

## **Report of the Cabinet Member: Children's Services & Schools**

I have been asked to report on the Government's flagship 30 free hours childcare policy, by Councillor Hannaford.

### **A general update on the roll out of the Government's flagship 30 free hours childcare policy in the Devon County Council area**

#### **How the policy implementation is going ahead of September**

Implementation is going well.

The Early Years and Childcare Service (EYCS) have taken a variety of approaches to **keeping providers informed and supported** through this time of change. Examples of the activity undertaken are set out in appendix.

#### **How many places are estimated or known to be available in our local authority area?**

This is a complex area of work where there are few definitive answers. The EYCS data analysts use all available data to calculate the capacity within our providers. This is complicated as some providers open part time, opening and closing hours vary, the number of weeks a year differ and so does the capacity at these times, for example if they take more two year olds this reduces the places for three and four year olds.

Childcare Works have suggested that around 60% of our 3 and 4 year olds in provisions (not in reception classes) will be eligible for the extended entitlement. Our own calculations estimated that this would be 58.6% However, based on feedback from the early implementers we believe it could be higher.

We have asked the DFE if it would be possible to have data relating to eligible families so that places can be better planned. This would be a similar approach to that taken for eligible two year olds. We receive a list of eligible parents every 6 weeks from the DWP and those parents are sent Golden Tickets that they take to a provider to access a place. If a similar approach could be taken for the extended entitlement we would expect a far higher take up rate.

Each year we carry out the Annual Survey of Providers in January. The data that is collected is used to inform our sufficiency duty. This is used alongside data that we have showing how many funded hours children are taking, where they take them and at what times.

50.5% of funded places for 3 and 4 year olds are available during term times only. This does not reflect the working pattern of the majority of families. Although to date this has not appeared to be a difficulty for the majority of parents.

In January 75% said they would offer the extended entitlement.

We are, however, not placing too much emphasis on whether a provider is or is not offering the extended entitlement because many providers will have parents who take some of their 30 hour entitlement with them and the rest with another provider/s.

### **What demand do we estimate / know exists for such places in our local authority area.**

The demand for places will depend on parents working hours and patterns.

We will fund providers as flexibly as possible so they can respond to the local demands of families, for example parents can choose to attend a term time only provider and also an all year round 'stretched' provider. In some Local Authorities this is not the case.

We expect that more provision will be needed in larger towns and in Exeter where more parents go to work. However, we also expect to face challenges in rural areas where there are very few providers open for full days and all year round. We are looking at travel to work routes and those areas where provision is already tight to look to expand places.

Many providers have expressed an interest in expanding their provision as demand grows. There are some barriers to expansion and these could be recruitment and premises – the latter being a mainly rural issue where village halls are shared with other users. Childminders will be key to ensuring sufficiency within rural communities. A marketing campaign is in place to attract more people into childminding.

We do not know how many hours the eligible parents will be working and how many of the 1140 hours they will choose to take up.

It is not known how many families currently use informal childcare and of those how many will stop using family and friends for childcare in September.

We are seeing an increase in the number of unfunded childminders asking to be funded as parents are asking to use their entitlement with the childminder they have attended since they have been a baby.

The market in Devon is very active and responsive. Our service freely shares sufficiency data and supports providers that are interested in setting up or expanding their businesses. A third of places are now offered through schools, this sector continues to grow. There are several existing providers that are looking to grow into nursery chains or to add to an existing chain too.

## **What is our per hour funding settlement and whether or not it is sufficient.**

The rate allocated from the DfE is £4.30 per hour. Local authorities are required to keep their central costs to under 7%. In Devon we have been committed to maximising the hourly rate for providers and have limited our central costs to 3.5%, so that an average amount of £4.15 is passed through to providers (this includes early years pupil premium and targeted deprivation).

The current hourly rate of funding per hour for 3 and 4 year olds is £3.98. However, following a recent review and consultation, the Devon Education Forum agreed to the funding rate being increased. The following increases will be rolled out to providers from:

September 2017 – £4.02

April 2018 – £4.06

September 2018 -£4.08

This increase was achieved through reviewing and reallocating existing funding (deprivation and lump sum supplements for graduates). It also included changes to the special needs funding allocations so that more funds will be passed out to more providers. Applications for support funding will be available for those children with highest levels of support needs.

Nationally and locally some Early Years providers have expressed concerns about the funding settlement from the DfE, this was before our funding review. The review proposals and consultation was very well received, providers participated and the majority of respondents were positive and in agreement.

