

**Report to OVERVIEW AND SCRUTINY PERFORMANCE AND
VALUE FOR MONEY SELECT COMMITTEE**

Free early education entitlements for 2, 3 and 4 year olds

Portfolio Holder:

Cllr Paul Jean Jacques; Cabinet Member Education and Culture.

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Purpose of the Report

To provide an overview of key trends and developments in the delivery of free early education entitlements for two, three and four year olds since the report to the Performance and Value for Money Select Committee in November 2017.

The report covers the following:

- The 15 hour entitlement for the most disadvantaged two-year-olds
- The 15 hour entitlement for parents of three and four-year-olds (the universal entitlement)
- The 30 hours entitlement for working parents of three and four-year-olds (the extended entitlement)

It draws on national statistics released by the Department for Education (DfE) in June 2018, thus enabling benchmarking of Oldham's position against other local authorities.

Recommendations

That the report be noted.

Free early education entitlements for 2, 3 and 4 year olds

1 Background

- 1.1 Despite some recent improvement, school readiness in Oldham as measured by the percentage of children reaching the Good Level of Development in the Early Years Foundation Stage at age 5 continues to be significantly below national and regional averages. Ensuring that all children are school ready by the age of 5 is an Opportunity Area priority for 2018 - 2020, and achieving high uptake of the free early education entitlements for two, three and four year olds is a key aspect of the Council's strategy for achieving this.
- 1.2 Since September 2010, all three and four year-olds have been entitled to 570 hours a year of funded early education over no fewer than 38 weeks of the year (which equates to 15 hours a week for 38 weeks of the year). This is referred to as the universal funded early education entitlement.
- 1.3 A similar 15 hour entitlement has been available since September 2013, to disadvantaged two year-olds who meet nationally prescribed criteria.¹
- 1.4 In September 2017 the government doubled the entitlement to funded early education for three and four year-olds in working families who meet the eligibility criteria to 30 hours a week for 38 weeks of the year. This is referred to as the extended funded early education entitlement².

2 Current Position

- 2.1 In June each year the Department for Education (DfE) publishes an annual statistical report on provision for children under five years of age in England.³ It is based on data sourced from the Early Years Census conducted in January, the School Census, and the School Level Annual School Census. It provides a comprehensive picture of the number of children taking up free early education entitlements, as well as the type and quality of the settings in which they do so.
 - 2.2 The national headlines in the June 2018 report relating to each entitlement are set out below along with commentary on Oldham's performance relative to other local authorities.
 - 2.3 Benchmarking of Oldham's performance against national, Greater Manchester and statistical neighbour authorities is presented at **Appendix 1**.
 - 2.4 Ward level uptake data is presented at **Appendix 2**.
- 2.5 Universal funded early education entitlement (3 and 4 year olds).**
- 2.5.1 National headlines:

¹ Two-year-olds are eligible for 15 hours of free early years provision if the parent(s) claim one of the following benefits: Income Support; income-based Jobseeker's Allowance (JSA); income-related Employment and Support Allowance (ESA); Universal Credit –if a parent is entitled to Universal Credit and they have an annual net earned income equivalent to and not exceeding £15,400, assessed on up to three of the parent's most recent Universal Credit assessment periods; tax credits and they have an annual income of under £16,190 before tax; the guaranteed element of State Pension Credit; support through part 6 of the Immigration and Asylum Act; the Working Tax Credit 4-week run on); or are looked after by the local authority; have a statement of Special Educational Needs (SEN) or an Education, Health and Care Plan; are in receipt of Disability Living Allowance: are no longer looked after by a local authority as a result of an adoption order, a special guardianship order or a child arrangements order which specifies with whom the child is to live. In April 2018 the eligibility criteria for 2-year-olds to benefit from a funded early education place were changed to reflect the introduction of Universal Credit.

² 30 hours are available to families where both parents are working (or the sole parent is working in a lone parent family) and each parent earns a weekly minimum equivalent to 16 hours at the national minimum wage or living wage and less than £100,000 per year. This also includes self-employed parents.

³ Provision for children under five years of age in England: January 2018. DfE. Published June 2018.

Take up remains high among three and four year-olds with 92% of three year-olds and 95% of four year-olds benefitting from universal funded early education.

