

CHILDREN & YOUNG PEOPLE'S SELECT COMMITTEE			
<b>Report Title</b>	Update on Lewisham Early Years Policy, to include quality, sufficiency and funding		
		<b>Item No</b>	6
<b>Contributors</b>	Executive Director ( <i>CYP</i> ) Head of Targeted Resources & Joint Commissioning ( <i>CYP</i> )		
<b>Class</b>	Part 1 (open)	<b>Date</b>	28 February 2017

## 1. Purpose

- 1.1. The purpose of this report is to provide an update on the Lewisham Early Years strategy for childcare sufficiency and quality of provision, including the implementation of the 30 hours funded childcare policy in September 2017.

## 2. Recommendations

- 2.1. It is recommended that Members agree:

- To note and comment on the content of the report.

## 3 Background

- 3.1 The Childcare Act 2006 requires local authorities in England to ensure a sufficiency of childcare for working parents, parents studying or training, and for disabled children.

- 3.2 Childcare sufficiency relates to the provision of registered childcare for children aged 0-14 years old, and up to 18 years old for disabled children and children with additional needs.

- 3.3 The duties in the Act require local authorities to shape and support the development of childcare in their area in order to make it flexible, sustainable and responsive to the needs of the community. This role is described as a 'market management' function, supporting the sector to meet the needs of parents, children and young people, parents and stakeholders.

- Under **section 6** of the Act there is a requirement on local authorities to produce an annual sufficiency report on the availability and sufficiency of childcare in their area. This information should be made available to parents and elected members. To meet section 6 duties, local authorities need to collect and publish information on the supply of provision and demand for childcare in their area. Statutory guidance provides clear indication of what '*must*' be included in the annual review, and what '*should*' be included.
- **Section 7** requires local authorities to secure prescribed early years provision free of charge. This provision is for children aged 2, 3 and 4

years of age. In the region of 40% of two year olds nationally are legally entitled to free early years provision, and all three and four year olds.

- **Section 12** places a duty on local authorities to provide information, advice and assistance to parents and prospective parents relating to the provision of childcare, services or facilities that may be of benefit to parents and prospective parents, children and young people, something that aims to be strengthened in the Childcare Act (2016).

3.4 The Childcare Act (2016) became law in March 2016. The 2016 Act extends the universal 3 and 4 year old entitlement to 570 hours a year over no fewer than 38 weeks to an additional 570 hours for qualifying children (*Section 1 of the 2016 Act*). Section 2 of the 2016 Act allows the Secretary of State to discharge her duty under Section 12 of the Act by placing a duty on English local authorities to secure free childcare for qualifying children. Section 5 of the 2016 Act amends the Childcare Act 2006 to allow regulations to require local authorities to publish information of a prescribed description, interval and manner.

3.5 **Statutory Framework for the Early Years Foundation Stage** - *Setting the Standards for learning, development and care for children from birth to five.*

3.5.1 This framework is mandatory for all early years providers (from 1 September 2014): maintained schools; non-maintained schools; independent schools; all providers on the Early Years Register; and all providers registered with an early years childminder agency.

3.5.2 The legislation the framework refers to:

- The learning and development requirements are given legal force by an Order made under section 39(1) (a) of the Childcare Act 2006.
- The safeguarding and welfare requirements are given legal force by Regulations made under section 39(1)(b) of the Childcare Act 2006.

3.6 **Working Together to Safeguard Children (2013)**: Statutory guidance from the Department for Education which sets out what is expected of organisations and individuals to safeguard and promote the welfare of children

3.7 **The Children and Families Act 2014** states, that the local authority has a statutory duty towards its children and young people up to 25 years old with Disabilities and Special Educational Needs.

3.8 **Special educational needs and disability code of practice: 0 to 25 years**: Statutory guidance for organisations which work with and support children and young people who have special educational needs or disabilities

3.9 **The Ofsted Common Inspection Framework, new revision September 2015**, sets out how the general principles and processes of inspection are applied to schools and other types of provider in England. It states the statutory basis for inspection and summarises the main features of inspection carried out under **section 5** of the Education Act 2005. The revised guidance distinguishes good and outstanding schools.

3.10 **The Ofsted Early Years Inspection Framework, September 2015**, sets out how the general principles and processes of inspection are applied to registered early years provision required to deliver the Early Years Foundation Stage. It describes the main activities inspectors undertake when they conduct inspections of early years providers in England under sections 49 and 50 of the Childcare Act 2006. The handbook also sets out the judgements inspectors will make and on which they will report.

3.11 **The Health and Social Care Act 2012** gives local authorities the responsibility for providing services or facilities to promote healthy living and providing incentives to live more healthily. With effect from April 2013, Public Health is integrated within the local authority and will strengthen the focus on the health, wellbeing and safety of children and young people in the Borough.

### 3.12 **Supporting economic well-being**

There are clear links between the Child Poverty Strategy and supporting parents into work through the Work Programme, Help to Work scheme and flexible support through Jobcentre Plus. These schemes rely upon the availability of good quality, affordable childcare. For some families, this need is at least partially satisfied by informal childcare arrangements (e.g. family and friends) but for no means all. Single parent households and families without established social structures may not have access to informal care. For those that do, informal care may not support the social and cognitive outcomes associated with good quality pre-school learning.

### 3.13 **Links to the Government's Troubled Families programme**

In Lewisham, the Government's Troubled Families programme is embedded in our approach to supporting families through early intervention as set out in our Children and Young People's Plan. For some families, access to childcare and out of school activities can provide structure and routine, supporting socialisation and school attendance. Childcare can support a parent to attend counselling, training, or to take up employment.

### 3.14 **Supporting children to achieve their potential**

3.14.1 There is a large body of evidence demonstrating the lasting impact of good quality early years' childcare and the savings in future expenditure that can be made by investing in children aged under five years old (*e.g. Field 2010*). In 2008 a Joseph Rowntree Trust report concluded that appropriate childcare could move between a sixth and a half of children out of poverty today. A

2012 DfE research report evidenced that early education starting at an early age had a direct impact on the attainment of children.

