

Name of meeting: **CABINET COMMITTEE**

Date: 14TH August 2012

Title of report:

REMOVING BARRIERS TO WORK AND TRAINING – Eligibility for free early education and childcare

Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Is it in the Council's Forward Plan ?	Yes
Is it eligible for call in by Scrutiny ?	Yes
Date signed off by <u>Director</u> & name	Alison O'Sullivan – 1 st August 2012
Is it signed off by the Director of Resources?	David Smith August 1 st 2012
Is it signed off by the Acting Assistant Director - Legal & Governance?	Vanessa Redfern – 1 st August 2012
Cabinet member portfolio	CHYPS Cllr Cath Harris Cllr Peter O'Neill

Electoral [wards](#) affected: All

Ward councillors consulted: Cabinet Briefing Members

Public or private: Public

1.0 Purpose of report

- 1.1 This report outlines proposals to introduce a new flagship support package to fund childcare for parents moving from benefits into work and training.
- 1.2 It also highlights the proposals and preparations for the expected expansion of free early education and care for 2 year olds.

2.0 Key points

Background

- 2.1 The foundation years (pregnancy to age five) are critical to children's life chances. Research¹ shows the importance of high quality early education in supporting children's development. Most children who are developing well at the end of the Foundation Stage go on to do well in school and later life, and children who fall into the lowest achieving 20% at the age of five are six times more likely to be in the lowest 20% at age seven.
- 2.2 A number of recent reviews² and policy documents³ have highlighted the importance of tackling poverty in order to improve life chances for children. The provision of affordable, high-quality child care is a cornerstone in supporting parents and carers to take up employment and training opportunities. The availability and affordability of high quality childcare services contributes to improving the skills and employability of parents.
- 2.3 Tackling poverty and improving life chances for children are therefore key priorities for Kirklees Council.
- 2.4 In supporting these local priorities this paper proposes to trial a flagship scheme which offers childcare to parents moving from benefits into work or training. This is particularly important when parents work in relatively low-paid jobs or are in training and the costs of childcare acts as a disincentive and becomes a barrier to improving family life.
- 2.5 Subject to parliamentary approval of regulations the Department for Education will publish Statutory Guidance on the delivery of 15 hours free early education for the most disadvantaged 2 year olds (20% of the cohort) which will come into force in September 2013. This will rise to 40% of two year olds from September 2014.
- 2.6 Kirklees Council is committed to enabling more children to access free high quality early education and this paper proposes an early roll out of the programme before legislation comes into force. This would enable growing numbers of two year olds to be able to access 10 hours of free provision from September 2012. This early expansion would provide increased opportunities for young children to learn, develop and improve readiness for school and life long learning.

ELIGIBILITY

- 2.7 As part of a pilot programme, Kirklees currently funds children who fall into the categories below to access 10 free hours of early education and childcare:
Children:
 - Who are Looked After by the Local Authority
 - Have a child protection plan
 - Are assessed as a child in need
 - Have a CAF
 - Have a recognised disability

It is proposed that these children continue to be eligible⁴ as the programme expands and becomes an entitlement for some 2 year olds.

¹ Sammons, P. Sylva, K. Melhuish, E. Siraj-Blatchford, I. Taggart, B. And Hunt, S. (2008) *Influences on Children's Attainment and Progress in Key Stage 2: Cognitive Outcomes in Year 6*. DCSF Research Report DCSF-RR048

² Independent Review on Child Poverty, Frank Field; Early Intervention: The next steps, Graham Allen.

³ Supporting Families in the Foundation Years DfE/DoH

⁴ In some circumstances it may not be appropriate for very vulnerable or distressed children to take up free provision and this decision must rest with the lead professional working with the family/child. In the main however, it is suggested that lead professionals working with children and families in need from which ever agency, should proactively support access to free provision.