2.5.2 The Oldham context:

94% of three year olds and all four year-olds in Oldham were recorded as accessing a funded place at the time of the January Census. This places the borough on a par with Greater Manchester (GM) and statistical neighbours, and ahead of the national average. By the end of the spring term this had risen to 98% of three year olds, which suggests that circa 280 were not accessing a free place at that time. Ward level data indicates lowest uptake rates in Alexandra, Chadderton Central, Hollinwood, and Saddleworth South wards. However, it should be noted that data is currently based on where children take up a place rather than where they live. Work is underway to capture data on the basis of where children live in order that outreach can more effectively target these children to encourage uptake.

2.6 Two year old entitlement

2.6.1 National headlines:

Take up rate for eligible 2-year-olds increased slightly from 71% in 2017 to 72%. The majority of places are taken up in the private and voluntary sector (87%).

2.6.2 The Oldham context:

There was a 10% improvement on the previous year, taking the uptake rate to 84% and meaning that at the time of the census 1350 out of 1606 eligible children were accessing an early education place. During the autumn term this peaked at 91%, which is in line with anticipated termly fluctuations. The improved performance is testament to increasingly effective outreach activity to engage parents who might not otherwise see the value of early education, through our commissioned partners delivering the Right Start and Early Help services.

2.7 Extended 30 hours entitlement

2.7.1 National headlines:

The DfE report covers provider type, and the Ofsted rating of providers delivering the extended entitlement. It shows that 82% of children benefitting from the extended entitlement did so in a private, voluntary or independent (PVI) provider.

2.7.2 Comparative data relating to uptake rates by eligible parents is not available for the 30 hours entitlement in the same way as for the other entitlements. Instead the Government publishes management information on the number of eligibility codes issued and validated, and this is reported separately on a termly basis.⁴

2.7.3 DfE experimental statistics published in June 2018 showed Oldham to be performing above national, GM and statistical neighbour averages. (**Appendix 3**).

2.7.4 The Oldham context:

Early implementation of 30 hours was beset by system failures at national level which caused some parents to struggle to secure the code needed to take up a place. However, after a slow start in September, by the end of the summer term there were 1614 children benefitting from extended free hours in Oldham schools and settings. This is estimated to be 93% of those eligible based on local estimates.

Reflecting the national position, the majority of children accessing the extended entitlement in Oldham do so in PVI settings. This is illustrated at **Appendix 4**, which shows 51.3% of universal places for three and four year olds being taken up in schools compared with just 23.3% of 30 hours places. This is due largely to the greater flexibility of the PVI sector in terms of opening hours to meet the needs of working parents.

⁴ 30 hours free childcare, England, summer term 2018 (Experimental Statistics).

2.7.5 There is some evidence that the prevalence of the PVI sector as providers of two year-old and 30 hour places is having a detrimental effect on school nursery numbers as parents opt for settings that have longer opening hours to fit around their work, or choose to keep their child in a PVI setting rather than moving them when they progress from the two year old to the universal entitlement.

2.7.6 A grant secured from the DfE through the 30 Hours Delivery Support Fund enabled the Council to commission a programme of targeted 1:1 support for schools to explore and address some of the barriers to offering the 30 hours entitlement. Out of twelve schools that have engaged in the programme so far, all are either already delivering or are planning to do so. It includes one school that had previously expressed an intention to close the nursery at the end of July on grounds of it being unsustainable in terms of numbers. By encouraging the school to reassess its business model and take steps to actively market the nursery in the local community, the threat of closure has been averted.

2.8 Free education entitlement uptake rates: Termly comparison

Analysis of uptake data shows term on term improvement for all entitlements over the past year:

Table 1. Termly uptake rates

Free entitlement	Summer		Autumn		Spring Term	
	2016	2017	2016	2017	2017	2018
Uptake of children eligible for 2 year old free funding	66.6%	76.8%	82.2%	91.0%	82.2%	85.8%
Engagement of eligible children regarding 2 year old free funding	89.0%	105.1%	100.4%	113.5%	100.4%	114.9%
Uptake of 3 & 4 year old free funding (15 hours)	94.2%	96.5%	97.2%	103.6%	98.3%	100.07%
Uptake of 3 & 4 year old free funding (30 hours)	Available from Autumn 2017			57%*		82%*

Note: this represents the position at the end of each term. Spring term figures differ slightly from those presented at Appendix 1 which are based on uptake on national census day (Mid-January).

