
To: Education and Children's Scrutiny Board

Date: 8th October 2015

Subject: Early Learning for Two Year Old Funding

1 Purpose of the Note

- 1.1 To provide progress to date against Department for Education (DfE) targets to ensure the provision of early education places for the 40% most disadvantaged two year olds in the city.

2 Recommendations

- 2.1 The Education Children's Services Scrutiny Board is recommended to:
- 1) Note progress made since the previous report on 27th November 2014
 - 2) Request a further report showing progress next Municipal year.
 - 3) Identify any recommendations for the Cabinet Member

3 Information/Background

- 3.1 In November 2014 a report was presented to Scrutiny Board regarding the progress made in the delivery of free early learning for 2 year olds within Coventry. Please find below an updated report outlining the current position.
- 3.2 The Early Education and Childcare Statutory guidance for local authorities (September 2013), stated that local authorities had a duty to secure early learning places for an initial 20% of specified 2 year olds which was originally calculated by Department for Education (DfE) and set at 1,100 and later increased to 1138. This was a result of Department for Work and Pensions (DWP) data which identified those parents who met the funding criteria. The eligibility for delivery of an early learning place was set nationally, with some flexibility for local authorities to set local criteria. The national criteria at this point were aligned to the free school meals eligibility criteria or a child in the care of the Local Authority (LAC). In November 2013, the local criteria were extended, by a decision of the Coventry Prevention and Early Intervention Board to include children subject to a Common Assessment Framework (CAF) and those subject to a Child in Need or Child Protection Plan.
- 3.3 From September 2014 the guidance was updated. The programme now extends to full implementation for 40% of eligible 2 year olds to receive up to 15 hours of funded early learning a week. The existing national criteria have also been extended to include Benefits (Working Tax Credit Income), Special Educational Needs, Children with Disabilities and children who have been adopted.

- 4 The data set below shows actual progress to date. Actual take up figures against DWP data for Coventry.

Term	Headcount Date	Coventry DWP figure	% DfE Target	Actual Number	% take up
Autumn 2013	October 2013	1138	20%	723	64%
Spring 2014	January 2014	1138	20%	920	81%
Summer 2014	May 2014	1255	20%	1133	90%
Autumn 2014	October 2014	2267	40%	1572	69%
Spring 2015	January 2015	2180	40%	1481	68%
Summer 2015	May 2015	2170	40%	1434	66%

- 4.1 In the first phase of the programme which was aimed at 20% of 2 year olds, steady progress was made. However as the table above shows, the expansion of the programme to 40% of all 2 year olds has had an impact on percentage take up and it is acknowledged that there is still a great deal of work to do in order for all children who are eligible to access their early learning place and to further embed this entitlement as part of Coventry's Early Help Offer for our most vulnerable families.
- 4.2 Figures from the most recent DfE Scorecard showing progress of participation nationally, regionally and against statistical neighbours (published 12/08/2015) places Coventry 5 out of 14 within the West Midlands region. Average participation rates within the region are 59%. Coventry appears 6 out of 11 within the statistical neighbour groupings and 74 out of 152 nationally with the average rate being 63% participation across the country. (See appendix 1)
- 4.3 Data received for summer term 2015, from DWP identified a potential of 2170 eligible children. During this term 1434 of these children accessed an early learning for 2 Year olds place. This equates to a 66% take up across the city.
- 4.4 Officers have continued to create new places across the early years sector, delivering from children's centres, preschools and day nurseries. There has been significant focus on the development of available places with child-minders. We have currently more than a third of all child-minders (122 out of a registered 317) offering free early learning places and between them delivered 68 places to 2 year olds during summer term 2015. Officers are undertaking a continued programme of work with schools to develop and deliver flexible models of early learning for 2 year olds.
- 4.5 There is still further work to be done to create sufficient places for 2 year olds in some areas of the city. We will continue to build upon the successful expansion of places to date with the Private, Voluntary and Independent sector as well as developing the commitment from schools to deliver 2 year old places. Schools are fundamental to the delivery of higher numbers of sustainable places and form a crucial part of our strategy. There may also be opportunity's to reconfigure services in Children Centres to further expand 2 year old offer.
- 4.6 Health partners continue to be involved in the direct marketing of this programme to families with the Coventry and Warwickshire Partnership Trust writing annually to parents of all children in Coventry who are between the ages of 1 year 6 months and 2 years 6 months.
- 4.7 Building on our approach to using the DWP data, outreach work by children centre teams is regularly undertaken taking information directly to parents in their homes. This has had a positive impact on the engagement of families with children's centre services locally. As part of the recent commissioned Indigo Children's Services review of children's centres across the city, work to increase take up was acknowledged "community walks, focused on

