

Policy and Scrutiny

Open Report by Geraldine O'Neill, Lead Consultant (EYE) on behalf of Debbie Barnes, Executive Director of Children's Services

Report to:	Children and Young People Scrutiny Committee
Date:	07 March 2014
Subject:	Take up of early education for less advantaged 2 year olds in Lincolnshire

Summary:

This paper is designed to provide elected members with a comprehensive overview of the take up 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 local authority's statutory duty to secure funded early education for 40% of eligible two year olds from September 2014.

1. Background

1.1 Evidence shows that high quality early education at age two brings benefits to children's development. The Government's intention is that, as far as possible, early learning for two year olds is delivered by providers who have achieved an overall rating of 'outstanding' or 'good' in their most recent Ofsted inspection report. The Government is considering whether to require that, from September 2015, such early education could only be delivered by 'good' and 'outstanding' providers.¹

1.2 The Local Authority is committed to ensuring that every placed 2 year old has access to high quality childcare. All providers who wish to register to deliver the Early Years Entitlement for 2 Year Olds must have completed the Early Years Entitlement Registration Process and must have an Ofsted Good or Outstanding rating. 83% of PVI providers in Lincolnshire were rated as either Good or Outstanding by Ofsted at their last inspection.

1.3 The Government introduced the free early education entitlement for 15 hours a week over 38 weeks a year for the least advantaged two year olds nationally in September 2013. From 2014, free early education places will be

¹ DfE Early education and childcare statutory guidance for local authorities September 2013

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.

1.4 The Department for Education (DfE) has received data on the number of eligible two year olds in each local authority. This information has been supplied by the Department of Work and Pensions and from Her Majesty's Revenue and Customs (HMRC). This data is a snapshot of those eligible on a particular day and, for funding purposes, it is taken to be representative of the whole year. The Department published this data for each local authority along with the funding allocations for 2014/15 in December 2013.

Local Context

1.5 Lincolnshire has been offering free early education to the least advantaged two year olds since 2009 and the number of children accessing this provision has increased from 171 children to 1,415 children accessing education by January 2014.

1.6 During 2013/14 financial year, the DfE agreed a budget of £4,878,826 for Lincolnshire. In addition to direct funding for education places the budget included trajectory funding to support 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 the 15 hour entitlement for children. Capital funding was also allocated at £887,196 to secure sufficient early education places for the 1,268 children estimated to be eligible in Lincolnshire from September 2013.

1.7 Children continue to be offered a place based on specific government defined criteria relating directly to an individual family's economic circumstances. Eligibility criteria for the current statutory duty are set out in regulations. Revised regulations covering the statutory criteria to be implemented from September 2014 will be made shortly. The eligibility criteria are set out below:

From September 2013

From 1 September 2013, two year olds who meet any one of the following criteria will be eligible under the 20% entitlement:

Two-year-olds whose family receives one of the following:

- income support
- income-based Jobseeker's Allowance (JSA)
- income-related Employment and Support Allowance (ESA)
- support through part 6 of the Immigration and Asylum Act
- the guaranteed element of State Pension Credit
- Child Tax Credit (but not Working Tax Credit) and have an annual income not over £16,190
- the Working Tax Credit 4-week run on (the payment you get when you stop qualifying for Working Tax Credit)
- all two-year-olds who are looked after by their local authority

From September 2014

From September 2014, two year olds who meet any one of the following criteria will be eligible under the 40% entitlement:

- if they meet the eligibility criteria also used for free school meals
- if their families receive Working Tax credits and have annual gross earnings of no more than £16,190 per year
- if they have a current statement of special educational needs (SEN) or an education, health and care plan
- if they attract Disability Living Allowance
- if they are looked after by their local authority
- if they have left care through special guardianship or through an adoption or residence order

1.8 In Lincolnshire, the September 2014 criteria was introduced early and all children under this criteria have been offered early education during 2013/14 using the 2 year old trajectory funding. This approach has been looked upon favourably by the Department and Lincolnshire has been asked to contribute to government reports on such forward thinking approaches to delivering the two year old entitlement.

1.9 All placements are made through a detailed process (please refer to Appendix A). Families can apply for a funded 2 year old place using a number of options. Applications can be made online at www.lincolnshire.gov.uk/2yearolds or paper applications can be posted to the local authority. Where families are unable or unwilling to apply themselves, all available documents can be completed by a professional working with the family (Health Visitors, Social Workers, Childcare Providers or the local authority teams such as Children's Centres and the Birth to Five Service). Information can also be provided over the telephone to the Family Information Service (FIS) where an application can be completed on behalf of the family. The FIS Freephone number is supplied using a number of different marketing techniques, including radio, newspaper, direct mail-outs and online. The FIS Freephone number is 0800 195 1635.