3.14.2 The body of evidence is large and growing; studies find a quality pre-school experience can boost children's all-round development, and is particularly beneficial for the most disadvantaged children.

### 3.15 **Policy direction**

There are a number of policy initiatives that will impact on childcare sufficiency. These include:

- National living and national minimum wage
- Automatic enrolment for employee's pensions from April 2016
- Tax free childcare
- 30 hours' childcare
- National Early Years Funding Formula
- Right to Request
- Benefit changes

## 4. **Local Context**

4.1 In Lewisham, the Children and Young Peoples Plan (CYP 2015 – 18) sets out the vision, values and culture which will underpin our approach to working with children and young people across the partnership. The CYPP also critically sets out priority outcome areas, action plans and joint commissioning intentions linked to these and how we will go about monitoring the impact of our work.

The 2015-18 plan identifies the following key priorities:

### **Building child and family resilience:**

- **BR1:** *Optimising the outcomes of pregnancy and the first 1001 days, including reducing toxic stress for children and securing attachment*
- **BR2:** *Preventing poor outcomes and escalation of need, including for children in families at risk of crisis through early intervention*
- **BR3:** *Promoting healthy relationships throughout childhood and adolescence*
- **BR4:** *Mitigating the negative impact of insecure or unsuitable housing for children, young people and families*
- **BR5:** *Providing stable and consistent support for our Looked After Children*

### **Be healthy and active:**

- **HA1:** *Improving our rate of immunisations*
- **HA2:** *Ensuring our children and young people are a healthy weight*
- **HA3:** *Improving mental and emotional wellbeing*
- **HA4:** *Improving sexual health*
- **HA5:** *Reducing the prevalence and impact of alcohol, smoking and substance misuse*

- **HA6:** Encouraging access to and usage of culture, sport, leisure and play activities
- **HA7:** Ensuring our Looked After Children are healthy

#### **Raise achievement and attainment:**

- **AA1:** Ensuring there are sufficient school places for every Lewisham child
- **AA2:** Ensuring all our children are ready to participate fully in school
- **AA3:** Improving and maintaining attendance and engagement in school at all key stages, including at transition points
- **AA4:** Raising participation in education and training, reducing the number of young people who are NEET at 16-19
- **AA5:** Raising achievement and progress for all our children at key stages 1-4 and closing the gaps between under-achieving groups at primary and secondary school
- **AA6:** Raising achievement and progress for all our children and closing the gaps between under-achieving groups at KS5 and post 16 so that all young people are well prepared for adulthood and able to access the best education and employment opportunities for them
- **AA7:** Raising achievement and attainment for our Looked After Children at all key stages and Post 16

#### **Stay safe:**

- **SS1:** Identifying and protect children and young people at risk of harm and ensure they feel safe, especially from:
  - **SS1a:** Domestic violence and abuse
  - **SS1b:** Child sexual exploitation
  - **SS1c:** Serious youth violence
  - **SS1d:** Child abuse and neglect
  - **SS1e:** Deliberate and accidental injury
- **SS2:** Reducing anti-social behaviour and youth offending.
- **SS3:** Ensuring that our Looked After Children are safe

4.2 Early years provision in Lewisham is a key component of supporting children and their families to achieve the outcomes in the CYPP. All early years providers are expected to work within our strategic priorities; and all play a role in delivering strategies that are aligned to the CYPP – for example, Early Help and SEND.

4.3 Early years providers also work closely in partnership with other key services working with children and their families – health visiting, children’s centres and portage particularly.

#### **4.4 Early Years Arrangements in Lewisham:**

4.4.1 In April 2016, the Early Years Improvement Team which sat within the Standards and Achievement Division was re-aligned into the Targeted Services and Joint Commissioning division and amalgamated with the early entitlement Team. The team is now known as the Early Years Quality and Sufficiency Team (EYQST).

4.4.2 This organisational structure has enabled a more comprehensive and strategic overview to be developed that encompasses the sufficiency of childcare places from a perspective of ensuring high quality.

4.4.3 Since June 2016 the areas of focus have been wide reaching and varied. With the introduction of the government's policy of 30 hours extended entitlement for working parents, there have been a number of elements that have needed drawing together.

4.4.4 The team has 6 overarching priorities and these are listed below:

- **Priority One:** *Links to Children and Young Peoples Plan (CYP) BR – 1,2,3,5; AA-1,2; SS-1,2*  
**To secure sufficient childcare places for all eligible 2, 3 and 4 yr olds and increase take up - Section 7 Childcare Act**
- **Priority Two:** *Links to CYP AA-1; SS-1,2*  
**To successfully implement the 30 hr offer to working parents**
- **Priority Three:** *Links to CYP AA- 5; SS-1,2*  
**To close the gap in the EYFS attainment:**
- **Priority Four:** *Links to CYP BR – 1,2,3,5; AA1-7, SS-1,2*  
**To improve the quality of EYFS provision across all EYFS providers - Section 12 Childcare Act**
- **Priority Five:** *Links to CYP BR – 1,2,3,5; AA1 – 7; SS-1,2*  
**To raise attainment overall in the EYFS:**
- **Priority Six:** *Links to CYP BR1,2,3,5 HA-2,3,5,6; SS-1,2*  
**To develop provider knowledge and understanding of health and well-being**

4.4.5 In order to meet the legislation and guidance set out in the first section, a successful local authority will have the following attributes. These attributes guide the work of the EYFS improvement work of Lewisham LA officers with its EYFS Providers. The local authority will:

- Have a good understanding of the performance of EYFS Providers in its local area using data to identify those EYFS Providers that require improvement and intervention
- Take swift and effective action when failure occurs in an EYFS provider, to ensure leadership quickly becomes good and standards improve in line with the Lewisham Early Years Improvement Framework.
- Intervene early where performance of an EYFS provider is declining, ensuring that providers secure the support needed to improve to be judged at least good in line with the Lewisham Early Years Improvement Framework

- Encourage good and outstanding EYFS providers to take responsibility for their own improvement and to support other providers
- Build strong working relationships with EYFS leaders in their areas and encourage high calibre leaders to support and challenge others
- Delegate funding to frontline so that as much as possible reaches children
- Signpost where EYFS providers can access appropriate support from a diverse market

## 5. Take up, quality and performance

Lewisham has a very good reputation for the high standard of its early years provision. It has for the last 3 years been in the top three local authorities in England for children achieving a good level of development (GLD) in the Early Years Foundation Stage Profile (EYFSP) which is the assessment completed for children at the end of their reception year. Lewisham has a lower free schools meals (FSM) gap than the national picture however the FSM gap increased by 2% in the last year where nationally it remained the same. However we still have a significantly smaller gap than nationally.

