this section for information. The aim of this section is to explore financial options and the factors to consider when deciding on your approach. It is for each nursery and school to decide on many of the variables (i.e. whether to charge a deposit and/or registration fee, or the scale of fees and late penalties, or rules on periods of notice or swapping days, etc.), so the document includes examples wherever possible to aid the decision-making process.

The decisions on what to charge for and the levels of fees, will reflect your own discussions including around:

- The demography of your area – particularly income diversity – and the school’s role/aim as a local provider/community anchor within the local population and for local workers
- Your vision and objectives for the nursery
- Your targets to achieve financial sustainability
- The capacity and/or willingness of parents to pay
- The need to balance charging policies with divergent family incomes – maintaining affordability for those on low incomes whilst avoiding undercharging
- Using payments as incentives or deterrents to manage use of the nursery (e.g. refundable deposits to secure a place where demand is high; discounts for hard-to-fill sessions; timekeeping penalties to encourage compliance with your terms)
- The use and extent of discretion in particular circumstances
- Managing payment/financial systems, including dealing with arrears
- Managing transitions involved in any shift towards a payment culture – the impact of the introduction or extension of charges; and the need to support families and staff through the change process
- The need for review. Be prepared for financial charging policies to look different as extended hours are embedded and demand is established. Critically review on a regular basis in the light of demand, marketing and parental feedback activities.

These points should be considered when thinking about any of the examples included in the following pages.

The school/nursery will also want to take its own view on the language and tone of the contract. We have come across examples which are more strongly ‘legal’ in tone; whilst others continue the appearance and language of other more accessible nursery documents.

(Examples of content and wording from other contracts are contained in italics throughout.)

This document details the agreement between [NAME] Nursery [include address and phone number] and:

Name of parent/carer:

Address, postcode, email, home phone; mobile:

Name of child:

2. Opening hours

State weekly hours and specify known closures (including term dates if not year-round provision).

We are open Monday to Friday 8.00am to 6.00pm.

The Nursery will be closed on all Public Holidays and also from 24th December including the days between Christmas and the New Year.

3. Booked-in days

These are the sessions your child is booked-in to attend:

[INSERT SESSION TIMES IN TOP HEADER]

Monday						
Tuesday						
Wednesday						
Thursday						
Friday						

The contract should also include any conditions around changing booked-in days, booking extra days, swapping, etc.

One month's written notice is required for any permanent change in sessions or should you decide to terminate your place.

Extra sessions can be booked in advance or if available at short notice. Extra sessions booked will be charged in arrears on next month's fees.

We do not allow swapping of days unless it is permanent and there is availability.

4. Induction hours

If the nursery offers free induction hours, they should be set out in the contract.

All new children will be entitled to a free x hour induction.

5. Fees and Payment Policy

The contract needs to clearly set out the charging and payment policy, including what payments might be incurred for absences or nursery closure on booked-in days and how arrears will be tackled. Whilst there are a number of additional fees covered in this section, each nursery will need to consider which are most appropriate for their circumstances.

The contract should include: invoicing arrangements and payment methods, the fee schedule, discounting arrangements, payment for unattended booked-in days and arrears/debt policy.

- **Invoicing arrangements and payment methods**

Stipulate invoicing arrangements and payment methods, as well as any penalties for late payment. Late payment charges set an expectation for all parents using the nursery, but can be used with discretion, e.g. for repeated late payment. Where a discretionary approach is taken, the nursery should ensure transparency by developing its own principles and criteria.

All fees are invoiced monthly and are payable in advance on the due date.

All invoices not paid in advance will incur a £10.00 a week admin / interest charge, for each week late.

Fees can be paid in cash, cheque or credit/debit card, at the office.

We are happy to discuss payment methods with you privately and also give help, advice and support on aspects of help with childcare costs that you may be entitled to.

- **Fee schedule**

Nursery fees will reflect local demographics, the nursery's occupancy levels and other local provision, all within the context of an accurate assessment of true cost. The contract should set out the full schedule of charges for the session pattern it adopts and to reflect possible permutations of flexible use in addition to FEEE hours. This is likely to cover:

Full time fees (50 hours) are £xxx per week (15 FEEE hours + 35 hours top-up).

Single full days (10 hours) are £xx per day.

Single morning or afternoon sessions [state times, e.g. 8am – 1pm] are £xx per session.

Core day (school hours) – [specify weekly and/or daily costs].

Core day single morning or afternoon sessions [state times, e.g. 9am – 12].

Pre-school/after-school sessions [state times].

All snacks, meals and refreshments are included in the fees.

Meals and snacks are charged as additional costs – [specify].

Please note: School nurseries will describe the sessions using different terms but should be careful to avoid confusion with previous common understandings, especially in relation to what constitutes a 'full-time' place and the distinction between school core hours and nursery hours.

The contract should also notify parents of any regular reviews to charges.

An increase of fees will take place each year usually before the Autumn Term.

- **Discounting**

In the transition to 8-6 delivery the nursery may need to stimulate demand in overall nursery use or for particular sessions, and discounting is a tool that can be considered. Overt discounting is preferable to hidden discounting (i.e. where the nursery advertises a fee schedule that it knows is lower than the true costs of provision) as it can take account of ability to pay or other criteria whilst setting realistic expectations about the cost of provision. Discounting can also be reflected in sliding scales of fees to promote access for lower income families.