- 2.8 In addition, this paper proposes to trial the funding of **up to 25 hours free childcare per week**, during term time for parents living in Kirklees with children aged 0-14 (18 for children with special needs or disability):
- Who are in receipt of Job Seekers Allowance and who currently find it difficult to access funding for childcare; and
 - Who take up specified training which supports work readiness
- 2.9 This paper also proposes to trial the expansion of 10 hours free childcare for 2 year olds eligible for free school meals and whose parents or carers receive one or more of the following:
- Income Support
 - Income Based Job Seekers Allowance
 - Income Related Employment and Support Allowance
 - Child Tax Credit, but are not entitled to a Working Tax Credit and your annual income (as assessed by Her Majesty's Revenue and Customs) is less than £16,190
 - Support under Part V1 of the Immigration and Asylum Act 1999
 - Guarantee element of State Pension Credit
- 2.10 As part of this programme parents will be expected to attend an information session and subsequent support sessions at their local children's centre where they will be advised about the range of services, training and development opportunities which are available whilst their child is accessing childcare. Eligibility for this element of the scheme should begin the term after a child becomes two. This will afford a smooth transition for children into their universal entitlement of 15 hours when they become three.

FUNDING

- 2.11 Since 2011, increased levels of funding have been made available to local authorities to prepare for forthcoming legislation which will require Local Authorities to secure 15 hours of free early education and childcare for 20% of 2 year olds from September 2013, (40% from 2014).
- 2.12 To this end and based on national announcements the Council has agreed budget plans subject to additional government funding as follows:

	<u>Total allocation</u>
2012/13	£1.3m
2013/14	£2.5m (routed through DSG)
2014/15	£4.8m (routed through DSG)

- 2.13 This funding would represent a significant investment in the childcare sector over the next few years.
- 2.14 In October 2011, Cabinet also agreed that any savings made from the transformation of daycare services above those required for the Medium Term Financial Plan would also be made available to support funded places for disadvantaged 2-year-olds.
- 2.15 This significant and early commitment to invest in Early Education and Childcare prior to legislation coming into effect, enables Kirklees to be at the forefront of aligning local anti poverty and childcare strategies and bring together the availability of free provision with approaches to reducing worklessness and tackling poverty.
- 2.16 It is proposed that upto £460,700⁵ of the 2012/13 allocated budget be made available to fund the flagship scheme as outlined at 2.8 to enable Job Centre

⁵ This sum has been calculated by approximating the demand as 25 hours for 100 children. It is likely that the budget will fund additionality for more than 100 children as not all will require 25 hours. Funding to childcare providers will be based on the actual hours taken

Plus/ and the local College and University to make childcare available for parents taking up work or embarking on training which affords the greatest opportunity for skills development and which will secure long term employability.

- 2.17 It is proposed that the remaining part of the budget allocation for 2012/13 be used to fund childcare as outlined at 2.9 above. (These two strands of the scheme are not mutually exclusive and for example a parent with a 2 year old could be able to access 10 free hours and top these up in order to take up a vocational training scheme)
- 2.18 Effective management and monitoring of the budget and the use of corrective action to secure maximum take up without exceeding the allocated budget will be critical.
- 2.19 It is anticipated that the assessment of eligibility and the allocation of funding will be via the current systems and processes for Free Early Education and Childcare.
- 2.20 On 30th May 2012 the Government announced that it will route Early Education and Childcare funding for 2-year-olds via the Dedicated Schools Grant from April 2013. This will align the funding arrangements with those already in place for the funding of 15 hours free early education and childcare for 3 & 4 year olds.

EXPANDING THE SCHEME

Principles

- 2.21 The following principles are intended to underpin the expansion of the scheme;
1. Funding for free childcare should be strongly aligned to the Council's priorities to reduce poverty and improve outcomes for children.
 2. Access to free childcare provision should be barrier free
 3. Bureaucracy should be minimised
 4. Only high quality provision should be funded
 5. Utilisation of the local authority's childcare market management and commissioning framework to manage the childcare market.

