

Report of the Director of Children, Education and Communities

## **30 Hours Childcare – Early Implementation Update**

**CYPP Priority:** Early Help

### **Performance Indicators**

The percentage of good and outstanding early years and childcare providers in York is 97% (national average 91%). The percentage of good and outstanding out of school providers in York is 87%.

### **Summary**

1. To update on progress with early implementation of a new statutory entitlement for 30 Hours Childcare for Working Families.

### **Background**

2. The government announced in February 2016 that York had been chosen as an early implementer for 30 Hours Childcare for working families. This trial programme was delivered from September 2016, a year earlier than national roll out. The 30 Hours Childcare is for those parents/carers who meet a national eligibility criteria and is made up of the universal entitlement for all 3 and 4 year olds to receive 15 hours of free early education plus up to an additional 15 hours.
3. York was unique within the trial as it was the only local authority to be asked to test delivery across a whole LA area from the beginning of early implementation. This also meant that York had the highest profile as it provided evidence about the impact of delivering a model across a whole LA for the longest period and this has helped to inform the national roll out starting on 1 September 2017.

4. An introductory paper was considered by members of this committee prior to early implementation setting out more detail on the background of the new statutory entitlement.
5. Since our last update a new Minister has been appointed for Early Years, Robert Goodwill, MP - Minister of State for Children and Families.
6. A new national support contractor, Childcare Works, was awarded the national support contract for 30 Hours Childcare. It was awarded to the same team that supported local authorities with Achieving Two Year Olds. The contract is to work with providers and local authorities on the implementation of the extended entitlement to 30 Hours Childcare.

## Analysis

### Progress on Early Implementation

7. York had a very strong start and continued to build on its early success to deliver a sufficient number of places across the city to meet the needs of eligible parents. York's award winning and well researched model of 'Shared Foundation Partnerships' has been key to the successful delivery of places through providers working together on signposting to vacancies with other providers and on identifying and meeting unmet need.

### Parent Applications and Take Up

8. Delivery in York exceeded the DfE estimates over the whole early implementation period.

<b>Term</b>	<b>DfE estimated number of eligible parents</b>	<b>Eligible Parents taking up the extended entitlement</b>	<b>%</b>
Autumn Term 16	1,480	1,176	79%
Spring Term 17	1,480	1,568	106%
Summer Term 17	1,480	1,894	127.9%

9. This take up generated a total of £3.1 million to the local economy. Income received from the DfE for payments to childcare providers for the additional hours reduced parents' bills significantly where they had previously paid for them.
10. In summary there has been excellent take up by parents over the whole early implementation period with places being taken up mainly within private day nurseries. Places are taken up mostly with one provider although there are relatively high numbers using two providers. Over half of the eligible parents are taking up the full 30 hours.
11. There will be further analysis of take up to understand 30 Hours delivery on the ground and to ensure there continues to be sufficient places to meet parental demand for all early education entitlements including eligible two year olds.

#### Provider Commitment

12. Provider commitment from all sectors remained at 100% throughout early implementation despite funding challenges and the introduction of new and temporary systems to deliver the offer. This demonstrates the close and strong working relationships between the Childcare Strategy Service and local childcare providers.
13. Regular rounds of information sessions have been held to update local providers to update them on the detail of delivering the offer in line with the requirements of the statutory guidance.

#### Out of School Clubs

14. York is the first local authority to carry out a feasibility study to bring additional capacity and flexibility to the childcare market to support 30 Hours and six out of school clubs took part;
  - Funfishers Out of School Club
  - Haxby Road Primary Out of School Club
  - KOOSH Acomb
  - KOOSH Park Grove
  - St Paul's Out of School Club
  - Clifton Moor Out of School Club

15. The aim of the study is to consider the benefits of using the extended entitlement flexibly through wraparound care (before, after school and holiday provision). Once finalised, evidence and case studies gathered as part of the study will be shared with the DfE to help inform the national roll out.

