

SLOUGH BOROUGH COUNCIL

REPORT TO: Education and Children's Services Scrutiny Panel

DATE: 7th February 2019

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PART I **FOR COMMENT AND CONSIDERATION**

30 HOURS EXTENDED ENTITLEMENT - FINAL REPORT AND RECOMMENDATIONS

1. Purpose of Report

1.1 For the Education and Children's Services Scrutiny Panel to comment on a report outlining the implementation of and issues arising from the introduction of a new free early years entitlement; commonly referred to as '30 hours'.

2. Recommendations/Proposed Action

2.1 The Panel is requested to comment and consider the information in this report noting that:

- Comparing national figures with percentages in Slough (5.13) clearly identifies the need to develop more extended entitlement provision in Slough schools.
- National reports indicate that childminders offer the extended entitlement with greater flexibility than other providers. Support work is currently focussed on encouraging more childminders to provide the 30 hours extended entitlement.
- The ongoing support for childminders includes further development of a new SEND network focussing on skills development and developing an offer of inclusive practice and provision.
- A review of the barriers to 30 hour place take up will begin in February at a workshop session with managers of PVI's.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

JSNA reports performance in schools as good. Early Years Profile figures for summer 2017 were exceeded in 2018 and the Good Level of Development was 73.6%.

3.1 Slough Joint Wellbeing Strategy priorities

The work of Slough Early Years Service supports the following priorities of the strategy:

1. Protecting vulnerable children
2. Influencing the wider determinants of health through early education

3.2 Five Year Plan Outcomes

This report considers the provision of early education for children which impacts on the following Five Year Plan outcomes:

- Slough children will grow up to be happy, healthy and successful.

4. **Other Implications**

(a) Financial

No financial implications

(b) Risk Management

(c) Human Rights Act and Other Legal Implications

There are no Human Rights Act implications. The provision of Early Education is a statutory duty under the Childcare Act 2006 (Sections 6 – 11).

(d) Equalities Impact Assessment

5. **Supporting Information**

5.1 **Slough has a statutory duty to secure a free entitlement place for every eligible child in their area. Slough Early Years Service manages this duty on the authority's behalf.** (Childcare Act 2006 and 2016)

5.2 There are 3 different funded entitlements that parents can receive in England and each one has a different set of criteria determining eligibility.

- A two year old Free Early Education (FEE) place is available to children in low income households. Parents in receipt of child tax credits or working tax credits are eligible if they have an annual income under £16,190 before tax. Parents in receipt of Universal credit are eligible if they have an annual net earned income of £15,400 or less.
- A Universal 3 & 4 year old entitlement (15 hours) is available to all children the term after their 3rd birthday
- The Extended 3 & 4 year old entitlement (30 hours) was introduced in September 2017 for children in families where parents work and meet some specific earnings criteria. The family is eligible for the extended entitlement if parents are in work (both parents in a two parent household or one parent in a one parent household) and earning the equivalent of 16 hours per week at the national minimum or living wage and not more than £99,999 per year (each parent).

5.3 Current Participation Data

Autumn 2018	Participation rates
Funded 2 year olds	52%*
Universal 3 & 4 year olds	58%**
Extended Entitlement	88%***

*The Department for Work and Pensions supply a data set of the number of families eligible for 2 year old funding

** Health Data is used to calculate the number of 3 & 4 year olds living in Slough. Minus a % of 4 year olds in reception classes (previous January census data is used as a proxy indicator)

*** The percentage is worked out using the number of codes issued (applications)

5.4 The FEE extended entitlement offers 15 hours of early education for 38 weeks of the year to children of working parents in England. The aim is to help families by reducing the cost of childcare thereby supporting parents into work or into increasing their hours of work.

5.5 Rollout of extended entitlement

In Slough, sufficiency planning for the extended entitlement started many months before the national rollout with managers meetings, briefings, childminder events and discussions with Head Teachers all designed to raise awareness of possible ways to meet potential demand across the range of providers.

5.6 Planning in the first year was challenging due to a lack of data on eligibility and take-up of the extended hours. However, over time we are building a data history through the Early Years Census and School Census data that is supporting future planning.

5.7 The initial roll out of the extended entitlement placed a large administrative burden on the local authority, not least because technical problems with the application process led to many parents looking to local authorities for telephone support. The HMRC lines were unable to cope with the demand. Without any additional funding it was a challenge to meet our duties and provide support to parents and providers. Subsequently we were able to access the DfE Delivery Support Fund to employ two part time staff to manage the extra level of calls and payment processing for 6 months.

5.8 The Local Authority provides settings with information about parents who need to reconfirm their code six times a year. However settings continue to report parents having difficulty with the reconfirmation of codes. All applications are managed and processed by HMRC.

5.9 The most pressing longer term issue arising from the extended entitlement is the limited participation of families with children with SEND, most probably as a result of the pressure on SEND budgets. This is a national issue that has an impact on all local authorities. SEND budgets were already being stretched to meet demand from children who were taking the universal 15 hours and, with no additional resource to address a further 15 hours of entitlement it is proving extremely difficult to stretch the High Needs budget further.

