

Children and Young Peoples Directorate Targeted Services/Early Childhood Services (ECS)

ReportTo: School Forum
Title: Update - 30 Hour extended childcare entitlement and funding consultation
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Date: 27th September 2017

Purpose:

The purpose of this report is to inform the School Forum on developments in relation to a number of work streams that were outlined at the July Schools Forum meeting. To which it was noted an update would be produced for Autumn Schools Forum.

Background:

The Local Authority's Early Childhood Service is responsible for the implementation of early years policies and procedures, both statutory and guidance, with Wirral's childcare sector. Across the course of the past 18 months in particular, the service has been operating an implementation plan for the provision of the new policy, regarding the +15 hours free childcare entitlement for working families (eligible through a criteria). In addition, at the end of July 17 the Department for Education (DfE) released the evaluation paper outlining the findings of those LA's that had either been an early implementer of innovator, to aid the roll out by all LA's from September 2017. Subsequently, in association of the +15 hours free childcare operations and its relationship with other early years funding streams a consultation process was decided to be scheduled to engage conversation with the sector on such matters.

30 Hour extended childcare entitlement:

To date; the DfE "**Childcare Works**" team, who are supporting in the developments of this agenda across LA's, has been very proactive across the summer with weekly updates of key issues. In the main the key issue has been that the "**Childcare Choices**" helpline gave out wrong information of who to contact for eligibility codes. As a result families/providers were contacting both verbally and in person, the LA's Early Childhood Service (ECS) team rather than HMRC. In addition, technical difficulties meant some parents were issued with a start date after 31st August, even though they applied before this date. Both of which increased workloads to the ECS team, as they had to inform providers to double check if parents had tried to apply before the 31st August.

Furthermore what also became apparent was parents were applying too early (applying in August when a child was not eligible to start until January 18), again causing confusion to settings/ parents as to when funding would be active.

Overall, the HMRC systems have struggled to cope with processing functions to which the DfE introduced a “**grace period**”, whereby if a child/ren were eligible but struggled obtaining the code in time for September, then the funding would be honoured (as a temporary measure only).

According to the DfE’s mid-august validation dashboard Wirral had validated and issued 60% of codes from the 1407 who were eligible. This has now slowed since the start of September, but is expected to pick up again towards mid October for January starts.

The ECS team leader and relevant officers attend the regular “**Progress Sharing Meetings**”, which enables benchmarking across Regional neighbours and gives direct access to HMRC and DfE representatives. At a recent event discussions took place in relation to the promotion of 30 hours childcare entitlement as being “**Free**”, this has been a contentious point with Wirral’s childcare sector as they state there are costs attached and this style of marketing is misleading, DfE did not offer a response on the day. To add, promotions of this nature have taken place across the summer break on Wirral’s buses to increase parent’s awareness. The ECS team will be running a parental questionnaire midway through the autumn term to gather feedback on the 30 hour offer and what impact it has had on the family.

Evaluation of Early Implementation of 30 Hours Free Childcare:

In July 2017 DfE published the evaluation of the Early Implementer and Innovators experiences in the setting up and delivery of the offer. There were various programmes across the country and during the course of the past 12 months they held Regional networks for a continued dialogue of “**lessons learned**”, to inform the roll out in September 2017.

In summary, parents outlined the benefits were;

- Increased flexibility helped parents to obtain more secure employment, enhanced career opportunities and improved work-life balance.
- Less reliance on informal care reduced stress and the burden on grandparents.
- A positive impact on family finances, with slightly greater benefits for higher income families.

In terms of LA’s operational challenges it was outlined that there were system development issues, staffing capacity, providers reluctance to engage on the programme, schools not fully understanding the “childcare” element and a lack of central government business support in the early stages. It also was felt there would be a detrimental impact on the vulnerable 2 year offer and that there lacked clarity of SEND processes in taking up 30 hours.

In terms of provider’s feedback, it appears that due to timescales in engaging with the early implementer programme feedback does not necessarily give a clear overview. To add, at networks providers have continued to outline confusion experienced with various components of the process that would not necessarily be relevant on roll out.

Initial feedback from roll out has been that providers are managing and finding their own feet.

In terms of Wirral, the ECS team have facilitated a number of “Talk to Me” networks across various providers and two key themes emerged;

- a) the financial impact of not being able to achieve an hourly business return rate against the funding formula rate
- b) the flexibility of deploying qualified staff across a pattern of 30 hours childcare.

Both of the above remain consistent messages back to DfE.

Early Years Providers Consultation on Funding Rates/Inclusive Practice Fund;

During the Autumn term an early years funding rates consultation is being undertaken for 5 weeks until 20th October. This is to further shape and embed existing funding and to take account of DfE guidance. The consultation papers are attached as an appendix to this report.

The consultation will seek views:

1. To revise the operation of the current Inclusive Practice Fund as previously reported
2. To seek views on the introduction of monthly payments to providers
3. To take account of certain claims arriving after the termly headcount
4. To increase the Funding Formula and the overall pass through rate
5. To review the existing formula supplements.

The outcome of the consultation will be considered at the Forum’s Early Years Sub Group prior to a full Forum meeting in December. Following the Sub Group’s meeting it is proposed that the changes to the Inclusive Practice Grant are implemented.

In summary, this report provides an update to School Forum on Early Years issues which are for noting. Any changes to the Early Years funding formula will be considered by the sub group and subsequently by the full Forum as part of the budget for 2018-19.

Recommendation

1. Forum notes the report
2. Subject to the views of the Sub Committee implements the changes to the Inclusive Practice Fund
3. That the outcome of consultation is reported to School Forum at its December meeting

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