**Based on local estimate of 1740 parents in Oldham being eligible. Note: If DfE estimate is applied (1450), the uptake rate would be 99% in spring 2018.

2.9 Quality

2.9.1 National Headlines:

In January 2018, 95% of two year-olds and 93% of three and four year-olds took up their funded early education at a setting rated good or outstanding. The comparable figure for three and four year olds benefitting from the extended entitlement was 96%.

2.9.2 The Oldham context:

In January 97% of funded two year-olds and 90% of three and four year-olds were accessing their free entitlement in good and outstanding settings. For the summer term 2018 all providers of free early education in Oldham are rated good or outstanding with the exception of:

- Schools: 2 inadequate, 7 rated 'requires improvement';
- Childminders: 3 'requires improvement'; and
- 2 PVI group settings rated 'requires improvement'.

2.9.3 All early years providers receiving early education funding are required to work in partnership with the LA to improve the quality of the provision.

2.9.4 **Appendix 5:** Benchmarking the quality of settings where children in Oldham take up the free entitlement against other LA's.

2.10 Children who are looked after

2.10.1 Take up of free early education by children who are looked after continues to be closely tracked to ensure that early learning opportunities for these children are maximised. The detail presented here shows the position at the end of July 2018, at which point there were 56 three and four year olds and 30 two year olds who were looked after:

Table 2. Free entitlement uptake by children who are looked after.

	Uptake by 2 year old	Uptake by 3 & 4 year old
Attending an early education setting in Oldham	13	37
Attending an out of borough early education setting	9	11
Adoption: 2 year-old entitlement details passed to adopter	3	
Pending take-up of place in September	4	
(Info confidential / pending info from social care)	1	8
Total	30	56

2.10.2 In addition to the above, children in need or on child protection plans who do not meet the national eligibility criteria for a two year-old place are funded for 15 hours under Oldham's local criteria. During the current term this has been extended to 7 children.

2.11 SEN Inclusion Fund 2017/18: Support for speech, language and communication

2.11.1 Following consultation with Early Years Providers, delivery partners and parents, the Early Years and Childcare Board endorsed a proposal to target resources during the spring term 2018 at improving children's speech, language and communication skills. This is in line with Oldham's drive to ensure children are prepared and ready to succeed in school cognitively, socially and emotionally.

2.11.2 Funding was made available for delivery of group speech and language interventions in schools and settings such as: additional staff time to support delivery of specific interventions. e.g. BLAST; WellComm: Making it REAL; and Signalong; additional time to deliver parent workshops/events and funds for resources i.e. good quality books, puppets; Elklan resources; specialist or one-off extra training, or to upskill a team or staff member i.e. ELKLAN, Signalong; and for a contribution to specialist support, such as speech and language therapy, which may benefit more than one child.

2.11.3 Funding totaling £126,000 was awarded to 41 settings, with priority given to those located in wards identified on the basis of SEN Census, and Good level of Development (GLD) in the EYFS data. (30 schools & academies and 11 PVI settings).

2.11.4 Early indications from impact monitoring based on Wellcomm screening assessments conducted before and after the speech and language interventions are positive. To date monitoring data has been submitted by 29 settings, providing evidence of improvement for 620 children (90% of the reported cohort).

3. Summary

3.1 Whilst the data presented provides a positive picture in terms of the uptake of early years' free entitlements in Oldham, there remains work to be done in translating this into positive outcomes that enable all children to be ready for school by age five. In order to achieve Oldham's Opportunity Area ambitions we must continue to drive up attendance and engage parents in their children's learning to expand their learning opportunities.

4. Key Issues for Overview and Scrutiny to Discuss

4.1 This is an update report for noting.

5 Key Questions for Overview and Scrutiny to Consider

5.1 As above

6. Links to Corporate Outcomes

6.1 Termly uptake of the free early education entitlements by 2, 3 and 4 year olds is a performance measure in the Corporate Plan aligned to the overall objective of creating an inclusive economy where people and enterprise thrive. Increasing the percentage of two, three and four year olds benefitting from funded early education places is also central to the successful implementation of the Opportunity Area priority of improving Early Years outcomes and achieving a significant shift in education and skills at faster rate than rest of Greater Manchester.

7 Appendices

Appendix 1: Benchmarking Oldham's Free Entitlement Uptake rates against other local authorities (January 2018 Census Data).