#### DfE 30 Hours Statutory Guidance and Model Agreement

16. The DfE recently published key statutory guidance and these set out the respective roles and responsibilities of local authorities and early years and childcare providers. Some of the guidance was unclear, particularly around charging for additional services and in response the DfE have issued Operational Guidance. However, there remains a lack of clarity meaning it can be challenging for providers and local authorities to interpret compliance correctly.
17. The DfE guidance also included expectations about what should be included in a suggested Model agreement between local authorities and providers. The York agreement, to be known as a Memorandum of Understanding, is currently subject to legal consideration before consultation with providers.

#### HMRC On Line Tax Free Childcare – Childcare Choices

18. A new Childcare Choices system went live early in the Summer for parents to apply for an eligibility code to take up their early entitlement. The national system has been beset with technical problems and to date just over half of eligible parents nationally have been able to successfully access the system to receive a code ready for 1 September. The Childcare Strategy Service have prioritised communications to York parents to encourage them to apply to Childcare Choices for codes and regular updates we receive directly from HMRC suggest that the number of codes issued for York is in line with expectations.

#### Other Progress

19. Other progress on 30 Hours early implementation included;
  - Further rounds of information sessions held and regular communications
  - Regular ongoing discussions with the DfE related to all aspects of delivery
  - Progress sharing at national and regional events

- Further sufficiency survey work carried out with all providers
- Grant Funding Agreement agreed and in place with regular termly reporting

## National Evaluation

20. In July 2017 the national evaluation led by Frontier Economics was published along with an in- depth case study evaluation about York's delivery of 30 hours.

### National Evaluation

<https://www.gov.uk/government/publications/early-rollout-of-30-hours-free-childcare-evaluation>.

21. The national evaluation reports its findings on early implementation based on a wide range of quantitative and qualitative evidence. As a very large number of York providers and parents contributed to the main national evaluation it is well informed by learning from York.
22. The evaluation aimed to understand sufficient delivery of places, take up by parents, and impacts on childcare use and work. It also considered some of the potential risks around financial sustainability for providers, the potential displacement of other types of free entitlement places and impacts on the experience of the child.
23. In conclusion the evaluation states '*early implementation suggests that there is no specific reason to believe that 30 hours free childcare will not be a success*'. This conclusion is supported by the findings that a high proportion of providers are willing to offer places, parents are keen to take up extended hours and that there were perceived benefits for families in terms of enhanced work opportunities, direct financial support and increased well-being. However, they have highlighted that this is dependent on getting the detail around eligibility checking and payment processes right, ensuring that LAs receive sufficient support from the DfE in implementing the policy, and ensuring that the policy focuses on the ultimate objectives of encouraging parents in to work, and supporting families financially rather than just concentrating on the aim of delivering more free entitlement hours.

## In-Depth Case Study Evaluation of York

24. The in-depth study is focussed on York's delivery and close partnership working with local providers. The case study identifies the reason behind this success was involving childcare providers and York's Shared Foundation Partnerships at an early stage to further improve quality and to meet demand for places. The commitment and expertise given to providers by York's Childcare Strategy Service was also praised as well as the sign-up and support from the senior management team and local politicians.
25. The case gives evidence of providers' support for 30 Hours and showed that even when concerns about funding were raised, the providers worked with the programme to make it viable for parents and commercially. No parents were refused the extended hours.
26. The case study sets out excellent examples of the positive impact on families and on the child's experience.
27. The publication of the national research and in depth study co-incided with the new Early Years Minister, Robert Goodwill MP making a high profile visit to York to hear directly from providers about delivery of 30 Hours. A joint round table discussion was held at West Offices with providers, local authority representatives and local politicians from both York and North Yorkshire. The discussion was chaired by the Director of Children, Education and Communities, City of York. The Minister expressed his appreciation and admiration of the way in which together, the council and local providers have exceeded the city's target to provide a high quality programme with tangible benefits to parents. Providers from York spoke about the welcome support they have had from the council and had the opportunity to share positive experiences and also the challenges about delivery.

