

DECISION-MAKER:	CHILDREN AND FAMILIES SCRUTINY PANEL		
SUBJECT:	EARLY YEARS PROVISION		
DATE OF DECISION:	26 JULY 2018		
REPORT OF:	SERVICE DIRECTOR - CHILDREN AND FAMILIES		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY	
None	
BRIEF SUMMARY	
At the January 2018 meeting the Panel, following national changes to Early Years entitlement in September 2017, considered the potential impact of the 30 hour early education offer in Southampton. At the request of the Chair this report updates the Panel on developments with regards to the 30 hour early education offer and provides a holistic overview of Early Years provision in the city.	
RECOMMENDATIONS:	
(i)	That the Panel note the overview of Early Years provision in the city.
REASONS FOR REPORT RECOMMENDATIONS	
1.	To enable a discussion with the Cabinet Member and officers on Early Years in Southampton.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	None
DETAIL (Including consultation carried out)	
	Background
3.	Southampton City Council has three statutory duties related to early years and childcare. The first of these, which is included in the Childcare Acts of 2006 and 2016, is the duty to secure sufficient high quality early education places for eligible 2, 3 and 4 year olds, and sufficient childcare places for working parents.
4.	In Southampton there are currently 101 early years providers, which includes one maintained nursery school, maintained nurseries, nurseries which are part of academies, private nurseries and preschools, and voluntary committee- run preschools.
5.	Traditionally preschools and maintained nurseries offered 2 three hours sessions a day, term-time only but many now deliver an extended offer. Private

	day nurseries offer full day care as well as sessional care, and were traditionally used mostly by working parents.
6.	Funded 2, 3 and 4 year olds can also access their places with registered childminders, and over 120 childminders take funded children. Currently 93% of Southampton's early year's provision is rated as being at least 'good' by Ofsted, which is just below the national average of 94% and last year's figure of 94%.
	Offer for 2 Year Olds
7.	In 2014 the Government expanded the funded early years' offer to include 2 year olds from more deprived backgrounds, with eligibility linked to family income. All looked after 2 year olds and those who receive Disability Living Allowance are also eligible for the offer.
8.	Working with partner agencies and raising awareness of the 2 year old offer led to an 80% take-up in the City two years ago. However, this has reduced to 67% this term, down from 70% last summer. In some areas of the city the take-up is even lower, for example at only 44% in the Freemantle area. The Children's centres more targeted and less universal offer, plus the 30 hour offer, has had a detrimental impact on take-up by our more vulnerable 2 year olds. 81% of looked after 2 year olds are accessing funded early education, with the remainder (2 children) being on the adoption pathway.
	Extended Offer – 3 and 4 Year Olds
9.	3 and 4 year olds whose parents earn between the equivalent of 16 hours a week each at minimum wage and £100,000 per year are entitled to an extra 15 hours a week, term-time or 570 hours a year. From September 2018 foster carers who are also in paid employment are entitled to this funding for children they foster; foster parents will only be eligible if this is consistent with a child's care plan.
10.	Our Sufficiency Assessment, linked with data from the Department for Work and Pensions (DWP), suggested that 1,800 3 and 4 year olds would be eligible for the 30 hour offer. The 30 hour offer is specifically aimed at supporting parents to remain in, or to commence work. Working in partnership with the providers, new places were secured to support the delivery of this offer. Just under 1,500 3 and 4 year olds are currently being funded for more than 15 hours a week.
11.	Parents are accessing these places with Ofsted-registered nurseries, preschools and childminders, with many using a mix of providers to ensure the flexibility they need. To date we have not received any reports from parents who have been unable to access a 30 hour funded place. 91% of parents who have an eligibility code are accessing a funded place.
12.	There is still under-use of childminders for the funded places; a Partnership conference was held in May 2018 to increase shared-care arrangements between childminders and group providers, and better sharing of child level information. 230 practitioners and leaders attended the event, and have since developed local hubs.

