

WIRRAL COUNCIL

CABINET

19 JULY 2012

SUBJECT:	ALLOCATION OF CHILDCARE FUNDING FOR TWO YEAR OLDS
WARD/S AFFECTED:	ALL
REPORT OF:	ACTING DIRECTOR OF CHILDREN'S SERVICES
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR TONY SMITH
KEY DECISION?	YES

1.0 EXECUTIVE SUMMARY

- 1.1 As part of the government's Child Poverty Agenda, funding is currently provided through the Early Intervention Grant to enable access to 10 hours childcare per week for 38 weeks of the year for the most disadvantaged two year olds in the Borough. The following proposal is set against a background of central government planning to extend the statutory childcare provision for disadvantaged 2 year olds.
- 1.2 In September 2013 there will be a statutory entitlement for all disadvantaged 2-year olds to receive 15 hours of funded childcare using the existing criteria, which was put in place in 2009 when the Two Year old Pilot scheme was first established nationally.
- 1.3 Children are eligible for the funding if they meet the free school dinner criteria with Looked After Two year olds, two years with a disability and those receiving support from the Family Nurse Partnership (parents under 19 year old). This criteria was put in place as part of the original pilot scheme and has not changed.
- 1.4 With the increase of funding in 2012-2013 of £569000 there are two options :
- Option A:** fund some increase in the number of children and increase the number of hours from 10 to 15; or
- Option B:** fund a larger number of children receiving the entitlement of 10 hours (and then increase their hours in the subsequent year inline with government policy)
- 1.5 This report proposes option A.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 Two Year old funding in Wirral was introduced in 2009/10 and 142 funded 10 hour nursery places were offered to disadvantaged 2 year olds living across Wirral at a cost of £249,062 (ring-fenced budget set by DfE).

- 2.2 In 2010/11, 152 funded places were offered to disadvantaged 2 year olds at a cost of £336,706 (ring-fenced budget set by DfE).
- 2.3 In 2011/12, funded places were offered to 335 disadvantaged 2 year olds at a cost of £400,000 (funded through the Early Intervention grant).
- 2.4 It is planned to offer between 500 – 600 places during 2012/13 at a cost of £969,000 (funded through the Early Intervention grant).
- 2.5 Referrals for this funding are made through Children’s Centre staff with a significant number of referrals also being made by Health Visitors and Community Nurses. There is an expectation that Local Authorities ensure that appropriate additional family support is provided to the families of funded 2 year olds. This is provided through Wirral's Children's Centres.
- 2.6 Allocation of this funding is made using nationally determined criteria around benefit dependency. In line with other Local Authorities, Wirral also developed additional criteria which took into consideration family dynamic and child development. The children who receive funding are often living with additional risk factors including domestic violence, substance misuse, disabled parents and long term unemployment and anti-social behaviour.
- 2.7 From September 2013, there is a national expectation that all Local Authorities will be able to provide 15 hours free nursery entitlement to all disadvantaged 2 year olds using the criteria already in place for free school meals. On this basis, Wirral will have approximately 850 eligible children.
- 2.8 There is a staged increase in the funding and expectation to provide 15 hours free nursery entitlement to all disadvantaged 2 year olds to take account of the need to build capacity – and quality – within local provision in order to meet that need. Work is currently underway to increase capacity amongst registered providers of the free entitlement. This will improve the number of high quality places available to this group of children.
- 2.9 The rationale for Option A (fund some increase in the number of children and increase the number of hours from 10 to 15) from September 2012 takes into account the local capacity proposal to increase the entitlement for eligible children and it prepare Wirral to be able to implement the increase in numbers of eligible children as required in September 2013.
- 2.10 Moving to a position of being able to increase the offer to 15 hours puts 2 year old funding on an equal footing with the current entitlement for 3 and 4 year olds so there is continuity for children and families as the children move from 2 year old to 3 year old funded entitlement.

3.0 RELEVANT RISKS

- 3.1 None identified.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 No options other than Option A or Option B were appropriate.

5.0 CONSULTATION

- 5.1 Consultation on the implementation of Option A with health partners and early years' providers is planned for the summer term 2012 if this report is agreed by Cabinet. Informal discussions and feedback demonstrates support for the recommendation in the interests of the child and family.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 The private, voluntary and independent sectors contribute significantly to the number of places available for eligible 2 year olds and will be included in the consultation.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 7.1 Funding for this service has increased over the last three years since it began as a pilot project in 2009:

2009/10	£249,062 (ring-fenced budget set by DfE)
2010/11	£336,706 (ring-fenced budget set by DfE)
2011/12	£400,000 (funded through EIG)
2012/13	£969,000 (funded through EIG)

- 7.2 The DfE have announced their intention to transfer the funding for the 2 year enhancement into DSG from 2013-14.
- 7.3 No additional resource implications have been identified as systems are already in place to manage the allocation of places, provide a brokerage and on-going support service to parents and manage funding mechanisms.

