

Open Report on behalf of the Interim Executive Director of Children's Services

Report to:	Children and Young People Scrutiny Committee
Date:	1 June 2012
Subject:	Entitlement for Disadvantaged Two Year Olds to Access 15 Hours Free Early Education

Summary:

This paper is designed to provide elected members with a comprehensive overview of the implementation of free early education places for two year olds in Lincolnshire.

Actions Required:

The committee is invited to consider and comment on the report and endorse the continuation of the entitlement for disadvantaged 2 year olds.

1. Background

1.1 The importance of the first few years of a child's life cannot be overstated. Children who have the right support in the foundation years enjoy better health, wellbeing, and achievement at school and later in life.¹

1.2 Evidence indicates high quality early education makes a real difference to children's development and their future success. Pupils in the bottom 20 percent of attainment at age five are six times more likely to be in the bottom 20 per cent at the end of key stage one. Despite improvements in early education outcomes, there remains a stubborn achievement gap between the most disadvantaged children and their peers. For example, in 2009 only 35 per cent of children eligible for free school meals achieved a good level of development at age five, compared with 51 per cent nationally.²

1.3 In 2009, the government 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.³

¹ DfE (2011) Supporting Families in the Foundation Years: Proposed Changes to the Entitlement to Free Early Education and Childcare Sufficiency

² DCSF (2010) *Early Years Foundation Stage Profile Achievement by Pupil Characteristics, England 2008/09*. Statistical First Release 03/10

³ Smith, R., Purdon, S., Schneider, V., La Valle, I., Wollny, I., Owen, R. Bryson, C., Mathers, S., Sylva, K., and Lloyd, E. (2009) *Early Education Pilot for Two Year Old Children Evaluation*, DCSF Research Report RR134

1.4 The Government is committed to extending this free provision to those two year olds who may gain most from it. Building on the pilot, the Government plans to create a new entitlement to free early education for 15 hours a week over 38 weeks a year for the most disadvantaged two year olds nationally from September 2013. 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 many more children will be able to start the first phase of their education earlier, which is considered to be critical for preparing children for school and future success.

Local context

1.5 In September 2009, Lincolnshire started to offer 10 hours of free early education over 38 weeks to 15% of the most disadvantaged two year olds as part of the Government pilot project. The pilot provided funding for 171 places. There has been a commitment to continuing the offer for two year olds throughout 2010–2012 using funding allocated through the Early Intervention Grant

1.6 During the 2011/12 financial year, the budget for the ‘Free Entitlement for Disadvantaged Two 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. Early Years Providers are paid at £4.85 per hour for the delivery of entitlement hours. Transport and meal costs are also agreed on an individual basis when requested through the family referral.

1.7 Children continue to be offered a place based on specific government defined criteria relating directly to an individual family’s economic circumstances. Families must be in receipt of one or more of the following benefits to meet eligibility:

- Income Support
- Child Tax Credit at a higher rate than the family element (above £545 per year - this amount will be identified at the top of the award letter)
- Income based Job Seeker's Allowance
- Working Tax Credit (Disability element)
- Pension Credit

(Refer to Appendix A for further information).

1.8 Secondary Criteria has also been established to enable the Birth to Five Service to prioritise places appropriately. The following circumstances will be considered when weighting places for allocation:

- Looked after child
- Involved in a TAC process
- BME family
- Child from a family with 3 or more children (aged under 5 years old)
- Teenage parent/ carer
- Lone parent/ carer
- Parents/ carers with health issues or disabilities
- Family have experienced domestic violence
- Family have experienced substance misuse issues

- Child with speech and language needs, including English as an Additional Language
- Child subject to a Child in Need Plan
- Child subject to a Child Protection Plan
- Child in temporary accommodation
- Child with developmental or learning delay
- Child with a disability
- Child experiencing emotional and behavioural problem
- Asylum Seeking/ Refugee Family

All referrals are made through a clear process (refer to Appendix B). The process is designed to facilitate easy referral and swift placement, within 48 hours provided that places are available. There is guidance for staff, which is supported by a documented process. Parents or carers complete a contract when their child is offered a place which includes a self certification of eligibility.