13.	Ninety-eight group providers (98% of the total), and one hundred and twenty one childminders (66.5% of the total) currently deliver the extended offer for funded 3 and 4 year olds. Many of these are working in partnership with other providers.
	Funding
14.	The early education offer for 2, 3 and 4 year olds is funded from the Dedicated Schools Grant (DSG) Early Years block. Following a national funding review the hourly rate received by Southampton for 3 and 4 year olds reduced in 2017, and was then reduced further in April 2018 with the removal of the minimum funding guarantee. It is expected to remain at the current level until 2020.
15.	As reported in January 2018 Southampton has in the past funded maintained nurseries at a higher hourly rate, with 2 nurseries receiving a lump sum to ensure their financial viability. The DfE has stated that all early years' provision is to be subject to the same funding formula from 2020, but has provided extra interim funding for the 1 maintained nursery school in the meantime; this however equates to only 20% of the previous lump-sum. Other maintained nurseries have had a tapering amount added to their hourly rate. This reduction in funding may impact on the viability and quality of the maintained nurseries and on the number of funded places they are able to offer.
16.	96% of all 3 and 4 year olds living in Southampton are accessing funded early education, a slight increase from last year. Issues around recruitment have led to some providers being unable to expand to meet the increased demand; many practitioners are paid minimum or living wage due to the national funding rates. Business rates continue to be another large expense for private providers.
	Information, Advice, Training
17.	The second statutory duty, under the Childcare Act 2006, is for the Local Authority to provide information, advice and training to childcare providers. In 2017 the DfE reduced the percentage that local authorities can retain from the DSG Early Year's block funding for 3 and 4 year olds to support the early years and childcare sector, which led to a reduction in resources. Providers have noted the reduction in support available from the early year's team, which is now more targeted.
18.	Providers are supported in a 3 tiered manner, with some services which were provided previously now being part of a traded offer. The universal offer has decreased, with more support now being available on the website, by 'phone and email, rather than by visiting the providers. There is the potential that the reduction in the support given to providers, and the reduction in the number of 2 year olds accessing funded early education, may impact on Early Years Foundation Stage results which have been rising year on year to 70.2% in 2017.
	Healthy living
19.	Obesity rates in year R in Southampton are similar to the England average. In 2016/17 23.2% of year R children were overweight or obese (England average

	22.6%). The Children and Young People's Health plan has set a target of 5% more 5 year olds having a healthy weight each year. The Healthy Early Years Award has been revised over the past year, and 18 early years providers have completed a bronze level in nutrition and /or physical activity and 3 have completed a silver level award in oral health, physical activity and/or nutrition. This has impacted on around 400 children. Alongside this 20 providers have worked together exploring a more effective use of outdoor areas.
	Family Information Service
20.	The third statutory duty is to provide information, advice and assistance to parents and prospective parents. The Family Information Service update the information for parents, early year's providers and other professionals on the Family section of Southampton Information Directory (SID). They also deliver outreach to promote the early year's offer and SID, and act as brokers for parents looking for specific childcare and/or support.
	Children with additional needs
21.	The number of under 5s with complex needs is increasing, partly because more babies with serious health conditions survive. We are also seeing an increase in the number of children who are on the Autistic spectrum. This coupled with the children accessing early year's provision from age 2, and the increase in hours for many 3 and 4 year olds, has added pressures to the High Needs Block funding, and to our providers. Due to a reduction in the resources providers are supported in a more targeted manner.
22.	The Panel are requested to discuss the issues identified relating to Early Years provision with the Cabinet Member for Aspiration, Schools and Lifelong Learning and the invited officers
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
23.	None as a result of this report.
<u>Property/Other</u>	
24.	None as a result of this report.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
25.	None as a result of this report.
<u>Other Legal Implications:</u>	
26.	None as a result of this report.
RISK MANAGEMENT IMPLICATIONS	
27.	None as a result of this report.
POLICY FRAMEWORK IMPLICATIONS	

28.	Take-up of funded early education and childcare has a significant impact on the council achieving its priorities. In particular the following priorities: <ul style="list-style-type: none"> • Children and Young People get a good start in life • Southampton has strong and sustainable economic growth. 	
KEY DECISION?	No	
WARDS/COMMUNITIES AFFECTED:	All	
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	None	
Documents In Members' Rooms		
1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out?		No
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?		No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.	Early Years Provision – item 27 http://www.southampton.gov.uk/modernGov/ieListDocuments.aspx?CId=600&MId=3609&Ver=4	