Appendix 2: Free Entitlement Uptake by Ward (Spring term 2018)

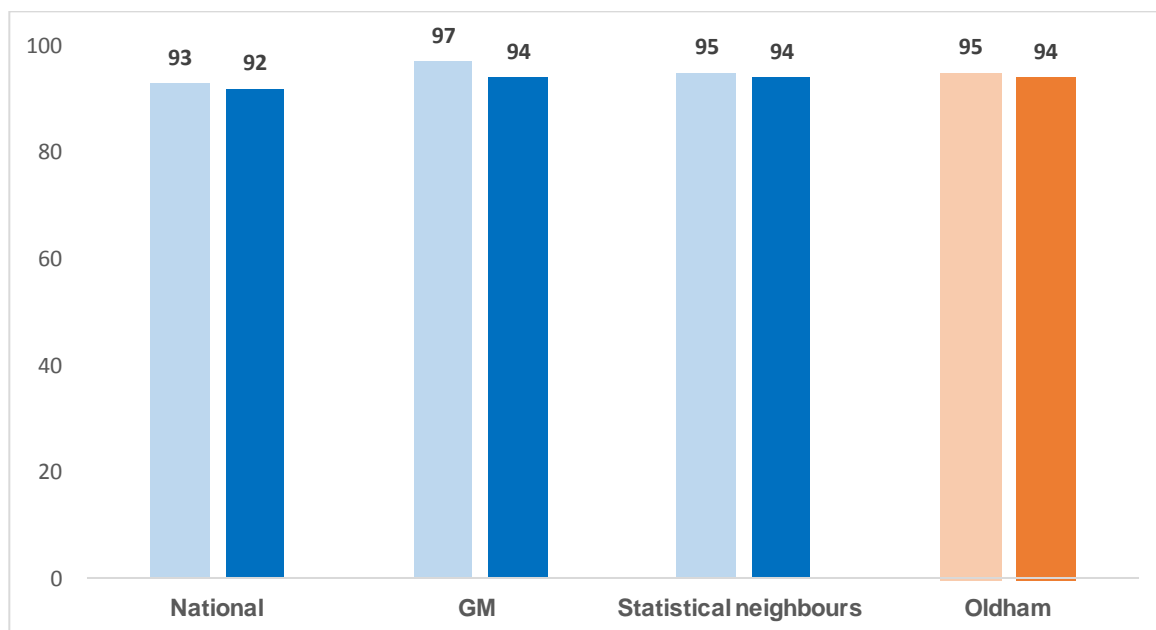
Appendix 3: 30 Hours: Validation of codes and take-up of the extended early education entitlement by eligible 3 and 4 year-olds

Appendix 4: Take-up rates for universal and extended 3 and 4 year old entitlements by sector. Spring term 2018.

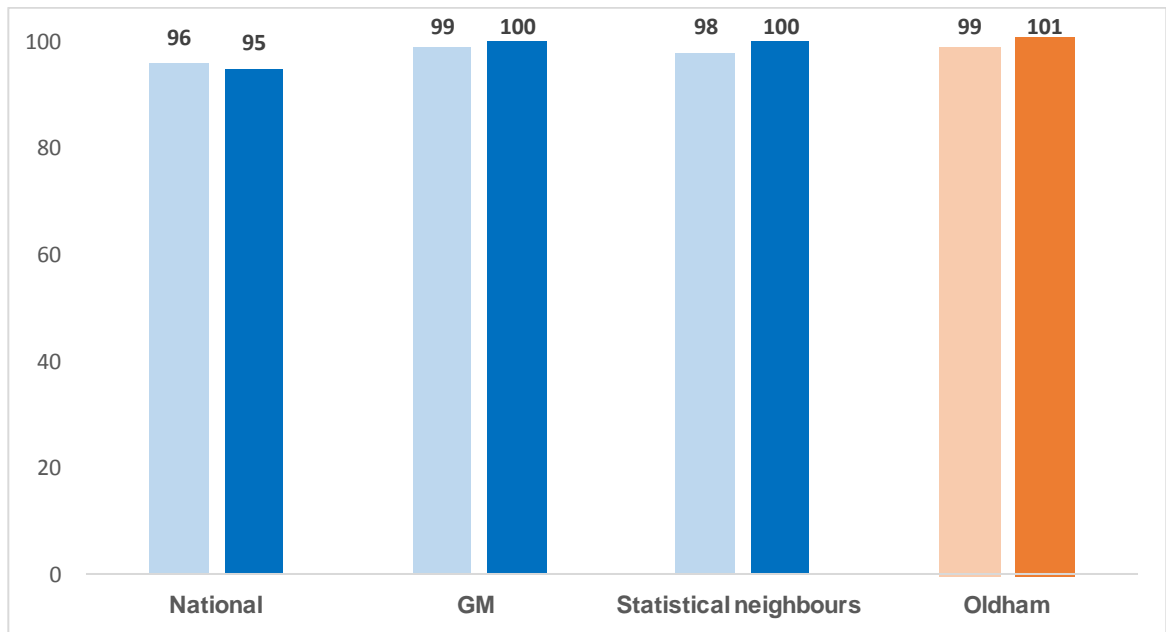
Appendix 5: Benchmarking the quality of settings where children in Oldham take up the free entitlement against other local authorities.