*GLD is a measure made up of children attaining at least the expected level in the Early Learning for Personal Social and Emotional Development, Communication and Language Development, Physical Development and the ELGs for Literacy and Mathematical Development*

<b>EYFSP GLD Good Levels of Development</b>				
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<i>All - National</i>	52%	60%	66%	69%
<b>All - Lewisham</b>	68%	75%	78%	79%
<i>FSM - National</i>	36%	45%	51%	54%
<b>FSM - Lewisham</b>	60%	68%	71%	70%
<i>No FSM - National</i>	55%	64%	69%	72%
<b>No FSM - Lewisham</b>	71%	78%	79%	80%
<i>FSM Gap - National</i>	19%	19%	18%	18%
<b>FSM Gap - Lewisham</b>	11%	10%	8%	10%
<i>Children with EHC Plan - National</i>	2%	3%	4%	4%
<b>Children with EHC Plan - Lewisham</b>	-	10%	6%	-
<i>Children on SEN support National</i>	16%	21%	24%	26%
<b>Children on SEN support Lewisham</b>	29%	39%	35%	31%

5.2 The Lewisham Early Years Improvement Framework sets out the processes and procedures by which the Local Authority (LA) and EYFS settings will work

together to ensure all providers offer the highest quality of care and education to all children. It is also expected that each EYFS setting is judged good or outstanding by Ofsted as a result of inspection. In recent years there have been significant changes in legislation and national guidance that has an impact on the organisation of EYFS provision and the expectations of what EYFS settings should provide. This framework reflects that latest guidance as well as national best practice.

5.3 The overriding principle is that EYFS providers, being largely autonomous, are responsible for meeting the statutory requirements of the EYFS. They also have to meet the needs of the local community whilst fulfilling the conditions of funding as an eligible provider. The local authority has a role to ensure all EYFS providers offer the highest quality of sufficient and appropriate care and education, and keep children and young people healthy and safe. The local authority acts as a champion for families, children and young people, particularly vulnerable groups and convenes the children’s partnership in which schools are key participants.

5.4 In order to deliver this the local authority work together and in partnership with all our EYFS providers including maintained schools, academies, and our EYFS business sector that would include Private Voluntary and Independent settings and childminders to ensure that they are meeting their legal duties as an early years provider to meet the statutory requirements of the EYFS and address areas of weakness and share good practice.

5.5 In terms of EYFS provision in Lewisham there are currently:

- Two maintained nursery schools
- 52 nursery classes in Primary Schools
- 138 private, voluntary and independent settings
- 450 registered childminders (*although not all currently have children*)
- Four special schools with EYFS provision
- 71 After school/breakfast clubs. (*This is an approximate figure as current data sources do not provide accurate information*)

5.6 The 3 & 4 year old free entitlement offer is a universal offer which means that the child need only meet the age eligibility criteria set out in the chart below:

<b>Third birthday between:</b>	<b>Eligible from:</b>
1 <sup>st</sup> April – 31 <sup>st</sup> August	Autumn term starting in September
1 <sup>st</sup> September – 31 <sup>st</sup> December	Spring term starting in January
1 <sup>st</sup> January – 31 <sup>st</sup> March	Summer term starting in April

Children can access their 15 hours free entitlement through schools, private voluntary and independent providers including childminders.

The take up figure for 3 & 4 year olds for autumn term 2016 is 3,956.

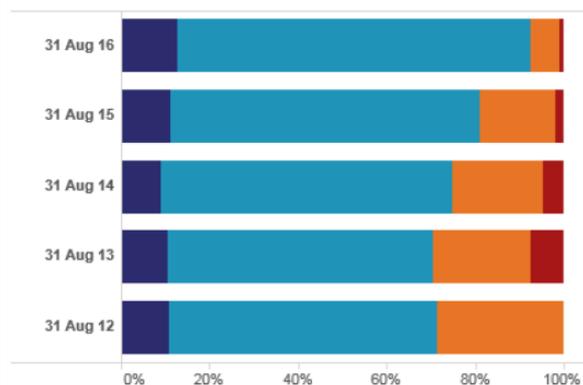
The breakdown of delivery is: **PVI** 1,928  
**Schools** 2,028

5.7 The 2 year old entitlement offer is a targeted offer which means that parents need to meet the free school meal eligibility criteria or the child must be in receipt of either Disability Living Allowance or be a child that is looked after by the local authority. The current target number of 70% take up for 2 year olds is provided by the Department for Education by way of a list compiled by the Department for Work & Pensions based on the 40% economically disadvantaged families in Lewisham. The number of children eligible for the 2 year old early learning entitlement offer in the Autumn term 2016 was 1707, with 1,087 children having taken a childcare place in PVIs and school nurseries which represents a total of 63% of the target group.