The Early Years sector was involved in the review and has appreciated the efforts we have made to maximise the hourly rate.

Our recent review and new hourly rates offer a sustainable level of funding although we recognise that the workforce remains one of the lowest paid (like other care sectors).

In making these changes there will also be efficiencies with the administration of the special needs funding so both providers and the LA benefit,

There is now a new Disability Access Fund (April 1) for 3 and 4 year olds in receipt of the Disability Living Allowance. It is a one off payment of £615 a year.

**Have any childcare providers made any concerns known to us about the policy implementation (including financial concerns) and any other general comments on the policy roll out?**

Yes, we have encouraged engagement and feedback. The bullet points below are a summary of the feedback received

- Providers have greater discretion on how their business is operated within the DFE requirements. This has required them to remodel their business to adapt to the changing market context. The EYCS will continue to support these providers to manage these changes.
- Compliments to the helpdesk staff for their work have been received and also for the clarity and flexibility for providers given in the Provider Agreement.
- National marketing calls the policy 30 hours extended childcare. This is misleading for parents as the entitlement is to 1140 hours a year. Parents can take fewer hours a week over more weeks of the year.
- Many providers have struggled to register for Tax Free childcare with HMRC. Most issues have been resolved however there are still some charitable providers who have not yet managed to register.
- Parents have had difficulties applying for the extended entitlement through the HMRC. Most issues appear to have been resolved however we are aware that parents with more complicated working arrangements have been waiting for in excess of 10 days for a response.
- There was also an issue with 4 year olds not being able to apply for the extended entitlement. A letter was sent to Directors of Local Authorities last week explaining that the applications for 4 year olds will be rolled out from July 14<sup>th</sup>. This leaves little time for parents to apply for a place before the end of term.
- Funding concerns were raised by a few providers but these have now been resolved through the funding review.

**Councillor James McInnes  
Cabinet Member for  
Children's Services and Schools**

## Appendix

### Examples of information and support for providers and parents

- Provider Network Meetings in three areas of the county
- New webpages with links to [Childcare Choices](#) and the [Childcare Service](#)
- Liaison with the Family Information Service so providers can update their details on pinpoint
- Ongoing publicity campaign through the EYCS [Facebook](#) pages
- Our Friday Digest goes to all subscribers direct to their email inbox
- [Childcare Works](#) are contracted by the DFE to support Local Authorities. They ran 5 sessions for providers across the county on Getting Business Ready for the 30 Hours
- Action for Children will be running two sessions in the autumn term for schools and Childminders about working in partnership.
- Early years and Childcare advisers are available to support all funded providers with their planning for September.
- There is a funding helpdesk that providers can call if they have questions about funding.
- There is an early years representative on the Devon Education Forum (DEF). Prior to DEF meetings with hold a Pre DEF meeting where the Early Years Representative along with representatives from the Devon Childminding Association (DCMA), the National Day Nurseries Association (NDNA), the Preschool Learning Alliance (PLA), Devon Association of Governors (DAG) and the DEF Nursery School representative meet to discuss hot topics and matters that need to be addressed at DEF. This group is an excellent reference group for the EYCS.
- Encouraging more before, after school and holiday clubs to take the funding so there are more all year round places to meet the needs of working parents.
- Encouraged and supported providers to register with HMRC for Tax Free Childcare to make childcare more affordable for families.
- Childcare Works are leading a session in the Coaver Conference room on 23<sup>rd</sup> August for professionals e.g. health, social care etc. that need to know about the extended entitlement.
- The EYCS has been working closely with the Jobcentre Plus regional managers to keep abreast of welfare reforms and to ensure that parents know about the new extended entitlement when they are looking for work; this included presenting at the last round of Provider Network meetings.

#### **For parents:**

- Updated webpages linked to the Family Information Service (FIS)
- Pinpoint information on which providers will offer the Extended Entitlement and which are registered for Tax Free Childcare
- Letter being sent to all current funded parents of 3 year olds and older two year olds suggesting that they may be eligible for the extended entitlement and to visit the [Childcare Service](#) to apply.
- Updated the [Unable to Find Suitable Childcare Form](#) so parents can let us know what childcare they need.
- Provided messages and letter for parents that providers can pass out.
- Used the EYCS Facebook page along with the DCC page and admissions page to reach parents and encourage them to apply.
- Many providers are helping parents to apply online.