**Benchmarking Oldham's Free Entitlement Uptake rates against other local authorities
(January 2018 Census data)**

1. Take-up of funded early education by 3 year-olds (%)

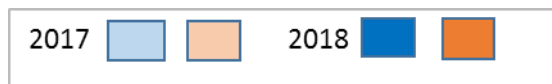
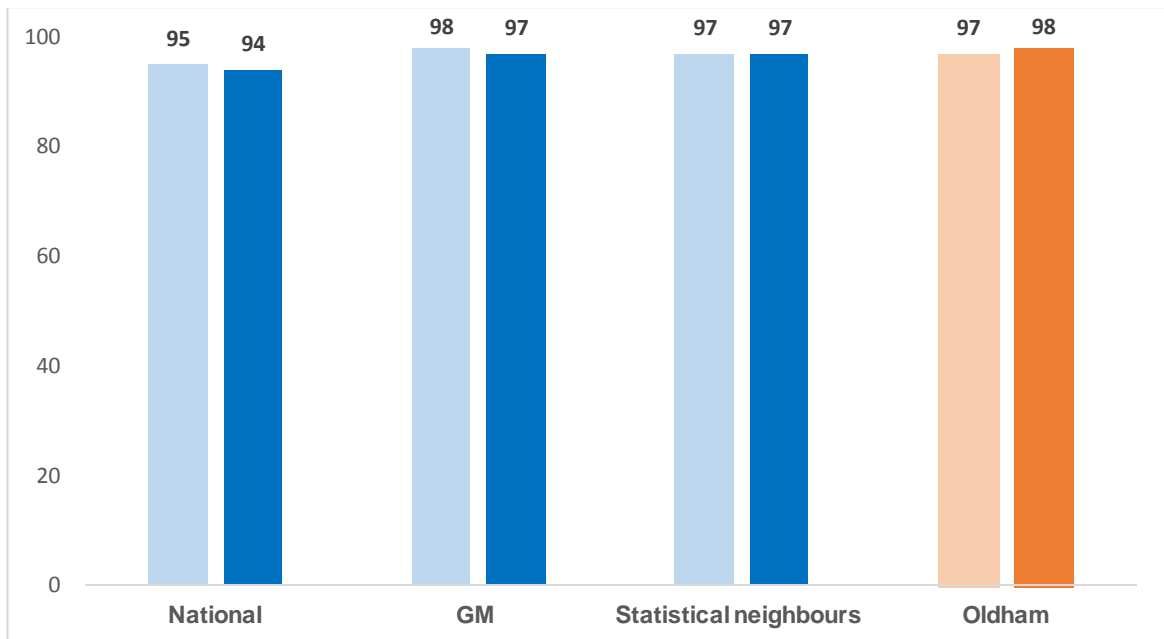