### **Key Challenges**

28. Although the early implementation period has now ended there remain a number of key challenges still to be addressed as we move forward;

## Closing the Attainment Gap

29. The 30 Hours policy is aimed at increasing employment rather than a focus on improving outcomes for young children and it could widen the attainment gap for those families who do not meet the eligibility criteria and will only be entitled to the universal 15 hours. It will be a priority for the LA to address this challenge and we will take learning from other innovators such as those whose thematic focus is to explore work incentives and parental engagement. The local authority will continue to support and challenge providers and Shared Foundation Partnerships to make effective use of funding to improve outcomes and accelerate progress in closing gaps in performance between vulnerable and disadvantaged groups and their peers, effectively utilising Early Years Pupil Premium, Deprivation, Disability Access Fund and Early Years Inclusion Funding.

## Quality of Provision

30. York remains above the national average for the percentage of providers judged to be good and outstanding by Ofsted. There will be a continued focus on support and challenge and to ensure that transitions between settings remain smooth and effective particularly as the DfE has confirmed that eligible children will be able to spread their hours across two providers. Shared Foundation Partnerships continue to focus on good transitions not just between providers and schools but also where children attend more than one provider for their entitlement. Data and research from the early implementer programme has highlighted the number of York families using more than one provider and therefore this evidences the importance of the local authority giving greater emphasis to providers and Shared Foundation Partnerships to focus on continuity of care, good and healthy attachments and effective transitional arrangements

## High Quality Workforce

31. It is important for providers to be able to recruit and retain high quality staff to sustain the universal entitlement as well as meeting demand for the additional hours. The LA will therefore explore any issues around recruitment and retention with providers and further and higher education institutions to find suitable solutions. In March 2017 the DfE published its Early Years Workforce Strategy and also enabled staff with an Early Years Education qualification and Level 2 English and Maths to count in Level 3 staff ratios. The Early Years Workforce Strategy outlines actions

to help employers attract, retain and develop staff to deliver high quality provision and to help support the social mobility of staff, parents and children. The Early Years Workforce strategy is the beginning of an ongoing dialogue between government and the sectors on workforce development. Further details will be available when the DfE engage the sectors later in the year.

### Early Years Single Funding Formula

32. Following consultation with providers via the Early Years Reference Group and based on a new Early Years Single Funding Formula a new hourly rate was agreed by the Schools Forum with effect from 1 April 2017 and this will be in place until March 2019. The hourly rate continues to be a challenge nationally and locally with national early years and childcare organisations continuing to lobby government for additional funding.

### Early Years Inclusion

33. The high needs block continues to be under pressure to support children with SEND even for the universal 15 hours and so there may be financial pressures related to the delivery of the additional hours. The local authority Early Years Inclusion Fund has been increased to address any increased demand and this is currently being monitored as well as the capacity to address low level emerging needs. The DfE have also introduced a new Disability Access Fund and this is already being accessed by eligible families. More understanding is needed at a local and national level about the take up of the extended hours by SEND children and to identify any barriers such as the recruitment of skilled and knowledgeable staff to support these children for more hours.

### **Legal Implications**

34. The 30 Hours Childcare Policy is a new statutory duty on LAs from September 2017 under the new Childcare Act 2016.

### **Information Technology (IT)**

35. Government recognised the high risk to delivery if local systems were not sufficiently developed for full roll out and York was successful in securing £12,100 for the purchase and installation of additional software to support our on-line processes. The new software has been tested, is live



and running successfully and any delays experienced have been due to the national childcare choices system sometimes being down which has impacted on verification of codes.

### **Risk Management**

36. Risk Analysis completed and added to Council Risk Register

### **Next Steps**

37. The DfE are extremely pleased with York's successful delivery which has exceeded expectations. The work has raised the positive profile of York at a national level in relation to early years and childcare and it is a contributor to national advisory work on childminders, SEND and partnership working. The Childcare Strategy Service wish to make this a lasting success by remaining at the forefront of early years and childcare developments nationally by building on relationships with the DfE, national early years and childcare organisations and local providers and parents.

### **38. Recommendations**

Members of the Children, Education and Communities Policy and Scrutiny Committee are asked to note this report.

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**Report  
Approved**

**Date** 07/09/17

*Chief Officer's name  
Title*

**Date** *Insert Date*

**Wards Affected:** *List wards or tick box to indicate all*

**All**

**For further information please contact the author of the report**

### Background Papers:

***All relevant background papers must be listed here.***

### Annexes

- Annex A – York Final Early Implementers' Evaluation