### PVI Settings Performance

Date	Outstanding	Good	Requires Improvement	Inadequate	% good or better	Total number of settings with Ofsted Inspection judgements	New (registered with Ofsted but awaiting inspection) Or re-registered	New & unregistered	Total settings - including new + unregistered
<b>4<sup>th</sup> November 2016</b> <b>Lewisham %</b> *Including CDP (Childcare on Domestic Premises)	13% (13)	77% (73)	8% (8)	1% (1)	90.5%	95	33	4	128 + 4
<b>5<sup>th</sup> December 2016</b> <b>Lewisham %</b> *Including CDP (Childcare on Domestic Premises)	14% (13)	75% (71)	9% (9)	2% (2)	89%	95	33	4	128 + 4
<b>December 2016</b> <b>OFSTED National %</b>	17%	77%	4%	1%	91%				

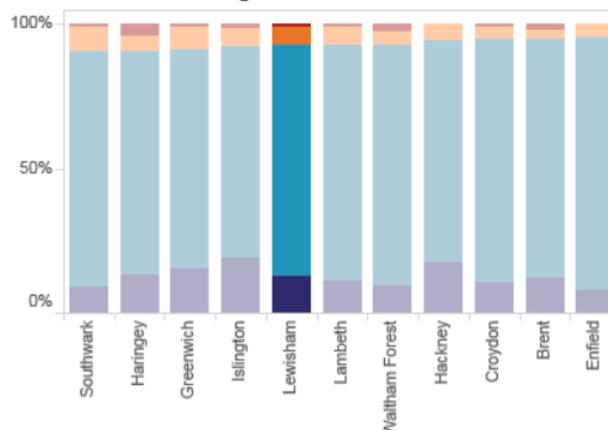
Lewisham in London  
Click a date to see similar data



This chart shows the percentage of **PVI** settings at each grade of inspection judgement over the last 4 years.

**Red** = Inadequate  
**Amber** = Requires Improvement  
**Light blue** = Good  
**Dark Blue** = Outstanding

Local authority areas similar to Lewisham as at 31 Aug 16



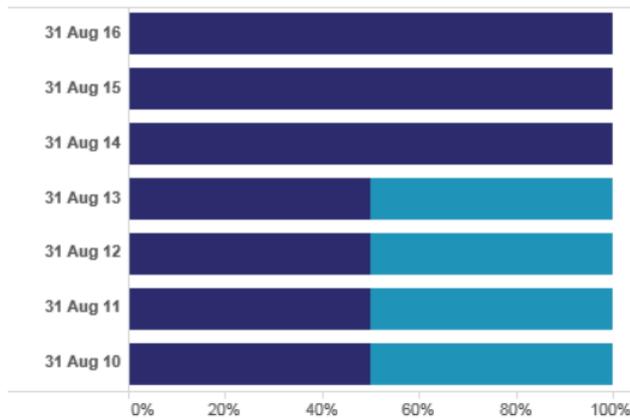
This chart shows how Lewisham did in comparison to other similar LA's at 31<sup>st</sup> Aug 2016

**Schools:**

Date	Outstanding	Good	Requires Improvement	Inadequate	% good or better	Total number of schools with Ofsted EYFS Inspection judgements
December 2016 Lewisham % Maintained Nursery Schools	100% (2)	0% (0)	0% (0)	0% (0)	100%	2
December 2017 Maintained Nursery classes in Primary Schools	27% (14)	71% (37)	2% (1)	0% (0)	98%	52
December 2016 OFSTED National %	2%	51%	42%	5%	53%	

**Lewisham in London**

*Click a date to see similar data*



This chart shows the percentage of **maintained nursery schools** at each grade of inspection judgement over the last 4 years.

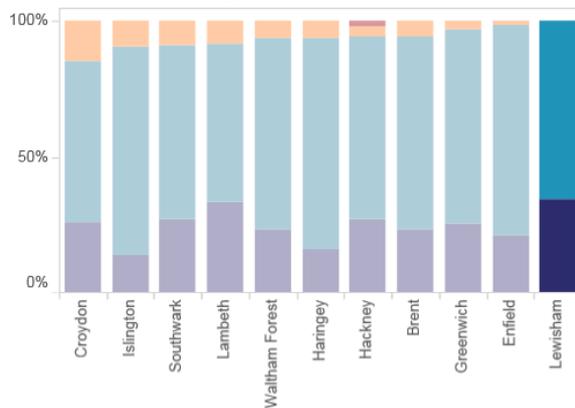
**Red** = Inadequate

**Amber** = Requires Improvement

**Light blue** = Good

**Dark Blue** = Outstanding

**Local authority areas similar to Lewisham as at 31 Aug 16**



This chart shows how Lewisham's **primary schools with nursery classes** did in comparison to other similar LA's at 31<sup>st</sup> Aug 2016

The key being the same as above

To secure EYFS improvement and provider effectiveness we adhere to the following principles:

- a. Taking a holistic and evidence based approach to school /setting improvement
- b. Demonstrating equity and a targeted approach – meaning that we target the limited school/setting improvement resources to meet need
- c. Being inclusive through championing the most vulnerable and disadvantaged children and young people including: looked after children (LAC); young carers; those with special educational needs and disability (SEND); those who are underperforming; those at risk of child sexual exploitation (CSE); those at risk of becoming a young offender, those at risk of witnessing or being a victim of domestic violence or extremism, children missing education (CME), those at risk of exclusion and those at risk of becoming not in education, employment or training (NEET)
- d. Being accountable and transparent by focusing on school/setting leadership, management and governance

- e. Collaborating and working towards a school/setting-led system of self-improvement which is based on peer to peer support, partnership working and school/setting autonomy.
- 5.8 Overall, 86% of children aged 3 and 4 years take up funded early education, with 85% doing so in good or outstanding quality settings as at January 2016. It is less so for children aged 2 years where 62% accessed their funded early education entitlement and a little over 65% do so in good or outstanding quality settings. Improving quality of settings and take-up by children of their early education entitlements are key priorities for Lewisham. We currently have a project underway which is focussing on improving the quality of provision for 2 yr olds, concentrating amongst other things on environment, high quality interaction and meeting the particular needs of two year olds.
- 5.9 Early years settings in Lewisham are especially keen for additional support to improve quality, and particularly so from:
- (a) The Early Years Quality and Sufficiency Team;
  - (b) More relevant and affordable professional development and;
  - (c) Networking and collaborative learning opportunities.
6. The success achieved in attainment levels (EYFSP) and the quality of EYFS provision in Lewisham has allowed us to focus on the underpinning principles of building child and family resilience which we understand is at the core of promoting the best possible start in life. A vision for EYFS as part of the overall Lewisham partnership vision for children and young people is that
- “Every child deserves the best possible start in life and the support that enables them to fulfil their potential. Children develop quickly in the early years and a child’s experiences between birth and age five have a major impact on their future life chances. A secure, safe and happy childhood is important in its own right. Good parenting and high quality early learning together provide the foundation children need to make the most of their abilities and talents as they grow up. (EYFS Statutory Framework)*
- 6.1 The EYQST is focussing on raising awareness across services and the wider council, of the importance of a child’s first 1001 days (*Conception to age 2 – the age of opportunity*) and the benefits of high quality early years provision (*EPPSE Research*) and the impact this can have on children’s long term outcomes.
- 6.2 Evidence clearly demonstrates this will enable the ability, to engage socially, academically; improving academic attainment, and positive engagement in work and relationships and physical health. In response to this and in order to increase the effectiveness of multi-disciplinary partnership working. Lewisham is incorporating the ‘Five to Thrive’ Approach to promoting positive attachment

relationships. The approach uses a simple 5 step approach and facilitates the use of a shared and easily communicated vocabulary that practitioners can use when talking to families about the importance of developing healthy attachment relationships.

