

Preferred Date of DMT Meeting:	January 2012
SUBJECT:	The Free Entitlement for Disadvantaged 2 Years Olds
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Is the report confidential?	No

1.	Purpose
	<p>To provide an update on the Local Authority's current position relating to the 'Free Entitlement for Disadvantaged 2 Year Olds'</p> <p>To identify a number of relevant cost options for the delivery of the 'Free Entitlement for Disadvantaged 2 Year Olds' in the financial year 2012 – 2013.</p>
2.	Background / Context
	<p>Since September 2009, Lincolnshire has been delivering a DfE pilot project to offer 171 early years places for the most disadvantaged 2 year olds. Children are offered a place based on specific government defined criteria relating directly to an individual family's economic circumstances. In Lincolnshire this has been linked directly to the CAF process. Children have accessed a maximum of 10 hours per week of high quality early years provision over 38 weeks a year. Providers are paid at £4.85 per hour in line with government guidance.</p> <p>An evaluation of the pilot of free early education for disadvantaged two year olds found that, for children who attended high-quality childcare settings, there was a positive impact on language ability and on parent-child relationships. Over 800 children have benefitted from the pilot so far in Lincolnshire and there is currently a waiting list for places.</p> <p>As part of a coherent framework of services for families announced in 2011, and in addition to having increased free early education for all three and four year olds to 15 hours a week, the Government will offer all two year olds from disadvantaged backgrounds the free entitlement to 15 hours early education by 2013 (<i>Families in the Foundation Years, DfE 2011</i>)</p> <p>OUTCOMES</p> <p>There is currently no national or Lincolnshire published data for 2 year olds against which to measure the impact of the 2 year old funding. The 2 year old pilot began in September 2009 and the children who have accessed the initial round of funding have not yet reached the end of the Early Years Foundation Stage. Therefore, Early Years Foundation Stage Profile national data collected at the end of the reception year cannot yet be used to measure impact and progress until July 2012.</p>

However, in order to ensure that there is accountability for the 2 year old funding and that impact can be demonstrated, qualitative strategies have been implemented. Expected average achievement is available through the Ages and Stages within the Early Years Foundation Stage (EYFS) framework and this can be used to measure progress at an individual level.

Effective Learning Journeys have been developed by providers to monitor the progress of all children accessing 2 year old funding. The Learning Journeys are linked to EYFS outcomes to monitor progress across all areas of learning and development. An initial analysis indicates improved outcomes in Personal, Social and Emotional Development (PSED) and Communication Language and Literacy (CLL). Specific progress can be demonstrated in areas relating to language for communication and thinking and in social development. These areas of learning and development are the key areas which enable children to achieve and fulfil their potential.

Family questionnaires have been sent to all parents/carers who have provided positive feedback on the value of the funding on their child's progress. A key area which has been highlighted by parents has been the specific positive impact on their child's social and emotional development. Early feedback indicates improved parental confidence in their involvement in the child's development in these key areas.

Case studies have been compiled in a number of settings to establish the impact that funding has had on those children accessing the provision and the following comment is indicative of the feedback. The high quality settings used are clearly able to quantify and maximise the impact of the funding.

'The funding has been linked to improved outcomes in all areas of the Observation, Assessment and Record Keeping, especially Personal, Social and Emotional Development. One child coming to extra sessions has helped develop his physical development. Our intended outcome was to provide the children with stimulating opportunities within our enabling environment and, because they have more consistent hours in the setting, these opportunities are maximised.'

(Red Hen Day Nursery, Legbourne)

The 2 year old funding has similarly enabled the most disadvantaged children to access early years provision which has supported early identification of children with additional needs. Individual Education Plans have been developed by the settings in partnership with the Birth to Five Service and external agencies to ensure children's progress is carefully monitored. Progress can be particularly demonstrated in outcomes relating to speech and language as fewer of these children are requiring intensive support on entry to school.

Effective parental engagement is fundamental to support children's learning and development and the 2 year old funding supports families to make contact with local Children's Centres and to access additional services and support. Families accessing the 2 year old funding also receive encouragement to develop the home learning environment and providers have evidenced the effective implementation of this, following training and small grants to support resource costs. A very high percentage of children receiving the funding continue to attend early years provision when they become eligible to access the 3/4 year old funding.

