

Frequently Asked Questions and Answers – Early Years Incentive Scheme

Q. Why are you only paying 80% to settings that are closed?

A. We are funding settings that are closed 80%, to cover the costs of running a non-trading provision. The government has produced a selection of initiatives to support businesses at this time listed below:

- **Coronavirus Job Retention Scheme (Nursery Settings)**
 - The Coronavirus Job Retention Scheme is a temporary scheme open to all UK employers for at least three months starting from 1 March 2020. It is designed to support employers whose operations have been severely affected by coronavirus (COVID-19).
 - Employers can claim for 80% of furloughed employees (employees on a leave of absence) usual monthly wage costs, up to £2,500 a month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that wage. Employers can use this scheme anytime during this period.
 - The scheme is open to all UK employers that had created and started a [PAYE](#) payroll scheme on 28 February 2020.
- Deferring VAT and Self-Assessment payments
- **Self-employment Income Support Scheme (Childminders)**
 - The Self-employment Income Support Scheme (SEISS) will support self-employed individuals (including members of partnerships) who have lost income due to coronavirus (COVID-19).
 - This scheme will allow the self-employed to claim a taxable grant worth 80% of their trading profits up to a maximum of £2,500 per month for the next three months. This may be extended if needed.
- A Statutory Sick Pay relief package for small and medium sized businesses (SMEs)
- A 12-month business rates holiday for all retail, hospitality, leisure and nursery businesses in England
- Small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief
- A new lending facility from the Bank of England to help support liquidity among larger firms, helping them bridge coronavirus disruption to their cash flows through loans
- The HMRC Time To Pay Scheme

Q. I do not know if I am eligible for any of the Government's support schemes

A. You can find out if you are eligible here :

<https://www.gov.uk/government/collections/financial-support-for-businesses-during-coronavirus-covid-19>

Q. How does this tally with the Local Provider Agreement and our contract with the council?

A. The funding framework relates to providers that are open and able to provide the early years entitlement. We are making these temporary changes to ensure those settings which are open are able to continue to meet those additional costs.

Q. Is the council still passing on the funding to early years settings?

A. We are passing through at least 95% of the funding to early years childcare settings as requested by the Government, and Wiltshire Council retains the balance to fund its statutory duties.

Q. I believe that the indirect costs of running a setting, whether it is open or closed, are the same.

A. The indirect costs of running a setting will vary from one setting to another, however we anticipate there will be some savings from being closed, such as utilities, administration, resources, cleaning and staff costs.

Q. My setting has already lost revenue from private parents cancelling their places, the reduction in funding will make it harder to financially manage.

A. 80% of the Early Years Entitlement will be paid to settings even if the parents have cancelled a place. We would also encourage settings to take advantage of the schemes on offer from the government.

If you need to discuss further please email earlyyears@Wiltshire.gov.uk

Q. Why are you providing an incentive say for April if the period of time has already occurred.

A. Settings that have remained open have done so due to need and this involves additional costs to help them remain financially viable eg bank holiday payments, additional running costs and resources including additional cleaning and catering costs. These settings are not able to furlough staff part time and remaining open for additional children and additional running costs and resources. The incentive is for settings that are open if necessary to offer care to children of key workers and those that are vulnerable.

Q. The government is requiring everyone to reduce contact to prevent the spread of Coronavirus (COVID-19). Isn't providing additional funding for nurseries which remain open going against this?

A. The incentive is to provide sufficient care for children of key workers, and other vulnerable children across Wiltshire as directed by the Government. We do not expect settings to re-open without children or for children who can be safely cared for at home to be in settings.

Q. Will all the money be distributed?

A. Wiltshire Council will not profit or gain from this situation. Wiltshire Council is required to 'pass-through' at least 95% of all early years funding which it will continue to do. Wiltshire Council retains the balance to fund its statutory duties.

Q. If I only receive 80% of my funding it will affect the viability of my setting?

A. The government support packages should provide sufficient options for a business to manage to survive the enforced period of closure. If any setting anticipates a financial hardship as a result of this proposal, in spite of the government schemes, please contact us at: earlyyears@Wiltshire.gov.uk

Q. My setting has had no option but to temporarily close due to Coronavirus. I am willing to open but no one has contacted me.

A. We appreciate all the settings that have remained available to open and we may need to use their services as the demand increases for places. We keep a list of these settings which is shared with parents who are looking for childcare but please contact us to discuss further at earlyyears@Wiltshire.gov.uk

Q. I thought I was going to receive all of the funding?

A. Due to the nature of the constantly changing times, the council looks to work within the parameters set by the Government. In the absence of any additional funding being promised by the government we have made decisions based on the latest information available.

