

# WIRRAL COUNCIL

CABINET – 25<sup>th</sup> June 2009

## REPORT OF DIRECTOR OF CHILDREN'S SERVICES

### EARLY YEARS ENTITLEMENT AND FUNDING UPDATE

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#### EXECUTIVE SUMMARY

1. This report covers four distinct areas of Early Years provision. These are:
  - a. Changes relating to the provision of **free early education for all eligible 3 and 4 year olds** and agreement for funds to be allocated in support of these changes.
  - b. Proposals to change the method of calculating early education funding and the **development of a Single Formula Funding for early years provision** in schools and the private, voluntary and independent sectors (hereafter referred to as “settings”).
  - c. An early pilot to offer **free early education places to eligible 2 year olds**.
  - d. Applications for funding, allocated to settings under the **Early Years Quality and Access Capital Grant**, as first agreed on 23<sup>rd</sup> April 2009.
  
2. **Free Early Education for Eligible 3 and 4 Year Olds**
  - 2.1 The Government has previously announced a commitment to extend the free nursery education entitlement for eligible 3 and 4 year olds from the current position of 12 ½ hours per week to 15 hours per week, effective for all children from September 2010. The cost of extension will be met from a ring-fenced grant.
  - 2.2 A number of authorities including Wirral will extend provision to 15 hours for a group of children defined as being in the 25% most disadvantaged areas. This pilot is to be implemented from September 2009.
  - 2.3 DCSF regulations specify that the identification of the pilot group should relate to areas rather than individual children. Therefore, schools and settings selected for the pilot from September 2009 have been identified using deprivation indices (IDACI and IMD), and the decision regarding inclusion in the pilot is based on the percentage of children from the target areas attending a school or setting. The schools and settings included in the pilot are attended by between 85% - 100% of 3 and 4 year olds living in identified areas of disadvantage. The list of participating schools and settings is attached as Appendix 1 and also identifies the % occupancy by children from the target areas
  - 2.4 Participating schools and settings will be required to report on their experiences, including challenges and successes in order to support the full implementation of the flexible, extended offer to all children from September 2010.
  - 2.5 Local Authorities are to work with schools, private, voluntary and independent sector providers and other partners to deliver the extended offer as flexibly as possible in order to meet the needs of parents.

2.6 The definition of flexibility in Wirral is:

- 15 hours to be taken flexibly over a minimum of 3 days
- Funded blocks of no less than 3 hours and no more than 8 hours in one day
- No more than 13 hours to be funded in a 2 day period

### **3. Development of the Single Funding Formula**

3.1 Local Authorities must develop a Single Funding Formula for all Early Years providers. This will address any inconsistencies in how the 3 and 4 year offer is funded and ensure funding is closely targeted on children. The formula is required to be based on participation led funding and to have a deprivation factor (as is the case with schools formulae). The Schools' Forum has established a working group, the Early Years Funding Group, to consider the changes required to develop a common formula for all schools and settings. The details of these proposals will be presented to Cabinet at a later date when the specifics of the formula have been finalised. The change will be implemented from 1<sup>st</sup> April 2010.

### **4. Pilot Programme for 2 Year olds**

4.1 Wirral is participating in a pilot scheme to offer nursery places to some of the most disadvantaged 2 year olds from September 2009. The criteria used to identify the children includes those that access benefits and also a post code analysis. 142 children have been identified using these criteria.

4.2 This offer is for 10 hours early education and care for children deemed to be the most vulnerable and places will be allocated on the basis of referral. The first level of criteria for referral must be that the family is in receipt of one or more defined benefits with a second level of criteria that can be locally determined. This second set of criteria has yet to be agreed. Work is currently underway to determine the potential cohort.

4.3 Funding is also provided for project management and outreach / family support.

### **5. Early Years Quality and Access Capital Grant**

5.1 At its meeting on 23<sup>rd</sup> April Cabinet agreed the allocation of funding to 83 settings who had bid for amounts between £2,500 and £10,000 against three priorities for development:

- Outdoor learning
- Information technology
- Equipment to support effective teaching and learning

5.2 In respect of Quality and Access Capital Grant for 2009/2010, Cabinet, on 28<sup>th</sup> May approved schemes at Stanton Road Primary School, Greasby Infant School and Irby Primary School. It is proposed that the balance be used to provide smaller capital allocations with all private, voluntary and independent sector providers having the opportunity to bid as they had in 2008/ 2009. Any surplus to be used to support developments as outlined in the main body of this report.