8.0 LEGAL IMPLICATIONS

- 8.1 The current statutory duty on the Local Authority is to provide 10 hours of funded childcare to the most disadvantaged two year olds. This will change to 15 hours per child in September 2013.
- 8.2 Wirral is one of 27 Local Authorities who are currently trialling Payment by Results in Children's Centres. One of the key outcomes of Payment by Results is that the Local Authority will be measured on, and possibly rewarded for, in 2012/13, the level and outcome of two year old funded places. This measure will include an impact measurement on the achievements and/or behaviour of funded two year olds and their families.
- 8.3 Central government regards 2 year old funding as a cornerstone of their Child Poverty Strategy and it is one of the indicators identified in the City Region Child Poverty Strategy.

9.0 EQUALITIES IMPLICATIONS

- 9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?
- (a) An Equality Impact Assessment has been completed and is attached.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 None identified.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 None identified.

12.0 RECOMMENDATION

12.1 To fund some increase in the number of children and to increase the entitlement to a funded place for eligible 2 year olds from the current 10 hours per week to 15 hours per week from September 2012.

13.0 REASON/S FOR RECOMMENDATION/S

13.1 The Childcare Sufficiency Audit 2012 shows that Wirral has sufficient childcare to meet current demand; however, work is needed with the sector to ensure that there is sufficiency within specific age groups and geographical areas. This approach will place Wirral in a strong position to respond to the national requirement to extend the offer to 15 hours per week from September 2013 by adopting a measured and incremental approach to the number of two year olds supported and focusing on ensuring that places and quality of provision is in place.

13.2 This approach gives parity with the current entitlement for 3 and 4 year olds, thereby minimising confusion for providers and parents.

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APPENDICES

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date

Equality Impact Assessment Toolkit (from May 2012)

Section 1: Your details

EIA lead Officer: Kath Lloyd

Email address: kathlloyd@wirral.gov.uk

Head of Section: Catherine Kerr

Chief Officer: Mark Parkinson

Department: Learning and Achievement

Date: 14.06.2012

Section 2: What Council proposal is being assessed?

To increase the number of funded hours of childcare for the most disadvantaged two year olds in the Borough

Section 2b: Will this EIA be submitted to a Cabinet or Overview & Scrutiny Committee?

Yes

18th June 2012

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/children-young-people>

Section 3: Does the proposal have the potential to affect..... (please tick relevant boxes)

- ✓ **Services**
- ✓ **The workforce**
- ✓ **Communities**
- ✓ **Other** (please state eg: Partners, Private Sector, Voluntary & Community Sector)

If you have ticked one or more of above, please go to section 4.

- None** (please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 4: Does the proposal have the potential to maintain or enhance the way the Council (please tick relevant boxes)

- Eliminates unlawful discrimination, harassment and victimisation
- Advances equality of opportunity
- Fosters good relations between groups of people

If you have ticked one or more of above, please go to section 5.

- No** (please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 5:

Could the proposal have a positive or negative impact on any of the protected groups (race, gender, disability, gender reassignment, age, pregnancy and maternity, religion and belief, sexual orientation, marriage and civil partnership)?

You may also want to consider socio-economic status of individuals.

Please list in the table below and include actions required to mitigate any potential negative impact.

Which group(s) of people could be affected	Potential positive or negative impact	Action required to mitigate any potential negative impact	Lead person	Timescale	Resource implications
Families with children under the age of two on a low income	Positive impact, enabling and empowering work readiness for adults and high quality learning and play opportunities for very young children	None required			

Section 5a: Where and how will the above actions be monitored?

Section 5b: If you think there is no negative impact, what is your reasoning behind this?

Funded childcare places will be available to families on low incomes, enabling them to access work and training opportunities and thereby enhancing their and their children's life chances. Young disadvantaged children will have access to high quality play and learning opportunities

Section 6: What research / data / information have you used in support of this process?

Graham Allen Report

Frank Field Report

Liverpool City Region Child Poverty Needs Assessment

Wirral Child Poverty Needs Assessment

Department of Education

Section 7: Are you intending to carry out any consultation with regard to this Council proposal?

Yes

If 'yes' please continue to section 8.

If 'no' please state your reason(s) why:

(please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 8: How will consultation take place and by when?

Small scale consultation with health colleagues and early years private and voluntary providers during summer 2012.

Before you complete your consultation, please email your preliminary EIA to equalitywatch@wirral.gov.uk via your Chief Officer in order for the Council to ensure it is meeting it's legal requirements. The EIA will be published with a note saying we are awaiting outcomes from a consultation exercise.

Once you have completed your consultation, please review your actions in section 5. Then email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for re-publishing.

Section 9: Have you remembered to:

- a) **Include any potential positive impacts as well as negative impacts? (section 5)**
- b) **Send this EIA to your Head of Service for approval.**
- c) **Review section 5 once consultation has taken place and sent your completed EIA to your Head of Service for approval then to your Chief Officer for re-publishing?**