Q. I don't feel this can work if the key worker parents do not want their children to attend. Could this affect smaller and more rural settings?

A. We appreciate that if key workers do not want their children to attend a setting and they can be safely cared for at home then that is where they should be. Settings should make use of the Government's support packages to maintain a sustainable business. If any setting anticipates a financial hardship in spite of the government schemes as result of this proposal, please contact us at: earlyyears@Wiltshire.gov.uk

Q. Who can I speak to if I need help applying for the government schemes?

A. You can find out more about the schemes and apply online on our website <http://www.wiltshire.gov.uk/business-advice-support-covid19>. Alternatively, please email Covid-19BusinessSupport@wiltshire.gov.uk with any queries about the grant scheme

Q. Many settings operate on a fine line of being financially viable and that was before COVID-19, this could have a long-term impact.

A. All childcare businesses are encouraged to look at the package of support put in place by the Government and to use this to manage their business. This is not intended to address any long-term financial questions but ensure that settings are able to meet the demand from children of key workers and vulnerable children.

Q. Do I have to open my setting now?

A. We currently have 25% of settings open and those that are open are struggling to meet demand in some areas. We are asking settings to let us know if they are available to open. We would like settings to open if there is a demand.

Q. I don't think I can access the Business Grant as I should be in receipt of the Early Years Entitlement Funding

A. If any setting anticipates a financial hardship as a result of this proposal, please contact us at: earlyyears@Wiltshire.gov.uk

Q. Is there an underspend in this area – can that be used to provide the additional funding for those places which are still open?

A. Wiltshire Council had an overspend of its early years budget in 2019/20 of over £1m due to an increase in children accessing childcare so there is not an underspend that we can utilise to fund this initiative.

Q. Why can't Wiltshire Council use the Covid-19 Funding from the Government?

A. The Covid-19 funding is not ringfenced and there is already a demand from a range of areas, including adult services and housing. This is being kept under constant review by the council.

Q. I haven't furloughed my staff and use the Early Years Entitlement Funding to pay them. They are contacting families and preparing resources for children so are still working.

A. As a business it is important to make a decision on what is the best financial option for you. Some settings have furloughed staff, and others have furloughed all staff except for the manager, leaving the manager and volunteers to support families with learning resources. If you need any further information you can email us at earlyyears@Wiltshire.gov.uk

Q. If I open my setting will I be paid the full amount of funding?

A. If you are requested to open your setting to provide sufficient care for children across Wiltshire, you will be paid the relevant funding, and become eligible for the incentive scheme which is an additional £100 per child per week for those who are eligible. We do not expect settings to re-open without children or for children who can be safely cared for at home.

Q. I am a childminder and I have paid out my expenses, insurance, registration etc. I am not able to claim Universal Credit.

A. If you are unable to make use of the Government's support packages to maintain a sustainable business, please contact us at: earlyyears@Wiltshire.gov.uk

The Self-employment Income Support Scheme is available to childminders. The Self-employment Income Support Scheme (SEISS) will support self-employed individuals (including members of partnerships) who have lost income due to coronavirus (COVID-19). This scheme will allow the self-employed to claim a taxable grant worth 80% of their trading profits up to a maximum of £2,500 per month for the next 3 months. Further details are available here for the government schemes :

<https://www.gov.uk/government/collections/financial-support-for-businesses-during-coronavirus-covid-19>

Q. As a childminder I have had to close to protect my vulnerable child, what support can I get?

A. The Self-employment Income Support Scheme is available to childminders. The Self-employment Income Support Scheme (SEISS) will support self-employed individuals (including members of partnerships) who have lost income due to coronavirus (COVID-19). This scheme will allow the self-employed to claim a taxable grant worth 80% of their trading profits up to a maximum of £2,500 per month for the next 3 months. Further details are available here for the government schemes :

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Q. I am open but the children are not Early Years Entitlement Funded, can I still claim the incentive?

A. As the incentive is funded by the Early Years Entitlement funding, it can only be used to support children who are 2,3 and 4 and who are eligible for the funding.

Q. If a key worker child who is eligible for Early Years Entitlement starts at my setting or returns can I claim the incentive?

A. You can claim the incentive if an eligible child is at your setting during the summer funding period. This starts from April 2020.

Q. I am a closed setting currently. I understand you will now not be reducing funding until June. When will I get my 20% back?