### 6.3 The EYFS Provider Categorisation process in Lewisham

The Early Years Quality and Sufficiency Team undertake an initial desktop review at the start of the autumn term in order to prioritise support, this is then reviewed at termly EY Provider Categorisation meetings and will be based on the following information:

- Current Ofsted judgements
- Complaints to Ofsted
- Cycle of Ofsted inspection
- Multi-agency information sharing through partnership working eg. SaLT, SEN, Drumbeat Outreach, EP, PSLA, Portage, PSLA/Clyde Children's Centres, Social Care, Virtual School, Entitlement Team, Teaching Schools, Performance Team (data), SIO SAR reports
- Safeguarding concerns via LADO
- Provider engagement/ partnership with the Local Authority / EYIT
- Social deprivation information/ contextual social economic info of setting /IDACI / EYPP/ location of eligible 2 year olds
- Issues of EYFS compliance
- Staff qualifications / EYFS experience/ Early Years Teacher and Teaching standards
- Changes to registration details e.g. changes in leadership and management of a Provider/ buildings or redevelopment\* (Ofsted data feed e.g. via Tribal)
- *Progress and tracking data where available\**
- *2 year progress check data where available\**
- *Attendance information\**

(\* this additional data though not currently available would support an improved picture and analysis of needs).

6.4 The early years sector changes rapidly with new settings opening and closing throughout the year and changes in Ofsted judgements occurring frequently. For this reason, the EYQST also works in a responsive way as changes occur but using the same criteria for prioritising support.

## 7. Childcare Sufficiency Assessment

7.1 Under **section 6** of the Childcare Act local authorities are required to produce an annual sufficiency report on the availability and sufficiency of childcare in their area. This information should be made available to parents and elected members. To meet section 6 duties, local authorities need to collect and publish information on the supply of provision and demand for childcare in

their area. Statutory guidance provides clear indication of what 'must' be included in the annual review, and what 'should' be included.

- 7.2 In response to its Statutory Duty in the spring of 2016 Lewisham commissioned a Childcare Sufficiency Assessment (CSA) to look at demand for childcare and early years provision given the rising population and the changing landscape of EYFS policy and funding. The assessment used data, and information from parents and providers to reach conclusions.
- 7.3 The Childcare Sufficiency Assessment identifies a changing population where key growth wards for children aged 0-4 years in Lewisham are concentrated in Children's Centre Service Area (CCSA) 1 (Evelyn and New Cross wards particularly) and the wards of Lewisham Central and Blackheath in CCSA 2.
- 7.4 By contrast, all wards in CCSAs 3 and 4 are predicted to see reducing numbers of children aged 0-4 years across 2015- 2019 (*except Rushey Green in CCSA 3 which will remain broadly the same*). Evelyn, New Cross and Lewisham Central wards need to have more provision for eligible 2 year olds reflecting their relative deprivation. These wards are where the affordability of childcare is most significant and where there is least ability to pay.
- 7.5 With government plans for an extended early education entitlement for eligible children aged 3 and 4 years from September 2017, Rushey Green, Lewisham Central, Forest Hill, Evelyn, New Cross and Perry Vale wards will have greater total numbers of children eligible for these places. This points to greater requirements in these wards for more flexible early education and childcare to meet the needs of working families. In the surveys undertaken parents were very positive about the introduction of the extended entitlement, although few parents with young children had heard of this entitlement.
- 7.6 Primary objectives for parents in relation to the extended entitlement were found to be to:
- a. Limit the number of settings that children attend.
  - b. Access the extended entitlement during school holiday periods and after 3pm.
  - c. Have any setting make available additional hours if required for purchase; and ideally existing settings their children attend will offer the extended entitlement.
  - d. For parents with children that are attending school, they want any younger children to have access to the extended entitlement at the school nursery.
- 7.7 This is a picture that is reflected nationally and will impact the existing market. Most parents report that they will move children so that they benefit as much as possible from access to their early education entitlement in a single setting. This is likely to affect school nurseries and pre-schools/play groups the most;

and will benefit those early years settings which make available more flexible provision.

- 7.8 There are likely to be enough places to meet the anticipated demand for the extended early education entitlement in Lewisham. This is because there are already plans for expanded supply and many existing early years settings have low to medium levels of occupancy (*57% occupancy for childminders and 73% occupancy for PVI settings*). In addition Lewisham successfully submitted 4 capital funding bids to the EFA which means that 4 providers will be able to expand their provision to offer more 3 & 4 yr olds places. Further places will be available for funded entitlements, if necessary, in settings that rate at least 'satisfactory'/'requires improvement' or better from September 2017. Where this is necessary the team will work closely with providers to ensure that there is significant improvement in time for their next Ofsted inspection.