1.9 To ensure children attend the highest quality provision, only settings which have been assessed and are providing statutory provision to three and four year olds are able to offer free places for two year old places. These settings must have an Ofsted rating of good or outstanding, meet the internal assessment RAG (Red, Amber, Green) rating, and have a graduate leader in place. Settings receive regular assessments and support from the Birth to Five Service to ensure quality is maintained and improved upon.

1.10 To date, 1,376 children have accessed places across 95 settings in Lincolnshire. Table 1 illustrates the breakdown of places and settings for the local authority area for the whole implementation as well as actual numbers receiving their entitlement at the head count in February 2012.

Table 1:				
Locality	Number of children accessing a place since 2009	Number of settings including childminders, offering places since 2009	Number of children accessing a place in February 2012	Number of settings including childminders offering places in February 2012
Boston	38	8	14	7
East Lindsey	360	22	91	20
Lincoln	324	10	104	10
North Kesteven	83	16	33	14
South Holland	14	8	8	8
South Kesteven	378	21	99	20
West Lindsey	179	11	58	11
Total	1,376	95	407	90

Analysis of the attendance data indicates:

- The majority of children were White British

- 54% of the two year olds accessing a place to date have been male
- 144 children were involved in a Team Around the Child (TAC)
- 77 children were identified as Children In Need
- 46 children were subject to a Child Protection Plan
- 3 were Looked After Children
- 422 children continued to access the Early Years Entitlement (EYE) for three and four year olds at the setting they accessed their two year old place
- 53 children moved on to access the Early Years Entitlement (EYE) for three and four year olds at alternative settings
- 4 children did not make the transition to the Early Years Entitlement (EYE) for three and four year olds in Lincolnshire due to families moving out of the area.

1.11 The introduction of free early education for disadvantaged two year olds in Lincolnshire is an important stepping stone for families, bringing many of them into contact often for the first time with nurseries, childcare, and children's centres. Case studies provided by settings and parental questionnaires completed during the early implementation illustrate the impact and benefit of the two year old offer for children, families and settings.

1.12 The case studies illustrate how accessing a place has supported two year olds to:

- Take small stepped progress in language development as well as significant increases from two word to three word levels
- Become confident and independent when supported by knowledgeable adults
- Have the confidence to engage with adults and their peers, with several examples of how children moved from solo play to parallel play over time
- Make positive changes to their behaviour when routines where introduce and boundaries where set and reinforced
- Thrive and develop well when provided with stimulating environments and physical challenge.

1.13 As well as the specific benefits for two year olds themselves, there are many benefits and positive outcomes for families evidenced in the case studies. Parents identify:

- How being actively engaged and involved in their child's experience and the setting they attend has them to understand how they can support their children's learning and development at home
- The additional parenting programmes and staff support has provided them with knowledge, tools and skills to manage unwanted behaviour and promote positive behaviour
- Being able to access resource libraries, story sacks, treasure basket, and being provided with training to support the use of these resources has raised their knowledge and confidence in supporting home learning
- How workshops focussed on increasing their knowledge of the benefits of open ended resources has enabled them to understand the importance of allowing their children the time to explore, play and talk

- The support to access specific courses such as Chatter Matters has provided parents with the knowledge to support their own child alongside the professionals
- How support and guidance from their child's key person has enabled them to introduce consistent routines and boundaries within the home
- A variety of resource sheets, recipe cards, and information workshops which have provided families with low cost/no cost activity ideas at home, have raised awareness and promote healthy eating.

1.14 The case studies identify that there have also been many benefits for settings and staff teams. Providers describe:

- Improvement in overall setting practice as well and focussed improvement in working with two year olds as a result of the support and guidance received from the Birth to Five Team
- Improved parental engagement and involvement in children's learning
- Better access to wider services to support families and through Children's Centres such as Speech and Language, Family Support Workers and Physiotherapy
- Improved transitional arrangements for families to the Early Years Entitlement for three and four year olds and their families
- Increases in staff skills, knowledge and confidence in areas such as domestic violence and inclusion as a result of external specialist training and support
- Better relationships with Health Visitors and other multi agency professional teams
- An increased confidence in completing the CAF with families.