2. Take-up of funded early education by 4 year-olds (%)

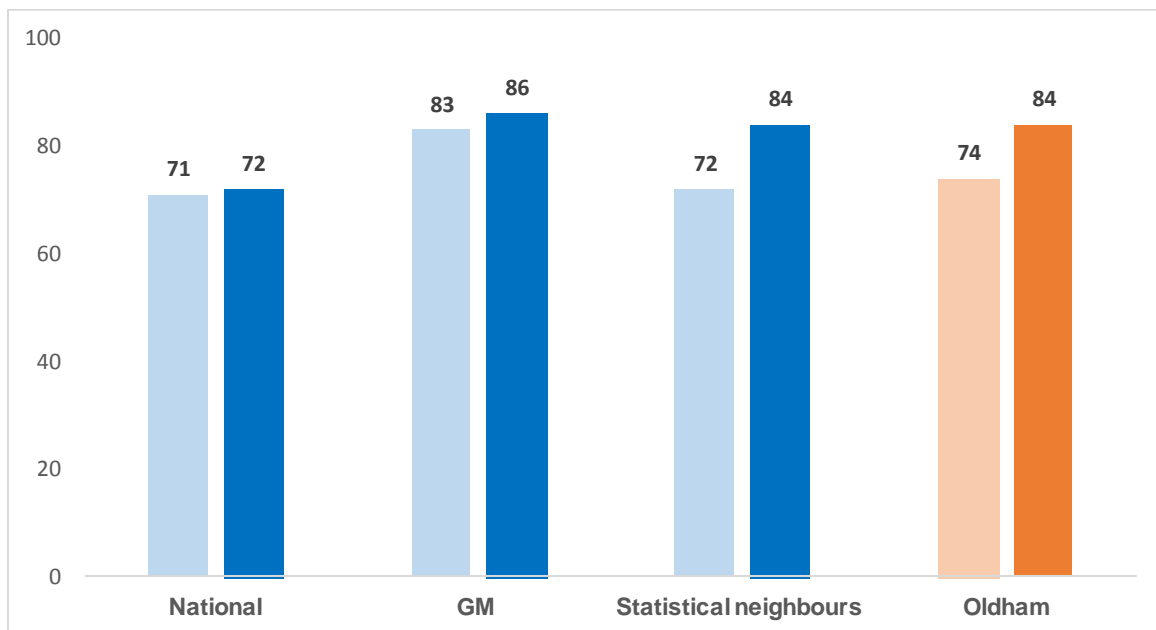


APPENDIX 1 (Continued)

3. Take-up of funded early education by 3 and 4 year-olds (%)



4. Take-up of funded education by eligible 2 year-olds



APPENDIX 2

Free Entitlement Uptake by Ward (spring term 2018)

Two year-old Free Entitlement

Ward	Number accessing a place	Eligible Population	Total Engaged	% Engaged	% Uptake rate
Alexandra	154	179	188	105.0%	86.0%
Chadderton Central	39	54	51	94.4%	72.2%
Chadderton North	66	82	87	106.1%	80.5%
Chadderton South	48	57	68	119.3%	84.2%
Coldhurst	119	174	152	87.4%	68.4%
Crompton	26	24	39	162.5%	108.3%
Failsworth East	29	36	43	119.4%	80.6%
Failsworth West	45	49	64	130.6%	91.8%
Hollinwood	96	109	140	128.4%	88.1%
Medlock Vale	95	143	134	93.7%	66.4%
Royton North	26	23	34	147.8%	113.0%
Royton South	38	35	49	140.0%	108.6%
Saddleworth North	17	14	18	128.6%	121.4%
Saddleworth South	7	7	9	128.6%	100.0%
Saddleworth West and Lees	21	19	29	152.6%	110.5%
Shaw	40	33	51	154.5%	121.2%
St James	100	91	120	131.9%	109.9%
St Marys	152	197	191	97.0%	77.2%
Waterhead	104	115	144	125.2%	90.4%
Werneth	119	188	169	89.9%	63.3%
Not Recorded	57	0	80	N/A	N/A

Grand Total	1398	1629	1860	114.2%	85.8%
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Notes:

1. The population data is taken from the Office for National Statistics' Mid-Year Population Estimates 2016/17'. Data for such small localities is subject to some variation.
2. Uptake rates are based on where children access their free entitlement and not where they live. Therefore, where the uptake rate exceeds 100% this will be due to there being more places than children in the ward, and places being accessed by children from other wards.