5.10 Sufficiency and Compliance

- Slough has received no complaints from parents about a lack of extended entitlement places (30hrs).
- A few parents have asked questions in 2018 about charges in relation to free entitlements and there have been discussions with 2 specific providers who have subsequently modified their statements to parents based on our advice.
- Compliance checks commence in February 2019.

5.11 Most extended hours places in Slough are delivered by private providers. According to the Childcare Sufficiency Assessment data of autumn 2018:

- 60.6% of extended entitlement places were delivered by private providers, including children's centres
- 30.5% were delivered by school nursery classes or nursery schools
- 9% were delivered by childminders.

5.12 Children's Centres are key providers of FEE in Slough

All FEE Childcare		Numbers of children	
Spring 18	All settings	Children's Centres	% in CC
3 & 4 yr. universal	3131	236	7.01%
3 & 4 yr. extended	662	91	12.08%
2 yr. old funded	443	156	26.04%
EYPP	277	51	15.55%

All FEE Childcare		Numbers of children	
Summer 18	All settings	Children's Centres	% in CC
3 & 4 yr. universal	3500	290	7.65%
3 & 4 yr. extended	825	132	13.79%
2 yr. old funded	424	148	25.87%
EYPP	252	63	20.00%

All FEE Childcare		Numbers of children	
Autumn 18	All settings	Children's Centres	% in CC
3 & 4 yr. universal	2318	160	6.46%
3 & 4 yr. extended	620	63	9.22%
2 yr. old funded	458	116	20.21%
EYPP	240	50	17.24%

5.13 In Slough the extended offer has resulted in greater use of funded hours at more than one provider although there is very little evidence to demonstrate any increase in true partnership delivery of the entitlement. This is generally due to the fact that a higher percentage (63%) of families choose to have their universal 3 & 4 year old funding in a school provider and currently only a small number of schools (30.5%) are offering the extended entitlement, therefore parents opt to split their 30 hours between a school provider and a Private, Voluntary and Independent setting.

The Natcen survey published in November 2018 reports the following percentages of providers in England offering 30 hours funded childcare:

Type of childcare	Group based	School based Nursery	Childminder
Percentage	90%	67%	77%
Percentage in Slough	97%	41%	62%

Comparing the national figures with percentages in Slough at a similar moment in time clearly identifies the need to develop more extended entitlement provision in Slough schools. However national reports indicate that childminders offer the extended entitlement with greater flexibility than other providers.

Participation rates for the extended entitlement are increasing over time and there is an expectation that the highest percentage will occur in the summer term.

DFE Published 30 hour codes - Slough

	DfE indicative eligibility figure	Eligibility codes issued	Codes validated (number)	Codes validated (%)	Children in a 30 hours place	Children in a 30 hours place as a percentage of codes issued (%)
Autumn 2017	1060	577	484	84%	400	69%
Spring 2018	1060	880	758	86%	643	73%
Summer 2018	1060	1020	892	87%	825	81%
Autumn 2018	1677	677	608	90%	597	88%

*The number of children eligible grows throughout the academic year as more children turn 3 years old

Comparison with statistical neighbours

Extended entitlement- 30 hours childcare

Percentage of codes issues and validated	Feb-18	Sep-18	Dec-18
Reading	96%	93%	98%
Redbridge	99%	86%	100%
Coventry	95%	86%	97%
Sandwell	90%	86%	96%
Birmingham	91%	89%	94%
Luton	91%	87%	91%
Leicester	85%	80%	94%
Slough	85%	84%	90%
Hounslow	84%	81%	87%
Ealing	84%	80%	84%
Hillingdon	81%	71%	89%

Take up of the 30 hours entitlement in Slough places us 8th in comparison with our statistical neighbours. There is still work to be done to improve the take up of the extended entitlement offer amongst eligible families. This work will start with a review of the barriers to place take up as evidenced by managers of settings at a workshop session in February 2019.

Impact on other provision

There was a decline in the number of two year olds accessing a free early education place in Slough in the period 2016 – 2018. The reasons for this are not clear but it is undeniable that there has been a refocus nationally on the extended entitlement for 3 and 4 year olds. Slough Providers report that whilst the number of 2 year olds in Slough settings is lower than in 2016 they are not prioritising the offer of places for 3 and 4 year olds over 2 year olds.

To counter the decline in FEE participation of 2 year olds the Slough Early Years Service has initiated the 'Bright Futures' campaign. Autumn figures show 52% of eligible two year olds in FEE places in the autumn term 2018. We expect the campaign to impact January figures.

Case study demonstrating evidence of the Impact of FEE

A primary school who has been offering 2, 3 & 4 year old funded places has seen a significant increase in demand for nursery places over the last year, since offering 30 hours childcare. The nursery currently has 124 nursery places accessed which is the highest number at this time of year within the last 4 years; this includes filling their internal capacity for 30 hours children. They

also have 24 filled places for 2 year old's, the majority of which are funded. The school have reviewed their data and a snapshot shows that the children who attended their 2 year old provision and then accessed their extended entitlement, are all achieving at least 20% higher than children who have not.

6. **Conclusion**

6.1 This report provides the Panel with an overview of the implementation of the Early Years extended entitlement and recommends specific developments to improve participation rates in Slough.

7. **Comments of other Committees**

This report has not been considered by any other committees.

8. **Appendices Attached**

None.