2. Conclusion

2.1 The proposed staged increase to meet the statutory requirements in both 2013 and 2014 will require a significant scaling up of the existing market. Making this vision a reality will rely upon the continued commitment of commissioners in the local authority and all those in the early education sector across all providers in the private, voluntary and maintained sectors. The new two year old offer may, over time, create demand for more new part-time places, the majority of which will be needed in the most deprived areas. This, together with the ongoing priorities to raise the quality of provision and make it more accessible to disabled children, will be challenging.⁴

2.2 In a report presented in January 2012 (refer to Appendix C) DMT was asked to consider three options. To ensure a stepped increase in the number of places to be able to meet the statutory requirement in 2013, it was decided to increase the local offer to 20% of the total number of disadvantaged two year olds in Lincolnshire. This will provide 360 places and will increase the entitlement from 10 hours to the required 15 hours over 38 weeks.

⁴ DfE (2011) Supporting Families in the Foundation Years: Proposed Changes to the Entitlement to Free Early Education and Childcare Sufficiency

Table 2:			
Number of Places	Number of Hours	Additional Funding Required	Total Cost
360	Increase from 10 hours to 15 hours	£680,067	£1,080,067

3. Consultation

- The EYE team will continue to use the local criteria to prioritise places until national guidance from the Department for Education is received
- Places will continue to be prioritised by the individual need of the family, and will automatically now include Looked After Children
- The comprehensive RAG rated quality data held by the Birth to Five Service will inform the engagement of additional providers to meet the increased local demand
- A systems review and audit has taken place and the data exchange set up to manage the three and four year old entitlement has been expanded to capture and manage two year old data. This serves to streamline processes and reduce the administrative burden on providers
- Targeted Team Managers are aware of the plans and are working with the Birth to Five Service to target eligible families.

Future plans in Lincolnshire

- The Birth to Five Service has responded to a recent government survey, designed to gather data on the total number of funded two year olds within each local authority.
- The intention for 2013/14 is for the DfE to fund 20% of two year olds nationally. Within Lincolnshire, HMRC data has indicated 1800 two year olds meet the criteria to access 15 hours of early years provision per week.
- There is an intention to extend the funding further in 2014/15 to 40% of all two year olds nationally and the DfE are due to release a consultation later in 2012 to see views on the criteria that should guide the allocation of these funded places. This will ensure that many more children will be able to start this first phase in their education earlier, which we know is critical for preparing children for school and future success.
- In Lincolnshire, we are already working with Health, Social Care and Locality Teams to ensure we allocate the funding to the most vulnerable families and decide on the right strategy for future funding.
- The Government is also seeking further views on how local authorities should receive money to fund the new entitlement from 2013/14 onwards and Lincolnshire has fed back views through the Consultation which closed on 3rd February and at the Regional Meeting held by the DfE in March 2012.

a) Policy Proofing Actions Required

n/a

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Two Year Old Funding Overview
Appendix B	Referral Process Flow
Appendix C	2 Year Old Entitlement DMT Report

5. Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
Supporting Families in the Foundation Years: Proposed Changes to the Entitlement to Free Early Education and Childcare Sufficiency	www.dfe.gov.uk
Smith, R., Purdon, S., Schneider, V., La Valle, I., Wollny, I., Owen, R. Bryson, C., Mathers, S., Sylva, K., and Lloyd, E. (2009) Early Education Pilot for Two Year Old Children Evaluation,	DCSF Research Report RR134
Early Years Foundation Stage Profile Achievement by Pupil Characteristics, England 2008/09.	DCSF Statistical First Release 03/10

This report was written by Geraldine O'Neill, who can be contacted on 01522 552752 or geraldine.o'neill@lincolnshire.gov.uk