## 6. Financial implications

### Free early education for eligible 3 and 4 year olds

- 6.1 The extension to the free early years entitlement is funded from government grant and is ring-fenced for this purpose.

2009/ 2010	£404,400
2010/ 2011	£1,651,900

For 2009/ 2010, the grant is sufficient to fund pilot schools and settings for an additional 2 ½ hours per week at the same rate of £3.17 per hour for each eligible child from September 2009 – April 2010.

- 6.2 For 2010/ 2011, a proportion of the fund, 5/12s, will be required to fund the pilot schools and settings from April 2010 – September 2010, with the remaining 7/12s required to fund schools and settings. The rate will be determined by the new funding formula.
- 6.3 There is capacity within the grant (as intended by DCSF) to offer a flexibility incentive to schools and settings able to make such an offer. This incentive allocation could be used for additional costs such as marketing and advertising, staff costs, minor adaptations to premises or the provision of a free lunch. It is proposed that those schools and settings identified for a September 2009 start as part of the pilot group be invited to bid for grant funding of up to £10,000 to develop a flexible offer. On the basis of applications received, up to 10 schools or settings will be allocated this additional resource with a view to the Local Authority using their experiences to prepare and plan for the full roll-out in September 2010.
- 6.4 Remaining funding estimated to be £27,000 should be set aside for contingencies, since it is possible that take up within the pilot areas may increase.

### Pilot programme for 2 year olds

- 6.5 The offer for 2 year olds is also grant funded from a ring-fenced allocation

2009/10	£249,062
2010/11	£336,706

### Early Years Quality and Access Capital Grant

- 6.6 The following table summarises the recommended bids made by settings against the three agreed priority areas:-

	Number of applications	Total amount
Outdoor Learning	14	£87,151
Information Technology	7	£12,044
Resources/ furniture	9	£54,480
	Total approvals	£153,675

Details of the applications are attached as Appendix 2.

## **7. Staffing implications**

### **Free early education for eligible 3 and 4 year olds**

7.1 It is likely that the numbers and hours worked by staff in schools and settings will need to be amended as a result of these changes.

### **Early Years Quality and Access Capital Grant**

7.2 The Quality and Access Capital bids are to be managed from within existing resources.

## **8. Equal opportunities implications**

### **Free early education for eligible 3 and 4 year olds**

8.1 The requirement to implement the extended offer of 15 hours early education to children living in the 25% most disadvantaged areas from September 2009 in the first instance recognises the impact of early intervention leading to progress in “narrowing the gap” in children’s achievements.

8.2 From September 2010, all eligible children from across the Borough will be entitled to this extended offer.

### **Early Years Quality and Access Capital**

8.3 In respect of the Quality and Access Capital Grant, applications are invited from settings throughout the Borough.

## **9. Community safety implications**

There are none arising directly from this report

## **10. Local Agenda 21 implications**

There are none arising directly from this report

## **11. Planning implications**

There are none arising directly from this report

## **12. Anti-poverty implications and Social Inclusion implications**

The changes described in this report seek to secure an extension to high quality early years provision for eligible children, leading to greater success in “narrowing the gap” which in turn contributes to the Anti-Poverty Strategy.

## **13. Local Member Support implications**

Long term proposals for change will affect all children across the Borough and will therefore be of interest to all elected members.

## **14. Background papers**

None

## **RECOMMENDATIONS**

That:

1. Cabinet agrees the changes proposed in the provision of early education to all eligible 3 and 4 year olds and the group of providers selected for the pilot extension.
2. The allocation of £100,000 for flexibility incentives be made to up to 10 schools and settings who are able to pilot changes and deliver an extended offer to eligible 3 and 4 year olds.
3. Proposals for Single Formula Funding to be brought to Cabinet at a later date as a recommendation from the Schools Forum.
4. Cabinet agrees the proposals for the pilot programme for 2 year olds.
5. The Capital Grants set out in Appendix 2 and proposals for spend in 2009/ 2010 be approved

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