## **8. 30 hours of funded childcare entitlement for working parents**

- 8.1 In September 2017 an extra 15 hours of funded childcare will be available across England for eligible 3 and 4 year olds who live in households where either a 'single' parent or in the case of a couple both parents work, or otherwise meet the criteria. This is in addition to the existing 15 hours of free early education, which is available to all three- and four-year-olds and eligible two-year-olds. This will provide eligible parents with a total of 30 hours of free childcare per week, over 38 weeks or the equivalent number of hours across more weeks per year. The total annual entitlement will be 1,140 hours of early education. This has wide reaching implications for the entire early year's sector as it is highly likely that there will be huge parental demand. It is anticipated that by providing additional free childcare, more parents will be supported into work or to increase their working hours should they wish to do so.
- 8.2 In addition, from April 2017 the government is changing the way early years providers are funded. This will take the form of an Early Years national funding formula (*EYNFF*). The principle change is the introduction of a universal base rate for all providers. This means that it is no longer possible to have different hourly funding rates for nursery schools, primary schools and private, voluntary and independent (PVI) providers. The effect of this is to increase the hourly funding rate for PVI providers (up to 28%) whilst decreasing the rate for schools (*4% for primaries and 36% for nursery schools*).
- 8.3 Lewisham Council hourly rates for funded early education are consistent with the average hourly rate charged to fee paying parents with children aged 2 years and between 8- 14% less than the average hourly rate charged to fee paying parents with children aged 3 and 4 years. Approximately 5% of PVI settings and 15% of all childminders report that they plan to increase fees by more than £10 per week for local families in the next 12-18 months.

**The table below shows the current hourly funding rate and what it will be over the next two years.**

	<b>Current Hourly Rate</b>		<b>Rate from April 2017</b>	<b>Rate from April 2018</b>
<b>Maintained Nursery Schools</b>	£7.70		£4.94*	£4.94*
<b>Maintained Nursery Classes</b>	£5.13		£4.94	£4.94
<b>Private, Voluntary and Independent Providers</b>	<b>Basic Rate</b>	<b>Quality Rate</b>	£4.84	£4.94
	£3.85	£4.67		

*\*Nursery schools will receive supplementary funding from the DfE on top of the hourly rate*

- 8.4 In recognition of the important role of maintained nursery schools, as beacons of high quality, with 58% of those in England having received an Outstanding rating from Ofsted compared to only 10% of other setting-based early years providers, and 7% of primary schools, the DfE is allocating additional funds for the life of this Parliament to protect nursery schools. During this time, further consultation on the role of nursery schools will be held by the DfE. The final level of this protection is not yet known, but the DfE's current position is that the protection will not cover any additional free hours (*full time places*) that have in the past been offered to disadvantaged pupils as this is not statutory provision. This would leave a shortfall of £56k across the two nursery schools.
- 8.5 Up to and including the 2016/17 financial year, 3&4 year old funding rates have been based on a provider's OfSTED rating. This is no longer permissible under the new funding arrangements. The allocation of additional funding to providers that take the most disadvantaged pupils will continue and will represent 5% of the total available funding.
- 8.6 The EYNFF also introduces a cap which means that 5% is the maximum proportion of the available funding that can be centrally retained for council costs.
- 8.7 From 2017/18 local authorities will be required to implement an Inclusion Fund. Lewisham is setting aside £200k (*1% of the available funding*). This fund will be available for providers to access to support children at SEN support. The details of how this fund will be managed are in the process of being established and agreed by the Early Years Multi-Disciplinary Group (EYMD). It will be financially administered by the Early Years Quality and Sufficiency Team and will provide resources to support inclusion and intervention for a child with additional needs over a term.

- 8.8 With 5% for council costs, 5% allocated to providers for deprivation and 1% allocated to providers for SEN support, the remaining 89% is used for the hourly funding rate.
- 8.9 On top of this funding, the DfE is creating a Disability Inclusion Fund which will allocate over £615 per year to providers that have a child on roll that receives Disability Living Allowance. This fund is intended to remove the barriers to provision for these children.
- 8.10 The total funding available to Lewisham for the 3&4 year old formula is £24.6m with £2.8m of this being for the new 15 hours entitlement extension for working families. The funding forms part of the Dedicated Schools Grant and no funding comes from the Council's General Fund. Lewisham receives £5.62 per hour for provision in the borough. This is the second lowest hourly rate in inner London and is 20% lower than the average for inner London. The rate is calculated taking account of FSM eligibility, English as an additional language and Disability Living Allowance entitlements. An area cost adjustment based on general labour market costs and NNDR is applied to the data, resulting in the £5.62 rate.
- 8.11 The DfE has also decided that local authorities should no longer be able to use the Dedicated Schools Grant (*DSG*) to provide full time places to any pupils other than those eligible under the working families extension being introduced in September 2017. This means that the full time places currently offered to disadvantaged pupils will have to cease by April 2019, effectively allowing just one more academic year of provision. These places have tended to be offered to children identified as having additional needs. Under the new rules, these children will not be eligible for full time provision unless their parents are working.
- 8.12 There has been consultation regarding both the changes to the funding formula and the implementation of 30 hours extended entitlement with the Early Years Sub Group which has reported to Schools Forum. The sub group is made up of representatives from across the EYFS sector including both maintained nursery school head teachers, primary school head teachers, PVI managers and owners and childminders.

## **9. Key priorities for childcare market development in Lewisham**

- 9.1 The Early Years Quality and Sufficiency Team is working with the range of providers in the borough on both the 30 hrs policy implementation and on wider issues around quality and health and well being issues, this is done through provider meetings, bespoke sessions, and the Early Years sub-group of the school forum. There are also regular mailings and web-based information available. The views of parent's and carers were sought through the childcare sufficiency assessment. We seek feedback from providers on developing ideas around the provision of the 30 hours entitlement, and as partners in ensuring successful sufficiency levels will continue to consult them.

