

Open Report on behalf of Debbie Barnes, Executive Director of Children's Services

Report to:	Children and Young People Scrutiny Committee
Date:	19 January 2018
Subject:	Thirty Hours Free Childcare (The Extended Entitlement)

Summary:

To share Lincolnshire's position on the thirty hours funded childcare entitlement, including sufficiency to support this national agenda.

Actions Required:

The Committee is invited to consider the content of the report and to endorse the local authority's approach to secure sufficient funded education places for eligible children.

1. Background

National Context

The Government committed to doubling the amount of free childcare from 15 to 30 hours a week for eligible working parents of three and four year olds from September 2017. The intention is for the extended entitlement to have a real impact on the lives of families, supporting parents who wish to work, or to work more hours.

All three and four year olds are already entitled to 15 hours a week of free early learning. Take-up is currently at 95% nationally and at 97% of all 3 and 4 years old are accessing Early Education places in Lincolnshire (2017 DfE Statistical First Release).

The quality of provision continues to improve, with 96% of early years group providers in Lincolnshire being rated as Good or Outstanding at inspection as at March 31st 2017.

The Government has confirmed that the 30 hours will be delivered through local authorities, as it is currently for the existing 15 hours. Providers delivering any part of the 30 hour entitlement must follow the requirements of the Early Years Foundation Stage and must be registered with Ofsted.

Parents of 3 and 4 year olds need to meet the following criteria in order to be eligible for 30 hours free childcare:

- They earn or expect to earn the equivalent to 16 hours at National Minimum or Living Wage over the coming three months.
- This equates to £115 a week (or c.£6,000 a year) for each parent over 25 years old or £111.20 a week (or c.£5,700 a year) for each parent between 21 and 24 years old.
- This applies whether you are in paid employment, self-employed or on zero hours contract.
- The parent (and their partner where applicable) should be seeking the free childcare to enable them to work.
- Where one or both parents are on maternity, paternity, shared parental or adoption leave, or if they are on statutory sick leave.
- Where one parent meets the income criteria and the other is unable to work because they are disabled, have caring responsibilities or have been assessed as having limited capability to work.
- Where a parent is in a 'start-up period' (i.e. they are newly self-employed) they do not need to demonstrate that they meet the income criteria for 12 months.
- If a non-EEA national, the parent must have recourse to public funds.

In addition to these changes the Government has introduced new ways to help parents with childcare costs. 'Childcare Choices' is the new online HMRC childcare service. [Childcare Choices](#) sets out all current and upcoming Government childcare offers and support available to parents, including the Tax-Free Childcare scheme, 30 hours, the universal 15 free hours, 2 Year Old childcare offer, Tax Credits, Universal Credit and Childcare Vouchers. Parents are able access this information via their own personal Gateway account.

The DfE have confirmed that the Local Authority will be required to continue to fund a place for a child whose parents cease to meet the eligibility criteria and ensure that providers are aware of this. This is known as the "grace period". During the grace period, the Local Authority will continue to fund a child for their additional 15 hours a week over 38 weeks of the year, or its equivalent if the entitlement is being stretched. The "grace period" runs from the day after a parent has reconfirmed eligibility until the end of term.

To assist local authorities to implement this agenda successfully Childcare Works continue to deliver the DfE's national support contract for the 30 hours free childcare programme. Lincolnshire is actively engaging in the national and regional progress sharing meetings.

Lincolnshire's Position

The DfE indicated that there were 5,010 eligible children in Lincolnshire - this equates to 30% of all 3 and 4 year olds. In Lincolnshire, 40% of 3 and 4 year olds accessing their Early Year's Entitlement (EYE) were attending for more than 15 hours childcare per week prior to September 2017.

In order for Lincolnshire to review our position and plan for successful implementation, Hemsall's Consultancy were commissioned to complete Lincolnshire's Childcare Sufficiency Assessment (CSA). There was some suggestion from the sector that the delivery of 30 hours may impact on the other existing Early Years Entitlements. EYCC is currently monitoring the impact of 30 hours on the universal 15 hours and 2 year old entitlement to ensure there is no displacement on these places available to families. For more detailed information refer to the Childcare Sufficiency Report 2017 which references the wider Childcare Sufficiency Assessment (Appendix A).

There are currently 655 providers registered to deliver funded places in Lincolnshire, this includes 78 schools and 288 childminders, this demonstrates we have a diverse market place which enables parents to access their extended entitlement. Data confirms that currently 93.2% of these providers are delivering the 30 hours (this includes private, voluntary, independent, childminders and schools) and only 6.8% are unable to deliver. This evidences an extremely encouraging level of provider engagement with the new extended entitlement.

