

SCRUTINY PANEL

23 April 2015

FUNDING and PROVISION FOR 2 YEAR OLDS

Report of the Director of People

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| STRATEGIC AIM: | Creating a Brighter Future for All |
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1. PURPOSE OF THE REPORT

- 1.1 To present a summary of the funding and provision in Rutland for education of 2 Year Olds.

2. RECOMMENDATIONS

- 2.1 That People (Children) Scrutiny Panel notes funding and provision for 2 Year Olds in Rutland for 2013-14 and 2014-15.
- 2.2 That a report is provided to People (Children) Scrutiny Panel on Nursery Provision in Rutland at an agreed future meeting.
- 2.3 That People (Children) Scrutiny Panel identifies any follow up actions relating to the funding and provision for 2 Year Olds to be reported to a subsequent meeting of its Panel.

3. BACKGROUND

- 3.1 In September 2013, the Government introduced a duty for local authorities to provide educational places for disadvantaged 2 years olds.
- 3.2 In 2013-14 Rutland had a target set by the Government to identify and place 65 of our most disadvantaged 2 Years Olds in Early Years provision. £179,692 funding was provided to support this target. The target in 2014-15 was raised to 73 places requiring £201,808 funding.
- 3.3 Evidence shows that high quality early education at age 2 brings benefits to children's development. The statutory guidance also reflects the Government intention that, as far as possible, early education for 2 Year Olds from lower income households is delivered by providers who have achieved an overall rating of 'Outstanding' or 'Good' in their most recent Ofsted inspection report.
- 3.4 In Rutland Visions Children's Centre helps the local authority to identify eligible 2 Year Olds and checks eligibility using the criteria set out below to support parents to take up an early education place.

4. NATIONAL ELIGIBILITY CRITERIA FOR 2 YEAR OLDS

4.1 The national eligibility criteria for 2 Year Olds requires a family to be in receipt of one of the following:

- income support
- income-based Jobseeker's Allowance (JSA)
- income-based Employment and Support Allowance (ESA)
- support through part 6 of the Immigration and Asylum Act
- the guaranteed element of State Pension Credit
- Child Tax Credit (but not Working Tax Credit) and have an annual income not over £16,190
- The Working Tax Credit 4-week run on
- All 2 Year Olds who are 'looked after' by their local authority are eligible

4.2 Children who meet the national criteria will be eligible for 570 hours of early education per year. This is often taken as 15 hours per week during term time. In Rutland parents are given the option to stretch their funding over 50 weeks. Rutland providers are currently paid £4.85 per hour (which is below the recommended £5.09). The Government provides Rutland with the equivalent of £4.83 per hour which requires Rutland to contribute £1185 per annum to make up the difference between £4.83 and £5.09.

5. EARLY EDUCATION PLACES IN RUTLAND

5.1 Early education places in Rutland are funded in the following locations:

- Playgroups and pre-schools
- Nursery classes in schools and academies
- Nurseries on school sites
- Day nurseries
- Registered childminders

5.2 Registered providers must be registered with Ofsted and deliver the early years foundation stage curriculum provision.

5.3 Early years settings assess children's progress during the year in which they are 2 years old to ensure their development is in line with the age related statements of *Development Matters* or the *Early Years Outcomes* enabling any necessary intervention to be put in place to support the individual needs of each child.

5.4 The Government is publishing data on the number of eligible 2 Year Olds broken down by post code area. This is designed to support local

authorities to ensure that sufficient places are available for every 2 Year Old who meets the eligibility criteria. It is also intended to provide information to early education providers about potential demand so that they can identify where there may be opportunities for business growth that result from the introduction of the entitlement.

6. FUTURE DEVELOPMENTS

- 6.1 The Government will reward local authorities who achieve high levels of take up by moving to participation funding in April 2015. This means funding for 2015-16 will be solely based on actual participation taken from the count from the January 2015 School and Early Year census.
- 6.2 There will be no further allocation of trajectory funding or capital support for local authorities from central government in 2015-16.
- 6.3 As we move towards system whereby local authorities are to be funded on the number of children taking up the 2 Year Old entitlement rather than the number of eligible children, the local authority will need to ensure that it maximises the opportunity to increase the capacity of businesses in their area, encourage schools nurseries to open for longer hours and stimulate the local market to encourage new providers.
- 6.4 In September 2015 the Government is considering the introduction of an integrated review for all 2 Year Olds attending an Early Years education provision. Currently, children are assessed by the Health visiting team at the age of 2, as part of the Healthy Child Programme. 2 Year Olds will also have a '2 Year Old Progress Check' as part of the Early Years Foundation Stage. There is concern that complexity may be introduced by more than one review at this age and it is hoped that the two reviews will be carried out in a coordinated manner to provide a rounded and coherent opportunity to consider how each 2 Year Old child is progressing. This will help to inform early interventions which may need to be implemented to support the child's learning and development.

7. RISK MANAGEMENT

| RISK | IMPACT | COMMENTS |
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| Time | High | It is essential that the local authority responds to this central government policy and related statutory duties. |
| Viability | High | Support for the 2 Year Old programme is critical in meeting the government targets set for Rutland. |
| Finance | Medium | There is a change in the funding method in 2015 moving away from an eligibility approach to a participation-led funding model. |
| Profile | High | Early Years performance is high profile. |
| Equality and Diversity | | The local authority observes all principles which underpin Equality and Diversity in relation to Early Years provision. |

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