Sufficiency of High Quality Childcare Provision

- 2.22 Substantial engagement with the childcare sector has been undertaken as a result of the funding commitment outlined above. Many providers have been investing in their businesses in readiness for this expansion to ensure that there is sufficient provision available.
- 2.23 High quality childcare services have the greatest impact on outcomes for children and in recent years significant investment has been made in the sector so that 79% of childcare providers are now rated good or outstanding by Ofsted.
- 2.24 Recent investment in childcare workforce development programmes have increased the number of graduates and qualified staff in the sector. Children's learning, development and school readiness is better supported than ever before by skilled practitioners.
- 2.25 The Kirklees childcare sector is estimated to contribute £50-60 million to the local economy each year and is estimated to employ approximately 2,200 people. The expansion of free provision for 2 year olds will add significant value to this sector which is estimated to build up to an additional £8 million from 2014
- 2.26 It is estimated that the level of investment indicated at 2.11, will secure approximately 250 full time equivalent jobs in the Kirklees childcare sector.
- 2.27 The use of professional childcare services brings parents into contact with a wide range of other services, (particularly through Children's Centres) which support parents in developing confidence and work related skills so that they

are able to move into work once their child starts school. (For example Basic Skills training).

- 2.28 From September 2012, the Early Years Foundation Stage places a statutory requirement on childcare providers to review children's progress at the age of 2 and supply parents with a short written summary of their child's progress.
- 2.29 As a growing number of 2 year olds begin to access free provision it will become increasingly important for childcare professionals to work in partnership with health colleagues who are also charged with undertaking assessment of two year olds, in order to reduce duplication and confusion for parents.

Effective Partnerships

- 2.30 Partnership working between the council and the local training and learning providers and job centre plus will be critical to success. It is recommended that these links are maintained and strengthened in order to ensure that barriers to work and training are reduced and that the availability and support for childcare services for parents returning to work or training are maximised.
- 2.31 Section 3 of the Childcare Act 2006 requires local authorities to make arrangements to secure early childhood services⁶ in an integrated manner in order to maximise access and benefits to families and children. Integrated working means anyone working with young children and their families should work together and combine their professional expertise, knowledge and skills, to deliver a co-ordinated package of support.
- 2.32 It is recommended that during the child's induction period with the childcare setting, parents of funded 2 year olds should be expected to attend an information session at the local children's centre where they find out about local availability of training and development opportunities.
- 2.33 Childcare providers are in a unique position to provide information and support to parents about the availability of activities to support skills development and confidence. In order for children and families to secure maximum benefit from their childcare provision, the integration of childcare services with other children's services will continue to be facilitated through the work of the Early Intervention Board.

Publicity and Marketing

- 2.34 Planning for the publicity and marketing campaign to support the proposals is well under way. It is anticipated that a publicity launch in late August/Early September will encourage take up and increase demand for childcare places considerably.

3.0 Implications for the Council

3.1 Legal Implications

3.2 Financial Implications

Early Intervention Grant funding tagged by the Government for Free Early Education and Care for 2 year olds, is being used flexibly to deliver on the proposals outlined in this paper. From April 2013 however, this funding will be routed via the Dedicated Schools Grant and funding for childcare other than for disadvantaged 2 year olds will therefore need to be found from elsewhere.

It is not expected that DSG funding will be able to be used to fund the proposed scheme to support parents into work or training. As a result, a continuation of the proposed scheme into 2013-14 would require resources to be identified of approx £150k. This would lead to an examination of all existing 2013-14 EIG budgets to identify where such resources could be

⁶ Early childhood services are defined as Childcare , Social services functions, Health services, Job centre plus, Information Advice and Guidance for parents:

found. Until further details of the transfer of funding to the DSG are confirmed, more detailed analysis is not possible.

The financial model for the proposals in this paper make estimates of take-up in the current year. There remains a risk that take-up in excess of estimates would create a financial pressure for the Council.

It is important to note that the proposed continuation of existing criteria for two year olds in addition to eligibility prescribed by the expected statutory guidance (September 2013), may require additional resources to be identified.