Discounts can be applied across the board, for particular periods of time, or to reflect specific circumstances. Some apply a sibling discount (e.g. 10%) and staff discounts (e.g. 15%); others discount charges, for, e.g. the first three months the child attends the nursery or for particular days or sessions to encourage demand for less popular times. Discounts can also be applied to retain a place in periods of longer absence such as sickness and holidays.

Nurseries will need to agree the rationale and circumstances where discounts will apply and be clear about the financial implications for its budget. Any stipulations on claiming the discount should be set out in the contract, including any conditions the nursery wishes to apply, circumstances where the discount might be revoked, or when discounts will be reviewed.

Some discounts may be negotiated for full time fees. These hours will need to be agreed in advance, however late fees will apply if the agreement is broken.

- **Payment for unattended booked-in days**

PVIs tend to charge for all booked-in days, including absence due to sickness, family holidays and public holidays. The contract should set out the nursery's position.

Monthly fees include all sick days, public holidays and annual private holidays. Fees are payable for booked-in days and not actual attendance.

Occasional days absent from nursery due to illness are paid for in full.

If the nursery has to close due to any health and safety reasons including bad weather, fees will still be payable during the closure period.

For holidays longer than 2 weeks we require at least 4 weeks' notice and a discount on retainer fee may be negotiated.

Notice of annual holidays in writing to the office must be given one month in advance to qualify for holiday discount.

Prolonged absence of more than three months due to illness or hospitalisation will be given special consideration.

Failure to inform us of long term absence may result in the loss of your child's nursery place.

▪ **Arrears and debt policy**

Arrears can accrue quickly and become unmanageable for both the family and nursery. It is best practice to be proactive as soon as a payment is missed, including encouraging parents to discuss financial difficulties at the earliest opportunity. Whilst the contract will be clear about the ultimate consequences of non-payment (i.e. that the nursery place may be lost), it should outline the procedure to be followed to ensure that the child can continue to benefit from quality provision. The following is one example:

1. *If you are experiencing financial difficulties in the payment of fees then please contact the office at the earliest opportunity so a mutual agreement can be made in the recovery of outstanding debts.*
2. *An arrangement will be offered to pay outstanding fees by instalments until the debt is recovered.*
3. *7 days after the due date a statement will be sent to all outstanding debtors.*
4. *If fees remain unpaid then a further statement will be sent out 7 days after this time.*
5. *If fees still remain outstanding then the parents will be contacted either by phone or at the centre to discuss the matter further so a mutual agreement can be made in the recovery of outstanding fees.*
6. *If contact cannot be made or no payment is received then a first letter will be sent from our finance department asking for payment to be made within 7 days.*
7. *If fees still remain outstanding a second letter will be sent stating for payment to be made within 7 days or solicitors will be instructed to bring formal proceedings for debt recovery.*
8. *Your child's place will be terminated if fees remain unpaid.*

Some nurseries also apply admin fees or a surcharge for unpaid fees:

Unpaid fees not paid within 7 days of the due date are subject to a 10% surcharge each full week overdue.

Letters chasing overdue fees will incur an administration cost of £5 per letter

A charge of £10 will be made for any cheque returned by a bank as unpaid. If this happens more than once, only cash payments will be accepted.

6. Late pick-up, early drop-off and penalty fees

It is important to set clear expectations around dropping-off and picking-up to avoid staff having to stay late or be unable to set up for the following day. Most nurseries adopt some form of penalty fee to set expectations and encourage compliance. Again, the policy can be applied with discretion (e.g. a couple of instances or extenuating circumstances might be overlooked) but it has been found to be a positive deterrent in cases where a culture of late pick-up has crept in.

Please advise the nursery immediately if you will be arriving earlier or later than the pre-arranged time to pick up your child. It is the parents' responsibility to ensure that children are

picked up at the end of the agreed session and at the end of the day, no later than 6:00 p.m. If you are not able to pick up your child by 6:00 p.m. alternative arrangements must be made.

The nursery is open until 6.00pm each evening. It is highly recommended that you arrive at least 10 minutes earlier than this to give you and your child time to get ready for leaving by 6.00pm. You should arrive to drop-off your child no earlier than [insert opening time] or not more than 10 minutes before your booked-in session begins.

[NURSERY] staff on the late shift are only paid until 6.00pm and failure to inform us of a late pick up may result in the emergency carer being contacted.

Please notify the nursery if an unauthorised person will be picking up your child. Verbal or written permission must be received before we will release a child to anyone who is not authorised on the registration form.

You will also incur a late pick up fee of £x per minute/5 minutes/15 minutes and you will be required to sign a late form detailing the actual time of leaving the nursery. This amount then will be added to your monthly invoice.

This will also apply to FEEE places and this will be invoiced to you separately.

If we are unable to contact you within 1 hour of arranged collection time it will trigger our emergency policy on uncollected children which may result in Social Services being contacted.

Continual lateness may put your nursery place at risk.

7. Additional charge options

▪ **Registration fee**

A registration fee is a means to cover the admin costs incurred when a child starts at nursery. It is common in the PVI sector but is not generally used where a child is only accessing FEEE hours. The school will need to take a view as to the feasibility and timescale for introducing such a charge, including circumstances where it might be waived. [N.B. differences based on FEEE vs paying hours should be careful to avoid assumptions that this distinction necessarily reflects parents' ability to pay.]

A non-refundable registration fee of £40 (per child) is required upon completion of registration. (It does not apply to children eligible for free hours upon initial registration). This deposit is non-refundable.

▪ **Deposit**

Deposits can have a place in high demand situations. They provide the nursery with reassurance that the place will be taken up; and the family with reassurance that the place is secured. Deposits are usually deducted from the first invoice.