Using the Government eligibility checking service (ECS) audit tool, we are aware that 3,173 eligible codes were issued for the autumn term 2017. Following the first term of implementation, Lincolnshire has funded 2,981 children for their extended entitlement. This equates to 94% of those children with an eligible code.

Parents access the Government childcare service and create their own gateway account to check for their child's eligibility. After being issued with eligible codes from HMRC, parents will inform their chosen childcare provider. Lincolnshire offers an eligibility checking service for providers to enable them to verify the ID code for children before they offer a place to parents to ensure funding is available before parents take up a place.

The Local Authority was successful in securing DfE funding to provide this digital solution for childcare providers in Lincolnshire and this has been developed and implemented in preparation for September 2017.

Early Years Childcare (EYCC) support has been working with the early years sector during the last 18 months in preparation for implementation from September 2017 to ensure that there are sufficient childcare places to fulfil the offer made by government. EYCC has delivered key messages on sufficiency, quality, business viability and the importance of retaining the universal 15 hour delivery, as well as places for the funded two year olds so that these are not displaced.

Since autumn term 2015, EYCC has been delivering key messages about the 30 hours at the termly Leadership & Management Briefings to keep the sector abreast of the government changes and the impact within Lincolnshire. The summer term 2017 briefings provided an opportunity to look in-depth at the 30 hours. This included a detailed analysis of the sufficiency position for Lincolnshire and changes to systems and processes for accessing and delivering this new funded education entitlement.

These briefings were designed to offer the opportunity for all providers delivering funded places to attend. We recognise that childminders are an increasing and important partner within the market and therefore additional evening and Saturday sessions were delivered to support their 30 hour journey.

Training has been made available through the training directory to give providers an opportunity to access business support advice & guidance as part of the 30 hours developments. In addition, EYCC has developed a comprehensive 30 Hours Guidance Toolkit which has been published for childcare providers.

We have been working closely with the Family Information Service (FIS) to ensure the Family Services Directory is updated and information is available for providers offering funded places for children with SEND.

EYCC continue to work with out of school providers to deliver part of the 30 hour offer by wrapping around other early year's providers that are unable to meet parental demands outside of 9am to 3pm arrangements.

The summer term is the highest period of take-up for the Early Years Entitlement funding for 3 & 4 year olds. There is still an unknown impact of how this may affect the market place when we are at maximum capacity during 2018. There is a national feeling that the Government has underestimated the number of children that may be eligible, however this is still unknown and may become more evident during the spring term. Many parents may return to work or increase their working hours based on this new offer and therefore demand for places would increase.

Following implementation of the 30 hours free childcare, we have arrangements in place, to undertake a parental consultation to establish if all eligible families in Lincolnshire who need a 30 hour place are able to access it, this would enable us to develop places where any further gaps are identified, This arrangement will be implemented if FIS gap forms suggest that parents are struggling to find places.

During the first term of implementation from September 2017, there have been no reports of parents being unable to find a place. Additional gap analysis will be undertaken during the first year of delivery. Capital funding has been secured via the DfE to support any known localised pressure on places or destabilisation of other existing funded places.

The local authority secured £1,594,138 of capital funding from the DfE to develop six capital projects to create 259 new 30 hour places in Lincolnshire. Some have been completed and others are ongoing and are expected to complete in the New Year.

2. Conclusion

The sufficiency position for Lincolnshire is good, EYCC are monitoring the childcare market to ensure that the Local Authority has the ability to respond flexibly to any changing demand. EYCC are reporting to DMT as required so that

DMT can closely monitor the sufficiency of 30 hour places over the next 12 months.

3. Consultation

a) Have Risks and Impact Analysis been carried out??

Yes

b) Risks and Impact Analysis

Following the completion of the Childcare Sufficiency Assessment risks and impact were considered, a sufficiency action plan is currently being developed following implementation of the 30 hours in September, part of this work will include a risk and impact analysis.

EYCC will continue to work with the sector to develop partnership models to support parental demand, and to build resilience and sustainability across the sector.

EYCC has submitted a bid to the DfE Development Support Fund to enhance sector support.

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	The Sufficiency Report for Lincolnshire

5. Background Papers

Document title	Where the document can be viewed
Lincolnshire's Early Years Entitlement Guidance 2017	www.lincolnshire.gov.uk/eycc/early-years-entitlements/registration-and-delivery/129305.article
Early Education and Childcare Statutory Guidance (DfE March 2017)	www.gov.uk/government/publications/early-education-and-childcare--2
Early Education and Childcare Operational Guidance (DfE July 2017)	www.gov.uk/government/publications/30-hours-free-childcare-la-and-early-years-provider-guide

This report was written by Michelle Andrews, who can be contacted on 01522 553269 or michelle.andrews@lincolnshire.gov.uk

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