A. We are processing regular payments, so this should be with you by the end of next week.

Q. So as I will be paid 100% this month and next what will I receive in June?

A. We will support our closed early years settings and providers to access government schemes to ensure they have the financial support ready for the changes in June. In order to assist with your cash flow 100% will be provided in both April and May and the reduction will be taken in June, when further funding will be available from alternative sources. For June the grant level will be 40%. After that the figure will be 80% per month.

Q. Wouldn't you normally consult if there are funding changes?

A. The Early Years Reference Group who represent the sector were consulted on the approach and were in agreement that it would encourage settings to remain open and for those that were closed to still be viable.

Q. Will my funding be affected if my setting is open?

A. No you will continue to receive 100% of your funding as long as you are caring for eligible 2, 3 or 4 year old children in your setting, that fall into the vulnerable groups or children of key workers. In addition you will receive £100 per week per eligible child as outlined previously.

Q. The government has changed the rules on furlough and I don't think that I can furlough some of my staff

A. A childcare provider is able to furlough staff based on the amount of their private income (excluding funding received from local authorities and / or grants). This may be different for open and closed settings.

The following example may help explain

	Pre-COVID19	Closed Settings		Open Settings	
	Total	LA Funding	Furlough	LA	Furlough Staff
Income per month	Anticipated	received at	Staff costs	Funding	costs at 80% to
	Income	80%	at 80% to	received	cover this lost
			cover this	at 100%	income
Private Income	5,000		5,000		5,000
2, 3 & 4 YO entitlement funding	4,000	3,200	800	4,000	-
	9,000	3,200	5,800	4,000	5,000
Funding available to support income level of:			9,000		9,000

If a member of staff is to be furloughed, they should meet the following conditions

- the employee works in an area of business where services are temporarily not required and where their salary is not covered by public funding
- the employee would otherwise be made redundant or laid off
- the employee is not involved in delivering provision that has already been funded
- (where appropriate) the employee is not required to deliver provision for a child of a critical worker and/or vulnerable child
- the grant from the Coronavirus Job Retention Scheme would not lead to financial reserves being created

Q. Will I get all of my funding if I re-open in June for critical key worker children and vulnerable children?

A. Settings will be funded at 100% from the date they re-open for eligible children. This funding will not be backdated. Therefore the funding payment for June will be below 100%, due to reductions being deferred from April and May.

Q. Why is my funding being reduced by 40% in June?

A. Open settings will receive the full 100% in June. Settings which are closed will receive in total 40% of their funding in June. This is a reconciliation of 80% funding in April, May and June. We have agreed to support cash flow and not take out the reductions until June when Government COVID-19 Scheme funding will be paid to businesses

Q. I have one four year old child in my setting, I care for them on school site alongside the teacher. Will I receive the full 100% of funding?

A. Yes you will as long as you are caring for the child and the child will show on your register as eligible for entitlement funding. If you take the child to the school and leave them there, they are on the register of the school and in the care of the school, so you will not receive the funding.

Q. I think that I am going to face financial hardship because of this decision.

A. Wiltshire Council will support settings with an open book review of finances. Support can be accessed through an e-mail to EarlyYears@Wiltshire.gov.uk

Q. Is there a prejudice towards larger settings?

A. No, there is definitely not a prejudice towards larger settings. We are trying to ensure that there is sufficient childcare available for all critical workers and vulnerable children, and there is a mix of provision that we are currently using. Over half of the settings that are currently open are childminders. In addition, the offer of support from Wiltshire Council is for all childcare settings, and we are encouraging them to contact us at EarlyYears@Wiltshire.gov.uk if financial hardship is expected, and we will try and help.

Q. Will there be enough sufficiency after the 'lockdown period' to give parent and carers a choice of childcare setting?

A. Wiltshire Council are working hard to ensure that childcare settings are able to be supported through this difficult period and offering help and support to any setting that may be at risk of financial hardship. We are hopeful that we will still be able to provide sufficient childcare, although we do accept that the options available to families and carers may be limited when restrictions are lifted.

Q. Why isn't there any funding for children who are not entitled to free childcare?

A. As the incentive is funded by the Early Years Entitlement funding, it can only be used to support children who are 2,3 and 4 and who are eligible for the funding.

Q. I am a charity but have been advised I am unable to access the business rate relief by the Council. Is this correct?

A. We have noticed that the national advice to early years settings differs from the national advice given to officers in revenues and benefits. We have raised this with the DfE and will share the update as soon as it is received.