A deposit of £100 will be required in advance to secure a place in advance for high demand places (this will be deducted off your first invoice). Spaces will not be held unless the deposit (if required) is paid in full.

8. Termination of Contract

The contract should clearly set out the arrangements for termination and can provide the 'teeth' for nurseries to reinforce behaviours that are necessary for sustainable finances and a positive environment for learning and care.

Should you wish to terminate this contract you should do so in writing providing us with a minimum of one month's notice.

This contract may be ended by [NURSERY] with immediate effect if any of the following apply:

- Verbal or physical abuse to any of [NURSERY] staff
- Failure to pay nursery fees
- Continual lateness
- If your child's behaviour is deemed unacceptable by us or could endanger other children or staff. In the event of this you will be offered support to try and address this situation to achieve a positive outcome for all concerned

Some nurseries will stipulate a charge where sufficient notice hasn't been received to cover the cost until the place has been filled:

Parents agree that a minimum notice of one full month (notice to be given in writing) will be given for permanent withdrawal of, or reducing hours of any child from care or agree to pay one month's fee in lieu. The responsibility is of the parents to ensure that the notice has been received by the office. No exceptions will be made. Children are presumed to be leaving before 31st August after the 4th birthday. No place will be guaranteed after this time unless signed agreement with the Manager.

9. Signing the agreement

By signing this you are agreeing to all of the terms and conditions as detailed in this contract.

Name of Parent / Carer:

Signature of Parent / Carer:

Date:

Signature on behalf of [NURSERY]:

Name and Job Title:

Date:

Example contract

CONTRACT

This document details the agreement between [nursery name and full address] and:

Name of parent/carer:

Address,

postcode,

email,

home phone; mobile:

Name of child:

1. Opening hours

We are usually open Monday to Friday from 8.00am to 6.00pm. The Nursery opens 52 weeks of the year but is closed for all Bank Holidays.

2. Booking sessions

One month's written notice is required for any permanent change in sessions or should you decide to terminate your place. Extra sessions can be booked in advance or if available at short notice. Extra sessions booked will be charged in arrears on next month's fees. We do not allow swapping of days unless it is permanent and there is availability.

3. Sessions

These are the sessions you have been allocated.

Session	Mon	Tues	Wed	Thurs	Fri

4 Early Years Education Entitlement (EYEE)

The free entitlement for all funded 2, 3 and 4 year olds is for a maximum of 570 hours a year which equates to 15 hours a week over a minimum of 38 weeks a year

(term time only). You can claim a maximum of 10 hours and a minimum of 2.5 hours in one day. We will also offer the hours as 3 hours x 5 days a week, 5 hours x 3 days a week and 2 x 6 hours and 1 x 3 hours a week. You can take your free hours Mon-Fri between the hours of 8am - 4pm. You can also access these hours as a stretched offer by claiming 11 hours for 52 weeks of the year. If you pay for additional hours then the EYEE will be deducted from your invoice. You will be asked to sign a parental agreement 3 x a year. You should **ONLY** claim for the number of hours you know your child will be attending and no more and you **MUST** state on your Parental Agreement whether your child is attending another setting, and how many funded hours are being claimed. If your child is absent from nursery then the hours will be used to hold your child's place open, however if the nursery is closed for example an emergency or a training day then the **hours** will be given back to you at our earliest convenience.

5 Paying for childcare – working families and students

Working parents/carers may be able to get help with childcare costs through Working Tax Credit or from their employer. Working Tax Credit can pay up to 70% of eligible childcare costs up to set weekly amounts depending on your family circumstances. See www.gov.uk/working-tax-credit/overview for more information and to access the tax credit calculator. Working Tax Credit is due to be replaced by Universal Credit by 2017 – see www.gov.uk/universal-credit for more detail.

Employers can offer help to their employees through childcare vouchers or through paying some costs directly to the nursery. These have Tax and National Insurance benefits for parents and we are happy to participate in such schemes in payment of nursery invoices. We are currently registered with many childcare voucher scheme providers and are happy to register with others if required. From 2017 a new tax-free childcare scheme is due to be introduced. Parents/carers, including self-employed people, will be able to pay into an online account which the government will top up with a 20% contribution.

Students in further education may be able to get help with childcare costs. See <http://www.familyandchildcaretrust.org/childcare> for more information.

6 Meals

It is advised that parents of babies 6 months – 1 year old provide all meals and snacks. Fresh food and all formula milk bottles will need to be provided daily. Our lunches are provided by *** catering company. The meals are produced in the school's kitchen and offer a two course lunch with a vegetarian option. The menus meet the food based standards for nursery schools. Prices for our lunches are £1.79 and menus can be found in the foyer.

7. Fees

7.1 The nursery understands that the cost of registered childcare may seem expensive to a parent/carer. However, providing a high quality, safe and stimulating service for children is not cheap and must be delivered according to legal requirements around space and staff ratios. To ensure the continued high standards and sustainability of the nursery, parents/carers must abide by its policy in regard to the fees.

7.2 Payment of any fees will be invoiced at the start of each month and payment is due no later than 14 days from the date of the invoice.

7.3 Fees are still payable if your child is on holiday during Nursery time.

7.4 Fees are still payable in the event of sickness for two weeks. If your child is sick from nursery for a period of sickness that is expected to be longer than 2 weeks, please contact the manager as we will look at all cases on an individual basis.

7.5 If the fees are not paid within 14 days of receipt of invoice, the nursery will notify the parent/carer in writing and request payment at the earliest possible opportunity. Parents will incur a late fee of £10 to cover our administration costs.