APPENDIX 2 (Continued)

Free Entitlement Uptake by Ward (spring term 2018)

Three and four year old Universal Entitlement (15 hours)

Ward	Number accessing a place by Age			Population			Percentage Uptake Rate		
	3 YO	4 YO	3 & 4 YO	3 YO	4 YO	3 & 4 YO	3 YO	4 YO	3 & 4 YO
Alexandra	232	241	473	301	286	587	77.1%	84.3%	80.6%
Chadderton Central	126	134	260	164	134	298	76.8%	100.0%	87.2%
Chadderton North	136	162	298	165	154	319	82.4%	105.2%	93.4%
Chadderton South	113	125	238	136	154	290	83.1%	81.2%	82.1%
Coldhurst	254	250	504	267	244	511	95.1%	102.5%	98.6%
Crompton	118	104	222	99	109	208	119.2%	95.4%	106.7%
Failsworth East	108	88	196	80	116	196	135.0%	75.9%	100.0%
Failsworth West	116	138	254	116	125	241	100.0%	110.4%	105.4%
Hollinwood	179	199	378	226	185	411	79.2%	107.6%	92.0%
Medlock Vale	232	254	486	279	244	523	83.2%	104.1%	92.9%
Royton North	97	115	212	84	86	170	115.5%	133.7%	124.7%
Royton South	114	106	220	118	116	234	96.6%	91.4%	94.0%
Saddleworth North	93	91	184	84	100	184	110.7%	91.0%	100.0%
Saddleworth South	78	85	163	101	102	203	77.2%	83.3%	80.3%
Saddleworth W & Lees	114	129	243	134	107	241	85.1%	120.6%	100.8%
Shaw	96	92	188	119	137	256	80.7%	67.2%	73.4%
St James'	221	207	428	201	207	408	110.0%	100.0%	104.9%
St Mary's	277	315	592	299	303	602	92.6%	104.0%	98.3%
Waterhead	220	197	417	222	234	456	99.1%	84.2%	91.4%

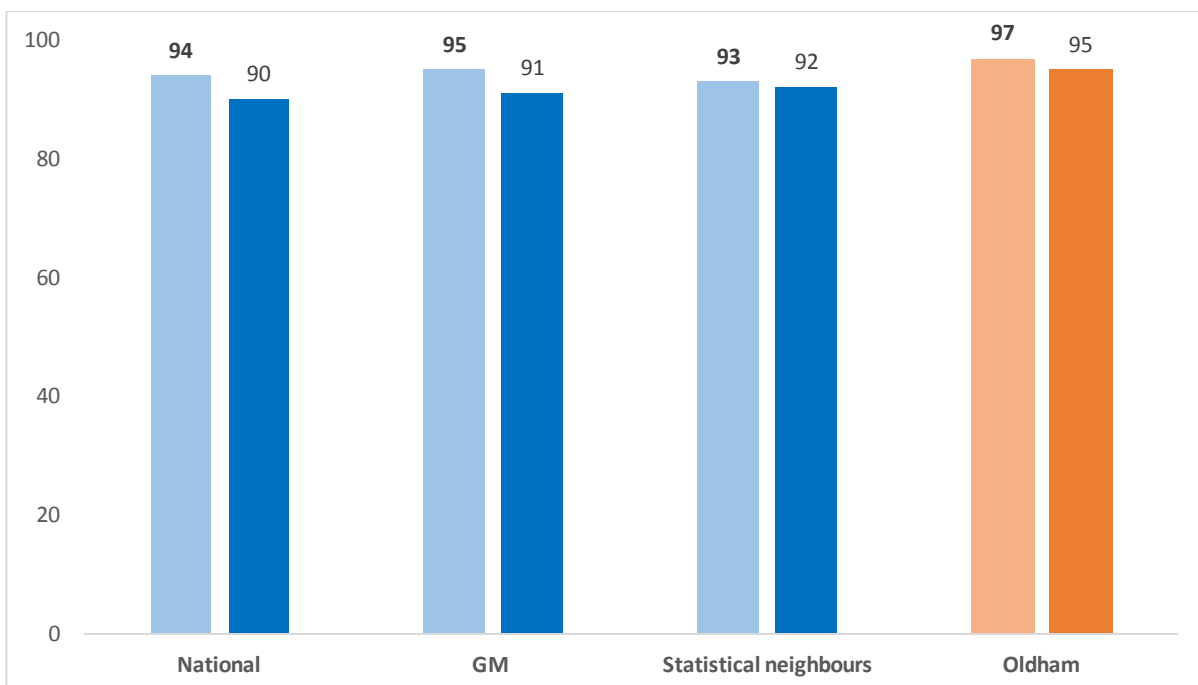
Werneth	228	260	488	237	267	504	96.2%	97.4%	96.8%
Total Oldham	3152	3292	6444	3432	3410	6842	91.8%	96.5%	94.2%
Out of Authority	208	191	399						
Total	3373	3514	6887				98.3%	103.0%	100.7%