## 9.2 Sustainability

- 9.2.1 A key area that is already being developed is supporting EYFS providers across the sector to think about their business sustainability and to start to plan for the implementation of the 30 hours funded childcare. A series of sessions are being provided under the following headings:
- Are you Prepared?
  - Estimating the Effects
  - How to deliver Profitably
- 9.2.2 These sessions are tailored to the needs of each type of provider and there have been sessions for Schools, PVI's and Childminders.
- 9.2.3 Further sessions will take place over the next term, including sessions that bring together a mix of providers across each area. These sessions will focus on examples of good practice and ideas for innovation that will build sustainability.
- 9.2.4 A particular focus will be on supporting schools on the sustainability of their nursery classes. There have already been a couple of school nursery classes that have closed and there are more who have challenges with their sustainability.
- 9.2.5 In helping families and the local early years childcare market prepare for the introduction for the extended entitlement and address parent priorities for childcare that meets their needs, we need to:
- a. Encourage more flexible provision and opportunities for children to access early education and childcare in a single setting.
    - Especially by encouraging longer opening hours and childcare availability during school holidays (*this includes for parents stretching early education entitlements across more than 38 weeks*). This includes targeting PVI settings and school nurseries and especially those in faster growing wards in Children's Centre Service Areas (CCSA) 1 and 2 i.e. Evelyn, New Cross, Lewisham Central, Blackheath and Brockley wards (*as well as Sydenham ward in CCSA 4*) where more than 9 in 10 early education places are available from PVI settings and school nurseries.
    - Through supporting innovative collaborations between early years settings such as schools and childminders to offer longer opening hours and childcare availability during school holidays.
    - Work to improve the low occupancy rates for many childminders as well as encouraging greater supply of childminders in the fast growing wards of Evelyn, New Cross, Lewisham Central, Blackheath and Brockley.

b. The EYQST will work with early years settings to agree a refreshed provider agreement. This offers scope to set out the roles and responsibilities of early years settings that offer funded early education and the council (*ie the Early Years Quality and Sufficiency Team and the Family Information Service*).

- In clarifying partner roles and responsibilities, the Early Years Quality and Sufficiency Team has the opportunity to establish a clear plan for taking childcare forward. This includes setting out the Team's focus and scope of their support for early years settings quality improvement, sufficiency and networking/ collaboration. This includes supporting the roll out of the extended entitlement in September 2017.

### 9.3 Stakeholder Engagement

9.3.1 The early years quality and sufficiency team has good existing relationships with EYFS providers across the sector. However there is some work to be done with our 450 childminders, as engagement with providers in this sector can be variable due to their large numbers and the quality of the data we have had to rely on in the past. The upgrade to the family information service will do much to address this, as it will mean that all EYFS providers will be contactable directly and they have a reliable means by which to update their childcare details and occupancy levels.

9.3.2 We use a range of methods to engage EYFS providers and these include the following:

- Termly briefings for Head teachers and EYFS Leaders
- Termly briefings for PVI Managers and Owners
- Termly briefings for Childminders
- Training sessions for Governors on what's new in EYFS
- Termly newsletters
- Regular contributions to schools mailing
- Core training sessions marketed through the STEEP Teaching school alliance

9.3.3 Alongside these existing approaches, we plan to increase the use of social media by establishing a Lewisham EYFS facebook page, and a twitter feed which will all be co-ordinated by the proposed post of family information service/data officer.

9.3.4 The family information service will act as a conduit for all information about early years. It will ensure that information is clearly available about services and provision, and is easily accessible to parents. It will also enable us to identify links and connections much more easily and therefore ensure that we are operating at optimum impact.

#### 9.4 **SEND provision**

9.4.1 In terms of childcare entitlement, the recent Childcare Sufficiency Assessment identified provision and access to early entitlement for children with SEND as an area of focus. This is a picture reflected nationally where according to a recent report by Contact a Family, 25% of children with SEND are not accessing their early entitlement. EYFS settings in Lewisham have also identified a need for additional support in this area.

9.4.2 The Lewisham Local Offer is now available on-line <http://www.lewishamlocaloffer.org.uk/#/> and as the family information service is developed (see section 9) will be linked together so that all information and advice for parents of children with additional needs/disabilities is more integrated and accessible from one point.

9.4.3 Developing the quality of the local offer continues to be a priority and work is ongoing to ensure that early years services are joined up for children and families. An aspect of ensuring that the needs of children with SEND and their families are met, also includes clarifying the available targeted early interventions for children that do not have an EHC Plan and the available advice, guidance and resources that will support early year's staff to confidently manage children's behaviour and other needs. In response to this and in partnership with other departments such as Educational Psychologists, Drumbeat ASD Early Years Outreach Team and the Children with Complex Needs Service within the authority, a 'Promoting the Inclusion of Children with Special Educational Needs and Disabilities' pathway has been produced, which clearly identifies the steps providers should take and follow in order to ensure they are making the necessary reasonable adjustments to offer inclusive provision. In addition a variety of support and collaboration is also offered to early years providers including:

- Half termly SENDCO forums, which are very well attended.
- A wide range of training in SEND from specialist providers
- Attendance and contribution to the Early Years Multi-Disciplinary Group (EYMD) which focusses on developing the EYFS workforce to improve capacity, developing knowledge, skills and understanding in SEN.
- Working to ensure that information for families on all aspects of the local offer is accessible through the family information service.

#### 9.5 **Increasing take up**

9.5.1 Multiagency practitioners who work with families with children aged 0-4 will be encouraged to continue raising awareness of early education entitlements and the benefits of these entitlements for families they interact with; together with providing practical help to families to take up these entitlements. We will

develop a marketing campaign, holding information events and ensuring that information about childcare entitlements and what to look for in high quality provision is as widely available as possible. This could include supermarkets, shopping centres, GP surgeries, and libraries and will be a significant aspect of the family information service, with a whole section on Early Years and Childcare which will include the types of childcare available, local availability, partnership working, benefits and entitlements, as well as sections to develop professional practice.

- 9.5.2 We will also link closely with health visiting and children's centres, who are working directly with children and families, especially regarding families eligible for the funded entitlement for children aged 2 years. A continuing focus on building the quality of funded early education for children aged 2 years is also a priority. This is especially so for settings in CCSA 1 (*Evelyn and New Cross wards most particularly*).
- 9.5.3 The Early Years Quality and Sufficiency Team will partner with Employment, Skills and Adult Education leads to ensure families they are supporting to return to work, know about the early education entitlements and can help parents with taking these up.
- 9.5.4 The team will also identify and work with our largest employers to ensure they are able to share information about entitlements with staff, so that they can increase their hours if they wish to do so.