7.6 The Manager has the right to issue a formal warning to the parent/carer and inform them that continued late payment will result in the forfeit of paid-for hours until the payment is made in full. This does not affect access to EYEE hours.

7.7 If fees are paid persistently late or not at all without explanation, the nursery will be forced to terminate that child's place. Under exceptional circumstances, the Manager may agree to allow the child to continue attending the nursery for the remainder of that week. Again, this does not affect access to EYEE hours.

7.8 If you decide you no longer need a place at the nursery or wish to reduce hours, you must contact the Nursery Manager as soon as possible as we require one month's notice in writing of your intention to remove your child or reduce hours. This is to give us time to offer the place to another child. Parents/carers who fail to provide one month's notice will agree to pay one month's fee in lieu. We will also give one month's notice of any nursery changes.

7.9 An increase in fees will take place each year, usually before the Autumn Term.

8. Arrivals

Your child will not be admitted into the nursery until the start of their pre-booked session. The reception / waiting area will be available to wait in – children cannot be left here unsupervised. The main reason for this rule is that we must ensure appropriate staff: child ratios at all times within the nursery.

9. Departures

9.1 If the child is to be collected by someone other than the parent/carer, this must be indicated to a member of staff and recorded at the start of the session. If the nominated adult is not known to staff, then parents/carers will be asked to provide a recent photograph or password known only to the nominated person and staff.

9.2 The person nominated to collect must be over 16 years.

9.3 In the event that someone else should arrive without prior knowledge, the nursery will telephone the parent/carer immediately.

9.4 Upon departure, the register will be marked to show that the child has left the premises. The time of departure will also be recorded.

10. Late Collections

10.1 We expect all parents and carers to arrive at the nursery on time to collect their children. We appreciate that unexpected delays are sometimes inevitable but we need to know about them. Please contact the nursery at the earliest opportunity.

10.2 If you are late collecting your child from the nursery we will charge you a penalty of £5 for every 15 minutes you are late – this will be necessary as staff will also be delayed in leaving the nursery to go home.

10.3 If the designated adult is late picking up their child without prior warning and cannot be contacted, the Uncollected Children policy will be activated which may result in Children's Services being contacted.

11. Child Protection

If we have any concerns for your child's welfare we will raise these issues with you and/or follow our Child Protection Policy.

12. Head lice

When a case of head lice is discovered at the Nursery, the situation will be handled carefully and sensitively. The child concerned will not be isolated from other children, and there is no need for them to be excluded from activities or sessions at the nursery. However, we would expect parents to treat the condition immediately.

12. Outdoors

We do lots of our learning outside-regardless of the weather! If you feel your child is not well enough to be outdoors then please rethink bringing them to nursery on that day as we can not promise to keep them indoors. Please could you supply your child with named wellingtons and an all-in-one waterproof to stay at nursery throughout the year.

13. Clothing

We ask that children come to nursery in old clothes that you do not mind getting dirty. At nursery the children spend a lot of time being creative, during these times we do encourage the children to wear aprons however we would not stop a child's creative moment by making them wear an apron if they did not want to. Could you also supply your child/ren with spare clothes which can be kept in a bag on their peg.

14. Termination of Contract

This contract may be ended by [name] Nursery with immediate effect if any of the following apply:

- Verbal or physical abuse to any [name] Nursery staff
- Failure to pay nursery fees
- Continual lateness
- If your child's behavior is deemed unacceptable by us or could endanger other children or staff. In the event of this you will be offered support to try and address the situation to achieve a positive outcome for all concerned

15. Signing the agreement

By signing this you are agreeing to all of the terms and conditions detailed in this contract.

Signed (parent/ carer) _____

Name in capitals _____

Date _____

Nursery Manager _____

Appendix 8

Other tools

5.8 Appendix 8: Other tools

The likely features of sustainable provision – DfE document (2014)

Early Years Pupil Premium documents (provided through the Knowledge Hub)

- DfE Q&A sheet
- Letter to parents
- Form for parents

The likely features of sustainable nursery provision in schools

This document will help schools that are thinking about offering nursery provision to identify and consider the factors which will determine the financial sustainability of their provision.

Table 1: Six examples of school nurseries' business models

The following models based on school nursery case studies from around England, undertaken by DfE officials in 2014. The names of the nurseries are not disclosed due to commercial sensitivities.

	Nursery A	Nursery B	Nursery C	Nursery D	Nursery E	Nursery F
Registered Places	90	60	60	90	80	100
Occupancy rate (average % places filled)	80%	80%	58-98%	70%	74%	52%
ANNUAL COST	£510,000	£400,000	£370,000	£420,000	£350,000	£370,000
<i>Breakdown</i>						
Staff (wages, pension/NICs, training)	90%	61%	73%	73%	71%	74%
Rent / rates	-	-	-	3%	8%	8%
Admin / management	4%	9%	6%	7%	8%	8%
Utilities	1%	5%	3%	1%	1%	2%
Materials / equipment	3%	2%	2%	-	-	-
Consumables (food/nappies)	2%	2%	7%	7%	6%	-
Upkeep building and fixtures	-	0%	2%	1%	1%	0%
Insurance	-	1%	-	1%	0%	1%
Marketing	0%	2%	-	-	-	-
Other operating costs	-	20%	6%	7%	5%	7%
ANNUAL REVENUE	£570,000	£530,000	£380,000	£530,000	£490,000	£390,000

Notes:

- A dash means either the amount has not been accounted for separately by the school, or that it does not spend any money on this category. Zero per cent means the school does spend a small sum on this category (less than 0.5%), which has been rounded down.
- Registered places are rounded to the nearest 10; total costs / revenues to the nearest £10,000.
- Nurseries are open 7.30 - 6pm (one exception, opens 7.45-17.45), between 50 and 52 weeks per year. Each school has its own particular local circumstances, such as parental demand, local pay rates etc.
- Pre-school provision only, although the age of children varies.
- Nursery C: occupancy varied by age (0-1 year old places = 98%; 2 year olds = 97%, 3-5 year olds = 58%). Total revenue is underestimated - this excludes government funding for 3&4 year old places, the total sum of which was unknown at the time the analysis was undertaken.
- 'Other operating costs' includes items such as cleaning, caretaking, internet / phone bills, stationery, staff recruitment etc.
- Annual revenue is not split in this table, but more information about the fees that schools charge for this sort of provision can be found in the more detailed case studies which are available alongside this document.

Table 2: The percentage of places that must be filled for a specific type of care to be profitable or generate a surplus (for a range of types of provider)

The following is based on a large sample of private and maintained settings, who were asked to estimate the proportion of places that needed to be filled in order for a specific type of care to generate a profit or surplus. Department for Education (2012), Childcare Provider Finances Survey, Research Report DFE-RR213.

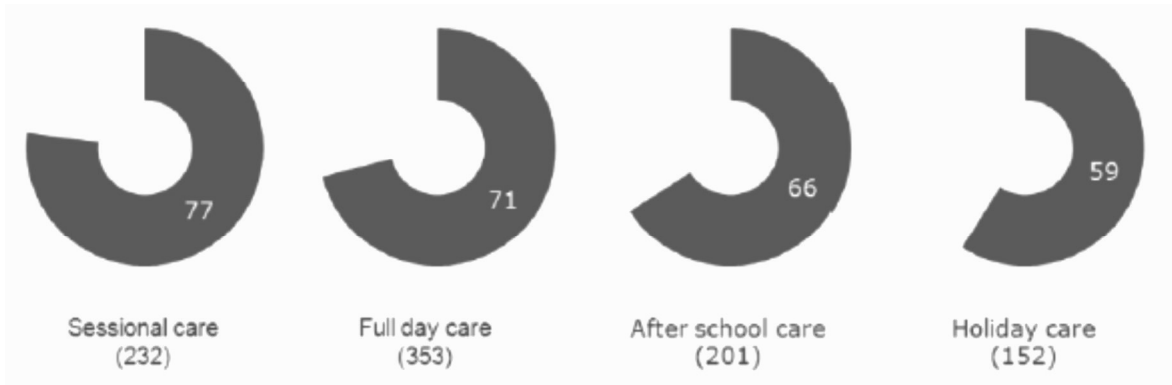
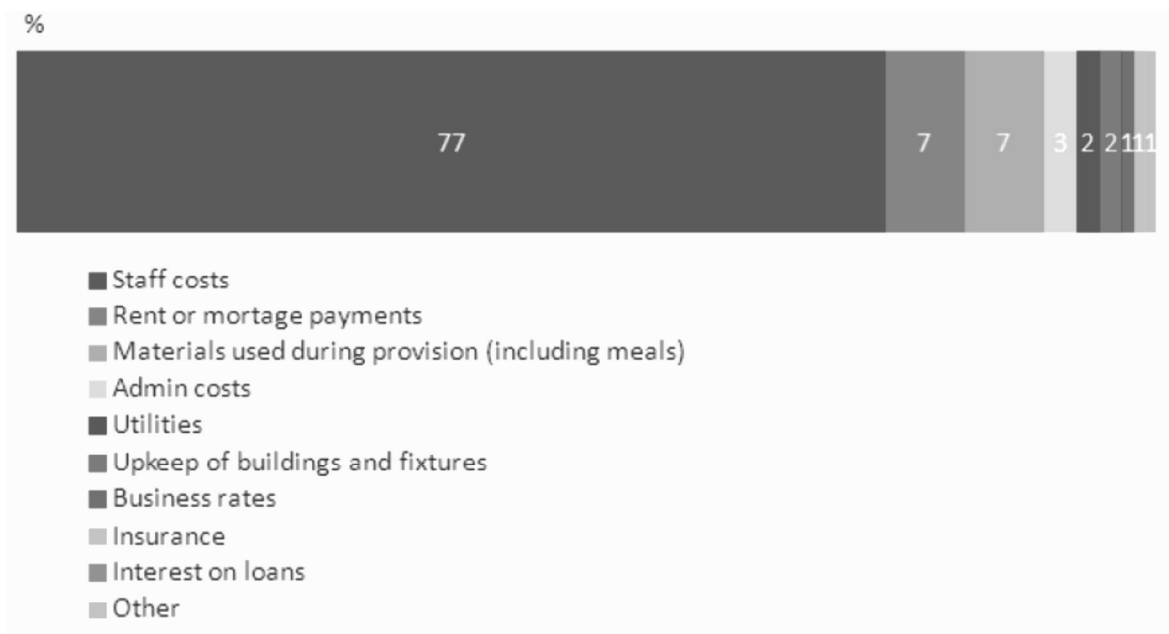


Table 3: The proportion of group-based settings' total annual costs accounted for by specific elements (for a range of types of provider)

This analysis is based on a large sample (1,016) covering all setting types (private, voluntary, school/college, local authority and other). Department for Education (2012), Childcare Provider Finances Survey, Research Report DFE-RR213.