improving access to early education are helping to increase engagement of eligible two year olds” Indigo Children’s Service report May 2015.

- 4.8 The 2 year old offer is funded from dedicated schools grant (DSG). Prior to 2015/16 it was funded on a place and trajectory basis. From 2015/16 the funding moved to a participation basis, and as a result Coventry saw a significant reduction in funding. Expenditure levels have been maintained in 2015/16 through the use of £1.2M of DSG reserve earmarked for early years. There is a high risk that the fall out of this funding from 2016 /17 will directly impact on the sustainability of this programme. Officers are currently analysing the potential impact of a reduced budget and work is underway to identify new ways of working to address the pressures upon service delivery. This will form part of the budget-setting discussion at the next Schools Forum. In addition to nationally set criteria for eligibility, Coventry remain committed to supporting locally developed criteria for 2015/16 which includes: children subject to a CAF and those who are subject to a Child in Need or Child Protection Plan, as part of Coventry’s ‘Early Help Offer’ In 2015/16 this is being funded from DSG reserves (see paragraph 4.8).
- 4.9 We are working to embed systems with a range of relevant professionals and their Managers, across agencies, to secure their responsibility for ensuring that those parents/carers of children that they are working with, who are entitled to a funded place, are aware and are supported to access and take up a place. The offer for 2 year olds is now considered as part of all CAF’s and most social care cases as well as Health and Social Care plans.
- 4.10 A new system has been developed to manage the allocation of Additional Support Funding (ASF) to enable early years settings to support children with high level needs who are at risk of not accessing their entitlement. In 2015/16 this is being funded from DSG reserves (see paragraph 4.8).
- 4.11 We have continued to implement a marketing campaign which includes focussed community events. We have also produced central marketing materials that have been made available free to childcare settings as well as introducing a marketing grant available to those who have had funding to develop new places for 2 year olds. Marketing materials has been produced in 12 community languages and are given out at local children centre cluster events.
- 4.12 As part of the children’s centre core offer, a brokerage service is available to support those eligible families who may be having difficulty accessing a place and who are at risk of not taking up their entitlement.
- 4.13 The Local Authority has a robust structure in place to support quality improvement across the childcare sector regarding Ofsted judgements in order to meet the statutory duty to provide sufficient 2 year old places in settings rated good or outstanding.
- 4.14 Capital funding has been allocated in a focused approach and settings have been supported to develop places for 2 year olds with an emphasis on responding to gaps in sufficiency and increasing capacity. An additional 10 projects have been agreed by the early years funding panel between September 2014 and August 2015 with several other childcare providers with applications in progress. The remaining estimated £575,000 capital and £200,000 revenue funding allocation for 2015/16 will continue this work within the early year’s sector to maximise the number of places created. The market is a constantly changing picture with settings relocating or moving ownership. Sustainability as a result of both financial and quality issues remains a pressure for some settings. This has led to some providers taking the decision to close. We are still receiving a good level of interest in the creation of new places across the sector.
- 4.15 As anticipated, meeting the target of 40% of 2 year olds continues to be a challenge. Steady progress has been made in the creation of places and participation rates year on year remain strong. Marketing continues to be a key factor in increasing participation rates.
- 4.16 Although this report is updating Scrutiny Board on progress of the early learning for 2 year olds programme, there needs to be consideration to new government policies that are likely to create challenges that will have a direct impact on the development of places for 2 year

olds. This includes the call for evidence consultation on the hourly rate for 3 and 4 year old places, the proposed 30 hour childcare offer for 3 and 4 year olds and the recent announcement by Nick Gibb MP Minister of State for Schools regarding admission to school of summer babies.

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