Once applications are received, these are batch checked through the Birth to Five Service daily using the Eligibility Checking Service (ECS) provided by the Department. These are also checked with the DWP directly where a family applies under the September 2014 criteria.

Families receive a confirmation letter (with an identification number for the child) and they are advised to access their child's free education entitlement at a provider of their choice. The Family Information Service provides families with a list of those providers who offer the 2 year old funding.

1.10 To ensure children attend the highest quality provision, only providers registered with Ofsted and have an inspection outcome of good or outstanding, are authorised to deliver the entitlement for two year olds. Early years providers receive regular advice and support from the Birth to Five Service to ensure quality is maintained and improved upon. There are currently a small number of providers

who have Ofsted judgements of satisfactory or requiring improvement (RI) delivering the 2 year old offer, where there is a sufficiency gap. This is acceptable within current DfE statutory guidance (September 2013).

1.11 There are currently 304 early years providers delivering the two year old entitlement in Lincolnshire. This includes private, voluntary, independent, maintained and childminder settings. Table 1 illustrates the breakdown of places and providers by district area for the local authority using actual numbers receiving their entitlement at the census in January 2014.

Table 1		
Locality	Number of children accessing places at 16.01.14 (by child postcode)	Number of providers offering places in January 2014 (by provider postcode)
Boston	133	24
East Lindsey	321	54
Lincoln	219	32
North Kesteven	136	46
South Holland	164	44
South Kesteven	280	61
West Lindsey	188	43
Out of County	10	n/a
Total	1451	304

The government target for 2013/14 was determined at 1,268 children, therefore the local authority is exceeding this target. Analysis of the attendance data indicates the following number of children categorised by the Department descriptions:

Table 2		
Code	Description	Number of children
ECO	Economic criteria (receipt of benefits or tax credits)	1,333
HSD	High-level SEN or disability (children have a statement of special educational needs; a personal Education, Health and Care plan or who attract Disability Living Allowance)	9

LAA	Looked after or adopted from care	36
OTH	Other (not meeting any of the national eligibility criteria above)	84

*Please note, some children may meet more than 1 category. Categories are determined against Government criteria.

1.12 The local authority has commissioned further outreach support to raise awareness of and to increase the number of children accessing two year old places across Lincolnshire. The Participation and Engagement teams have been provided with a schedule of outreach work which links with the information received from the Department for Education and the Early Years Census collections (please refer to Appendix B). Where families do not wish to access this entitlement, it is the local authority's intention to capture the justification for this in order to feedback to the Department.

2. Conclusion

2.1 To meet the statutory requirements in 2014 the local authority will require further involvement from existing market providers. 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 maintained and childminding sectors.

2.2 In a report written in February 2014 (please refer to Appendix C) DMT were asked to consider budget proposals for placements and further outreach support to reach the statutory requirement in 2014. It has been proposed to use the funding to support statutory places, necessary management and administration costs and further marketing and outreach for families to ensure maximum up-take during 2014/15 is achieved.

Table 3		
Estimated eligible numbers	Statutory Place Funding	Trajectory Allocation
3,278	£7,608,826.00	£937,249.00

- Includes funding for 1 term (190 hours) from April 2014 until the commencement of the extended entitlement in September 2014
- Estimated eligible numbers are based on HMRC 40% criteria data (November 2013)
- Includes funding for 2 terms (380 hours) from the commencement of the extended entitlement in September 2014

3. Consultation

- The EYE team will continue to use the national guidance from the Department for Education to allocate places to 2 year olds
- The Ofsted outcomes will inform the engagement of additional providers to meet the increased local demand
- Streamlined processes will continue to be used to collect data, reducing the administrative burden on providers
- The Birth to Five Service is currently reviewing the strategy to support childminders to deliver the offer for 2 year olds where they have a Good or Outstanding Ofsted outcome.
- The Early Years Entitlement team is working closely with the Children's Centre Hub to co-ordinate plans and target eligible families effectively

Future plans in Lincolnshire

- The Birth to Five Service continues to respond to government surveys, designed to gather data on the total number of funded two year olds within each local authority
- The intention for 2014/15 is for the DfE to fund 40% of two year olds nationally. Within Lincolnshire, HMRC data has indicated 3278 two year olds will access 15 hours of early years provision per week
- 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 has announced that funding for 2015/16 will be based upon participation, it is therefore crucial to ensure as many eligible families access their child's place by January 2015 in order to secure appropriate funding for the future take up for 2 year olds.

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Two Year Leaflet / Application
Appendix B	2 Year Old Outreach Process Flowchart
Appendix C	2 Year Old Entitlement DMT Report February 2014

5. Background Papers

The following background papers were relied upon in the writing of this report.

Document title	Where the document can be viewed
More Affordable Childcare	https://www.gov.uk/government/publications/more-affordable-childcare
Early education and childcare statutory guidance for local authorities September 2013	https://www.gov.uk/government/publications/early-education-and-childcare

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