## **10. Family Information Service**

- 10.1 In order to deliver on the Childcare Act 2006 section 12 duty, the Family Information Service (FIS) must build a more comprehensive, up to date directory of childcare and early education services for families across Lewisham. This includes setting out the minimum standards that parents can expect of childcare provision. This will also assist future sufficiency planning, better inform parents about their childcare options and help early years settings with their business planning and marketing.
- 10.2 The existing FIS Directory needs to be updated and also needs to set out the new minimum standards. A temporary post within the team has been created to address this in the first instance with a view to creating a permanent post in order to ensure continued accuracy and accessibility of information. Changes will be in place to support the delivery of 30 hrs free childcare.
- 10.3 Parents have a choice about the types of childcare and early education they wish to use, although this varies between wards and Children's Service Areas (CCSAs). Families and early year's settings identify that a key gap is having a single comprehensive directory of childcare provision which provides information about all childcare and early education options in Lewisham.
- 10.4 Starting with an update of childcare information the service will be able to offer up to the minute, free and reliable information to suit parents and professionals

needs. This information will be safe and quality assured to provide peace of mind.

- 10.5 In addition we will be launching a new easy to search web site which will show a variety of services available across the borough. This will include a co-ordinated approach to information about health visiting and children's centres; voluntary and community organisations; school places; the latest events will be easy to access and with a specialist search facility users will be able to search in a variety of ways. These changes will be starting in the next few weeks and will be rolled out across the spring with events where we will gather a wide range of feedback and views.

## 11. Next steps and key milestones:

<b>Focus</b>	<b>Action</b>	<b>By</b>
<b>All EYFS Providers registered on the Provider Portal</b>	<i>Ensure that all EYFS providers have a provider portal account that can be used to update their childcare details and occupancy levels. This system will also be used to administer EYPP to all providers, this should increase claims by making the process smoother which will in turn improve provision for children</i>	<i>April 2017</i>
<b>Extend capacity and increase impact</b>	<i>Build on existing relationships and working practices with newly appointed Children's Centre providers, to ensure that services for families are as joined up as possible.  Work with Children's Centres and other partners to provide regular networking sessions for providers to share good practice and ways of working</i>	<i>April 2017</i>
<b>Increase awareness of childcare benefits</b>	<i>Work with our largest local employers to ensure that they are aware of and are promoting childcare benefits for parents. This will support parents to understand their entitlements and utilise them for best possible effect</i>	<i>April / May 2017</i>
<b>ECS Checking System</b>	<i>Ensure that the ECS checker is installed and functioning, so that eligibility for 30 hrs childcare can be validated.</i>	<i>May 2017</i>
<b>Parental awareness campaign</b>	<i>Ensure that all childcare entitlements are cohesively branded and that parental awareness is increased. This will increase take up of disadvantaged 2 yr old entitlement, universal 15 hrs and 30 hrs childcare for working parents. This, as a result, will establish positive relationships within settings, impact on</i>	<i>May/June 2017</i>

	<i>attainment, ie a good level of development and increase financial security for our lowest income families. This is linked to FIS which will continue this work on a sustainable footing.</i>	
<b>Family Information Service</b>	<i>Ensure FIS is successfully re-launched; meet with and consult all stakeholders establishing systems for maintaining accurate and comprehensive information that is intuitively and easily accessed.</i>	<i>June 2017</i>
<b>Nursery School provision</b>	<i>Work in partnership with nursery schools to establish ways of sustainably retaining this high quality provision.</i>	<i>March 2017 - 2020</i>
<b>30 Hrs funded childcare</b>	<i>Ensure we have sufficient EYFS providers ready to provide this entitlement as high quality provision and sustainably.</i>	<i>September 2017</i>

## **12. Legal Implications**

- 12.1 There are no legal implications that have arisen in regards to the Early Years Quality and Sufficiency Team

## **13. Financial Implications**

- 13.1 The DFE have issued a new funding formula for Early Years providers. The overall outcome will be that Nursery schools will see very significant reductions in funding, Maintained school nursery classes will see some reduction, generally in the region of £9k per class and the private, voluntary and independent sector will see increases.

### **13.2 Revenue Implications**

- 13.2.1 The DFE have issued a new funding formula for Early Years providers. The overall outcome will be that Nursery schools will see very significant reductions in funding, Maintained school nursery classes will see some reduction, generally in the region of £9k per class and the private, voluntary and independent sector will see increases.

- 13.2.2 The funding available for Early Years forms part of the Dedicated Schools Grant. The sum available for Early Years has provisional been set by the Department for Education at £24.6m. This sum will be revised to reflect the actual number of children in settings both in January 2017 and January 2018.

- 13.2.3 As the revenue funding is provided through the Dedicated Schools Grant it will not impact on the Council's General Fund

### 13.3 Capital Implications

- 13.3.1 There are no capital implications arising directly out of this report. The sufficiency review may in the future highlight the need for capital expenditure and this will be separately reported to members.
- 13.3.2 The DFE have issued a new funding formula for Early Years providers. The overall outcome will be that Nursery schools will see very significant reductions in funding, Maintained school nursery classes will see some reduction, generally in the region of £9k per class and the private, voluntary and independent sector will see increases.

## 14 **Equalities Implications**

- 14.3 There is a need to be mindful of the need to increase access to Early Years entitlement for children with SEN, this is particularly true for the extended entitlement. The recent Childcare Sufficiency Assessment identified provision and access to early entitlement for children with SEND as an area of focus. This is a picture reflected nationally where according to a recent report by Contact a Family, 25% of children with SEND are not accessing their early entitlement. EYFS settings in Lewisham have also identified a need for additional support in this area. See section on SEND page 20

## 15 **Crime & Disorder Implications**

16

- 16.3 There are no crime and disorder implications arising from this report.

## 17 **Environmental Implications**

- 17.3 There are no specific environmental implications arising from this report.

## 18 **Background Documents & Originator**

The Childcare sufficiency report can be found AT

<http://www.lewisham.gov.uk/myservices/education/earlyyears/Pages/Childcare-Sufficiency-Assessment.aspx>

The 30 Hrs implementation key task document can be found at **Appendix 1**

If there are any queries about this report, please contact Warwick Tomsett (*Head of Targeted Services & Joint Commissioning*) on extension 48362 or at [warwick.tomsett@lewisham.gov.uk](mailto:warwick.tomsett@lewisham.gov.uk).