FUTURE CONSIDERATIONS

With the introduction of the proposed 'Two year old check' to be undertaken by Providers in 2012, we will seek to use these assessments as a baseline to evaluate children's starting points for those accessing the entitlement funding.

From the summer term 2012, a number of 2 year olds who originally accessed the 2 year old entitlement will have reached the end of the Early Years Foundation Stage. We will therefore be at a stage where we can quantify the progress of these children through the Foundation Stage Profile Data.

BUDGET BREAKDOWN

During the 2011/12 financial year, the budget for the 'Free Entitlement for Disadvantaged 2 Year Olds' was agreed at £400,000. In addition to direct funding for 171 places this budget includes outreach, resources, training and project management costs in line with DfE guidance.

Pilot Places	Resources	Staffing	Total
£315,153 (171 places over 38 weeks per year for 10 hrs per week @ £4.85 per hour).	£19,847 (incl. resources, home learning, transport, training, meal costs)	£44,000 Lead Consultant (EYE) £21,000 Outreach & Family Support Officer	£400,000

3 Options/Conclusions

From 2014, free early education places will be available nationally for around 260,000 two year olds. This equates to approximately 40% of all two year olds in the country. This will ensure that many more children will be able to start the first phase of their education earlier, which is critical for preparing children for school and future success.

During the 2012/13 financial year, DMT is asked to consider the following options to increase the level of provision to meet needs of the children and families who are eligible for the funding, and to reduce the waiting list across Lincolnshire.

OPTION 1

This model is based upon the delivery of the original number of places offered during the standard term time over 38 weeks per year, *with an increase from the current 10 hours to 15 hours per week.*

Number of Places	Number of Hours	Additional Funding Required	Total Cost
171	Increase from 10 to 15 hours	£157,576.50	£557,576.50

OPTION 2

Recent HMRC statistics (April 2011), published by the DfE, indicate that there are currently 1800 children in Lincolnshire eligible to access the 2 year old entitlement using the eligibility criteria.

This model is based upon the standard term time 38 weeks delivery with an increase to 15 hours and *increasing the number of places to fund 15% of the total disadvantaged 2 year olds in Lincolnshire.*

Number of Places	Number of Hours	Additional Funding Required	Total Cost
270	Increase from 10 to 15 hours	£431,262.00	£831,262.00

	<p>OPTION 3 (preferred option)</p> <p>In recognition of the need to build towards the expanded entitlement, it is proposed that the offer is increased to 20% of the total number of disadvantaged 2 year olds in Lincolnshire.</p> <p>To reach 20% of the total, it is proposed to provide 360 places and increase entitlement to 15 hours maintaining the standard delivery over 38 weeks.</p> <table border="1" data-bbox="276 421 1406 562"> <thead> <tr> <th data-bbox="276 421 557 488">Number of Places</th> <th data-bbox="557 421 841 488">Number of Hours</th> <th data-bbox="841 421 1123 488">Additional Funding Required</th> <th data-bbox="1123 421 1406 488">Total Cost</th> </tr> </thead> <tbody> <tr> <td data-bbox="276 488 557 562">360</td> <td data-bbox="557 488 841 562">Increase from 10 hours to 15 hours</td> <td data-bbox="841 488 1123 562">£680,067.00</td> <td data-bbox="1123 488 1406 562">£1,080,067.00</td> </tr> </tbody> </table>	Number of Places	Number of Hours	Additional Funding Required	Total Cost	360	Increase from 10 hours to 15 hours	£680,067.00	£1,080,067.00
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4	<p>Recommendations</p>								
	<p>Initial analysis indicates that increasing the offer for the most disadvantaged 2 year olds across will have a positive impact on the children and families in Lincolnshire and enhance the learning opportunities for those children involved.</p> <p>It is recommended that all options above are considered with a view to increasing the current allocation in the light of the existing waiting list and government intentions for 15 hours of delivery from 2013.</p> <p>Option 3 is therefore proposed as the preferred choice, based on figures produced by the DfE and upon the current quantity of referrals which would support the need for this increase.</p>								