Schools with financially sustainable nursery provision are likely to have:

- taken demographics into account - for example, some schools in deprived areas with term-time only provision felt that there was insufficient demand for paid-for hours during the holidays due to low employment rates and affordability.
- responded to changing parental demands - e.g. one school bases its nursery opening times on the local commuter train timetable.
- the necessary skills to manage a jigsaw of sessions and places in order to maximise occupancy rates - sometimes three children share one full-time place. One school likened the skills for this to those needed for timetabling. Most school nurseries require notice of any changes to sessions.
- made the most of the cost efficiencies that can be created by sharing premises, materials and equipment with the school. This can be a significant amount, but probably not more than 10% of total costs.
- planned to generate a modest surplus, which often either supports the employment / development of quality staff or maintains a contingency fund. Almost two-thirds (63%) of group-based settings (not just schools) make a profit / surplus. A further one in ten (11%) break even and around a quarter (24%) make a loss. Settings with more than 40 places are more likely to make a surplus (66%) and less likely to make a loss (20%).¹⁹
- occupancy rates of around 70—80% allow schools to make a surplus (see case study examples in Table 1). Some schools have near 100% occupancy where the provision was set up in response to parental demand. Full day care settings (not just schools) on average need to fill 71% of their places to generate a surplus (Table 2).
- priced their fees in line with the local market - though some schools, who run provision as school-owned businesses, decide to price more competitively.
- used a combination of core (full- and part-time) and temporary staff. Some schools stagger working hours to cover the whole working day (e.g. 8am to 6pm), others have contracted hours that match nursery opening times in order to minimise the use of agency staff – which is expensive.
- looked ahead either weekly or monthly to determine staffing needs for the coming period.
- more places available than the average PVI. Research suggests that the cost per place falls quite quickly up to around 50 places (the average size of a PVI), and there can be further reduction in costs per place above this level.
- addressed any debts quickly and regularly so that it does not build up.
- appreciated the impact that reputation has on demand and the level of fees it's possible to charge. Having quality staff is part of this. Some schools have decided to 'grow their own' workforce by investing in unqualified staff to train them up and promote them from within. Amongst (all types of) settings that made a pre-tax profit or surplus, those with an 'outstanding' Ofsted rating made on average £17,900, while that of settings rated 'good' was £15,400 and 'satisfactory' was £12,200.¹⁹

¹⁹ Reference as above

▪ **These schools are likely to have budgeted for:**

(Based on school case studies in Table 1, survey data on day care settings in Table 3)

- a typical fee/funding rate of £7.5-£10.5k p.a. per filled place.
- staff costs – typically around three-quarters of total costs for a strong mix of qualified staff.
- utilities - between 2-5% of total costs.
- admin / management surcharges - 4-9%, covering the role of the school head, attendance management by school administrators.
- consumables - up to 7%, covering food, nappies etc.
- materials / equipment - can be around 2-3% where these are shared with the school.
- upkeep, building maintenance & fixtures - typically 0-2% of total costs but will vary.
- insurance - around 1%.
- marketing - some schools spend nothing on this, relying on word of mouth / leaflets. Others do things like having stalls in local events.
- 'other' costs - wide variation, but typically up to 10% (schools budgeted for a number of items such as cleaning, caretaking, internet / phone bills, stationery, staff recruitment etc.).

And they have also considered / factored in:

- the time it takes to break even. Some schools managed this in 6-12 months, but it typically takes 2-3 years.
- set up costs, which are initially higher where capital investment is needed.
- the time it can take to build demand amongst parents and the local community.
- the potential savings on things like rates (which account for 7% of an average day care nursery costs – Table 3) and shared space.
- the savings that can be found by different year groups sharing space. Schools that have done this have also found that it brings along younger children, whilst teaching older children how to look after younger ones.
- charging by the hour, rather than for full days / sessions. This can meet some parents' needs well – but caution is needed in case staffing ratio requirements lead to a full-day child being turned away because another child uses just an hour or two in the middle of the day.
- the changing pattern of demand across the week - schools find that Mondays and Fridays are typically quieter. Similarly, the beginning and end of the school year tend to be quieter too.
- subsidising some of the most disadvantaged families so that they can make use of the nursery (thus also maintaining contact with vulnerable children through holidays etc.).

Early Years Pupil Premium Q&A

The purpose of this Q&A is to answer the most common questions about the Early Years Pupil Premium (EYPP) which have been raised following the publication of the government response to the consultation on the EYPP in October. This Q&A is not intended to provide extensive guidance, which will be published later this year.

Do children have to access the full early education entitlement (i.e. 570 hours) to be eligible for the EYPP?

No, from April 2015 providers will receive an additional 53p per hour for each eligible child. Children do not have to access the full entitlement in order to be eligible for the Early Years Pupil Premium. Providers will receive EYPP funding that is proportionate to the number of hours that a child is taking up.

Will settings that have been rated by Ofsted as ‘requiring improvement’ be eligible to receive the funding?

Yes, all providers delivering funded early education places will be eligible to receive the EYPP. We expect local authorities to remove any funding for the entitlement (including the EYPP) from a provider rated ‘inadequate’ as soon as practicable. Further guidance on funding early education places can be found in the Early Education and Childcare Statutory Guidance.

When do children start being eligible?

Three and four year olds will be eligible for the EYPP if they are accessing the early education entitlement and if they meet the eligibility criteria.

Children will become eligible at different points in the year depending on when they turn three/four. More information about the early education offer and the dates when children become eligible are available at: www.gov.uk/free-early-education

Children attending a primary school reception class already receive the school age pupil premium, and therefore will not be eligible for the early years pupil premium.