- 3.3 HR implications
The rollout of this programme has been taken into account in the recent Early Learning and Childcare Review.
- 3.4 IT implications
Development of the current system is underway
- 3.5 Council Priorities
The proposals in this report support the delivery of Corporate Priorities to enhance life chances for young people and to support business growth and create jobs.
- 3.6 Equalities Impact Assessment
Stage 1 and 2 Equality Impact Assessments have been completed and are available on request from the contact officer (see below). The proposals are intended to reduce inequalities and should not have any negative impact on any sector of the community.

4.0 Consultees and their opinions

- 4.1 The following people/ groups/ councillors/ officers/ partners/representatives have been consulted in the preparation of this report
- Huddersfield College
 - Huddersfield University
 - Job Centre Plus
 - Pre-school Learning Alliance
 - National Day Nurseries Association
 - National Childminding Association
 - Schools
 - Cabinet Briefing
 - Children and Young Peoples Directorate Management Team
 - Revenue and Benefits Service
 - Learning Service
 - Early Intervention and Targeted Support Service
- 4.2 The response from consultees to this proposal has been positive. The provision of free childcare will remove barriers to work and training for parents and support improved outcomes for children.

5.0 Proposed Next Steps

- 5.1 Launch the publicity and marketing campaign.
- 5.2 Finalise the mechanism for funding childcare costs for parents enrolled with local training providers

- 5.3 Finalise the mechanism for funding childcare costs for parents engaged with Job Centre Plus Programmes.
- 5.4 Continue to implement the local authority's childcare sufficiency plan which will ensure that there are enough childcare places in the right locations across Kirklees.
- 5.5 Establish a system for confirming eligibility which is simple and accessible for parents, lead professionals, colleges, training providers and childcare services
- 5.6 Monitor take up and spend and take appropriate action to balance the available funding allocation.
- 5.7 Continue to establish and embed clear protocols with social care, health and children's centres which ensures effective partnership and integrated working with childcare providers to support routes to access relevant services for parents.
- 5.8 Continue to work in partnership with health and children's centre colleagues to develop a consistent approach to the content of and approach to implementing a progress check for 2 year olds.
- 5.9 Continue to challenge and support childcare services to continuously improve the quality of their provision
- 5.10 Implement the Childcare Workforce Development Plan.
- 5.11 Continue to operate an effective and efficient administration system to allocate funding in line with Local authority processes and procedures.

6.0 Officer Recommendations and Reasons

It is proposed that:

- 6.1 Kirklees Council continues to fund free early education and care for a prescribed number of hours⁷ for 2 year olds who have been assessed as meeting the following criteria:
 - A Looked After child
 - A child with a child protection plan
 - A child in need
 - A child with a CAF
 - A child with a disability
- 6.2 Once a child becomes eligible under this programme it is proposed that they remain entitled until they become eligible for 15 hours of universal provision when they become three.
- 6.3 A flagship scheme which supports the Council's priority to tackle poverty and support parents in to work and training be trialled. Eligibility criteria for funded childcare for this programme during 2012/13 is proposed as follows:
 - up to 25 hours funded childcare for parents on Job Seekers allowance
 - up to 25 hours for parents who take up particular training which supports work readiness.
- 6.4 In readiness for Statutory Guidance requiring the expansion of 15 free hours of early education and childcare to 20% of 2 year olds from September 2013, (40% from September 2014), 10 hours of provision for 2 year olds who meet the criteria for free school meal eligibility should be made available from September 2012. In order to access places funded through this early roll out parents will be expected to attend an information session and subsequent support sessions at their local children's centre where they will be advised about the range of services, training and development opportunities which are available whilst their child is accessing childcare. Eligibility for this element of the scheme should begin the term after a child becomes two. This will afford a

⁷ Currently 10 hours but rising to 15 from September 2013

smooth transition for children into their universal entitlement of 15 hours when they become three.

7.0 Cabinet portfolio holder's recommendations

Support the Officer Recommendations

8.0 Contact officer and relevant papers

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9.0 Assistant director responsible

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