What happens if a child stays on in early years provision rather than joining a school reception class? Are they still eligible for the EYPP?

If a child is still receiving the early education entitlement (i.e. the 15 hours) and they meet the other criteria, they would still be eligible for the EYPP.

Will the EYPP count for ‘Ever6’ for determining eligibility for the pupil premium?

It will not currently be possible at this stage to include school-age children that have received the Early Years Pupil Premium at some point in the previous year in the Ever 6 group, as there is no way of tracking children from early years settings into school. If in future we extend the Unique Pupil Number into the early years we will revisit this.

Will the local authority where the child resides be responsible for checking the child’s eligibility or will it be the local authority where the setting is?

For most children, the local authority receiving funding for the early entitlement for a particular child will be responsible for carrying out the EYPP eligibility checks for that child. For looked after children, the local authority who has responsibility for the child will need to identify eligible children through the virtual school head.

How often will LAs have to check children’s eligibility?

Local authorities will only need to check children’s eligibility once a year. Local authorities should check as soon as a potentially eligible child is identified and then use their discretion as to when a second check takes place. For national consistency we recommend that this second check is at the start of the academic year in September. Local authorities are free to use a different date if it’s more suitable for local circumstances.

When can local authorities start checking children’s eligibility for the EYPP?

Local authorities should apply their discretion to decisions about the most appropriate time for checking children’s eligibility for the EYPP. They should be mindful, however, that a pre-requisite for the EYPP is that the child must be receiving the early entitlement. The most appropriate stage, therefore, would be at the point when the parent indicates that they wish to take up the three and four-year-olds offer on behalf of their child.

Local authorities would need to comply with data protection principles including ensuring that data is processed fairly. This means that the parents should be informed that any personal details they provide will be used for the purposes of checking eligibility for the EYPP.

Will two year olds in receipt of the early education entitlement automatically qualify for the EYPP?

No, the eligibility criteria are different. The two year old entitlement includes about 40% of two year olds, including children who would not meet the EYPP eligibility criteria. The EYPP is focused on the most disadvantaged children. The eligibility criteria for the EYPP is therefore very tight, targeted at three and four year olds from economically disadvantaged households and those who are in care or have been in care.

What about looked after children who attend a setting in a local authority which is not the one responsible for the child? How are they identified?

In its response to the consultation on the EYPP, the Government announced that Virtual School Heads will be responsible for managing the EYPP relating to looked after children. This is with the same as the approach we have taken for the school age pupil premium. Virtual School Heads will be able to identify which looked after children in their local authority will attract the funding and working with the child's social worker and foster carer, they will be able to identify the settings where the child is placed.

In your response you identify looked after children as eligible if they have been in the care of the local authority for at least one day. Can you clarify what you mean by one day?

Looked after children who have been in the local authority's care for at least one day (or 24 hours) will be eligible for the EYPP. Children who have been in the local authority's care for less than 24 hours do not qualify.

Would parents be notified of the outcome of checks?

Local authorities may wish to notify parents of the outcome of the check and to confirm whether or not the child is eligible for the EYPP.

Confirmation of eligibility should, in general, only be notified to the parent/carer of the child. There may be some very few situations where to notify an individual acting on behalf of the parent such as a social worker may be deemed appropriate but these will be the exception.

Which providers will be eligible?

All registered early years providers that take children for the funded early education entitlement – including school nurseries and maintained nursery schools, private, voluntary and independent providers and childminders – will be eligible to claim the EYPP for eligible three and four year olds.

Will local authorities top slice the EYPP?

No, the EYPP will be set at a national hourly rate. Local authorities will have no flexibility in determining the core group of eligible children, nor will they have any flexibility to vary the amount per child. Local authorities may choose to offer the EYPP to a wider group of children, or to fund at a rate higher than 53p/hour if they believe that meets particular local needs, and will need to meet these costs out of local resources.

Will providers receive a full years funding for the child in a lump sum?

The EYPP will be paid alongside existing funding for the early education entitlement. As that is calculated and paid on a termly basis, we expect funding for the EYPP to work in the same way.

What if a child moves to a different provider partway through the year? Will the previous provider lose the funding?

Local authorities should only fund providers for the EYPP based on the number of hours of early education a child receives. An important principle of the EYPP is that the funding follows the child. This means that if a child moves to a different provider during the year, local authorities should determine the allocation of EYPP that is proportionate to the number of hours of early education that a child takes up at the new provider. Moving between providers should not result in loss of funding by providers as this should be calculated on actual number of hours.

Dear Parent,

The Early Years Pupil Premium

From April 2015, nurseries, schools, childminders and other childcare providers have been able to claim extra funding through the Early Years Pupil Premium to support children's development, learning and care. We wanted to write to you to explain what the Early Years Pupil Premium is, explain who is eligible for this funding and, importantly, to ask you to fill out the enclosed forms so that we as a provider can claim the extra funding.

National data and research tells that children eligible for free school meals tend to do less well, for example in 2014 45% of children eligible for free school meals achieved the expected level at the end of the early years foundation stage compared with 64% of other children. The Early Years Pupil Premium will provide us with extra funding to close this gap.

The Early Years Pupil Premium provides an extra 53 pence per hour for three and four year old children whose parents are in receipt of certain benefits or who were formally in local authority care but who left care because they were adopted or were subject to a special guardianship or child arrangements order. This means an extra £302 a year for each child taking up the full 570 hours funded entitlement to early education. This additional money could make a significant difference to us.

We can use the extra funding in any way we choose to improve the quality of the early years education that we provide for your child. This could include for example additional training for our staff on early language, investing in partnership working with our colleagues in the area to further our expertise or supporting our staff in working on specialised areas such as speech and language.

It is well documented that high quality early education can influence how well a child does at both primary and secondary school so we do want to make the most of this additional funding. You may be aware if you have older children that a pupil premium has been available for school age children and it has proved to have given a real boost to the children receiving the funding. We want to do the same for our early years children entitled to this funding.

Therefore we ask that ALL PARENTS/GUARDIANS fill in the attached form. This will allow us to claim the additional Early Years Pupil Premium.

If you have any questions, please contact ***[add contact details here]***.

Yours faithfully,

MODEL REGISTRATION FORM—EARLY YEARS

PUPIL PREMIUM

VOLUNTARY REGISTRATION

We need information about you and your child, to provide the best education and support by making sure we receive all the government funding to which we and your child are entitled. Please complete this form and return by [date].

ABOUT YOUR CHILD/CHILDREN

Child's Last Name	Child's First Name	Child's Date of Birth			Name of preschool, nursery, childminder
		DD	MM	YYYY	
		DD	MM	YYYY	

PARENT/GUARDIAN DETAILS

	Parent/Guardian 1	Parent/Guardian 2
Last name		
First Name		
Date of Birth	D M Y	D M Y
National Insurance Number*		
National Asylum Support Service (NASS) Number*	/ /	/ /
Daytime Telephone Number		
Mobile Number		
Address		
	Postcode:	Postcode:

* Complete as appropriate

FAMILY INCOME AND BENEFIT DETAILS

Is your joint family income over £16,190 per year? (Please place an X in the appropriate box).

Yes No

If you have ticked yes, you do not need to complete this section.

If you ticked no, please place an X in this box if you²⁰ are in receipt of any of the benefits listed below:

- Income Support
- Income-based Jobseekers Allowance
- Income-related Employment and Support Allowance
- Universal Credit.
- Support from NASS (National Asylum Support Service) under part 6 of the Immigration and Asylum Act 1999
- the guarantee element of State Pension Credit
- Child Tax Credit (with no Working Tax Credit) with an annual income of no more than £16,190
- Working Tax Credit run-on

Please place an X in this box if you are not sure whether your joint family income is over £16,190, or whether you are in receipt of one of the benefits listed above, but you would still like us to check whether your child is eligible for the early years pupil premium.

ADOPTED CHILDREN, CHILDREN SUBJECT TO A SPECIAL GUARDIANSHIP ORDER OR A CHILD ARRANGEMENTS ORDER

If your child has left care through adoption, special guardianship or a child arrangements order and you would like your child to attract the early years pupil premium, you should complete the following section and attach a copy of the relevant court order:

Has your child been adopted from care?

Yes No

If you have ticked yes in the previous question, have you yet been granted an adoption order by the courts?

Yes No

Did your child leave the local authority's care under a special guardianship order or a child arrangements order (formally known as a residence order)?

Yes No

²⁰ This includes those who have parental rights for the child/children named on this form.

How the information in this form will be used

The information you provide in this form will be used by the council to confirm receipt of one of the listed welfare benefits. They will do this by checking out of work benefit data provided by HMRC and DWP. We would like your consent to make this check. Once this is confirmed, we can decide how much money your child's nursery, childminder or pre-school will receive. You are free to withdraw your consent so that your details are not used in future. Whether you use this scheme or not will not affect any of the benefits you may be entitled to.

Children who have been adopted from care or are subject to a special guardianship order or a child arrangements order.

Eligibility will be based on your declaration that your child was formally a looked after child and on the evidence of their status e.g. a copy of the relevant order. The local authority will decide whether your child's nursery, childminder or pre-school is eligible for extra funds through the early years pupil premium. This form and a copy of the relevant order should be returned either to your local authority or your child's setting to enable funding to be allocated. If you decide to return this information to the local authority, please ask your child's nursery/childminder for the most appropriate address.

DECLARATION

The information I have given on this form is complete and accurate. I understand that my personal information is held securely and will be used only for local authority purposes.

I agree to the local authority using this information to enable my child's preschool/Nursery/childminder to claim the early years pupil premium for my child

Signature of parent/guardian:

Date:.....

About this form

From April 2015 all early years providers who deliver Government funded early education are able to claim the early years pupil premium for three and four year old children whose parents are in receipt of one or more of the following benefits:

- Income Support
- Income-based Jobseekers Allowance
- Universal Credit
- Income-related Employment and Support Allowance
- Support under Part VI of the Immigration and Asylum Act 1999
- The guaranteed element of State Pension Credit
- Child Tax Credit (provided you're not also entitled to Working Tax Credit and have an annual gross income of no more than £16,190)

Three and four year olds will also be eligible if:

- they have been in local-authority care for 1 day or more in England or Wales
- they have been adopted from care in England or Wales
- they have left care through a special guardianship order or a child arrangement order in England or Wales

Registering could result in extra funding for your child's early years provider

Registering could provide up to an extra £300 for your child's nursery, pre-school or child minder to fund valuable support like extra training or, resources to help raise the quality of your child's early education.

We are committed to ensuring that the personal and sensitive information that we hold about you is protected and kept safe and secure, and we have measures in place to prevent the loss, misuse or alteration of your personal information.

We will use the information you provide to assess entitlement to the early years pupil premium.

Thank you for completing this form and helping to make sure your child's early years provider is as well funded as possible

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