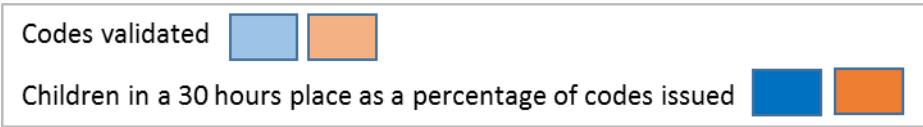
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1. The population data is taken from the Office for National Statistics' Mid-Year Population Estimates 2016/17'. Data for such small localities is subject to some variation.
2. Uptake rates are based on where children access their free entitlement and not where they live. Therefore, where the uptake rate exceeds 100% this will be due to there being more places than children in the ward, and places being accessed by children from other wards.

APPENDIX 3

30 Hours: Validation of codes and take-up of the extended early education entitlement by eligible 3 and 4 year-olds

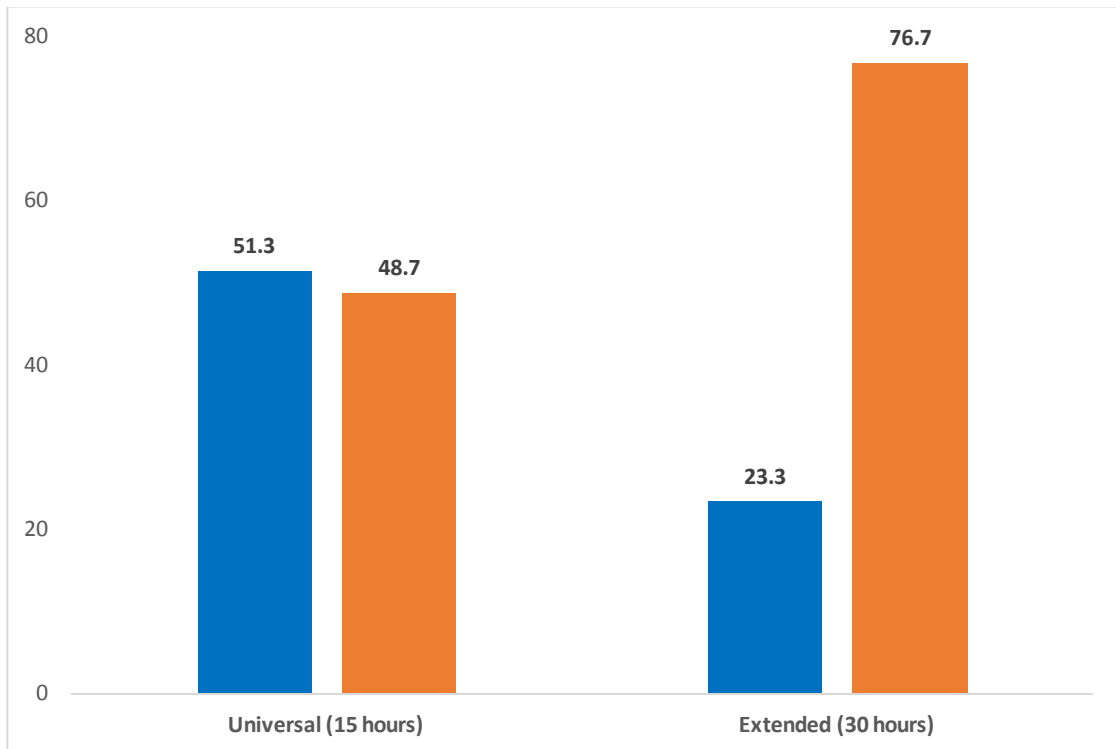




Source: Department for Education 30 hours free childcare, England, summer term 2018 (Experimental Statistics).

APPENDIX 4

Take-up rates for the universal and extended 3 and 4 year old entitlement by sector Spring Term 2018 (%)





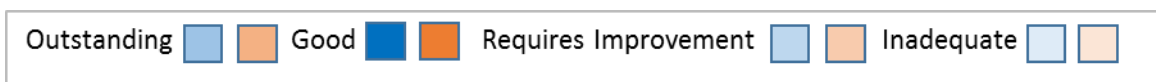
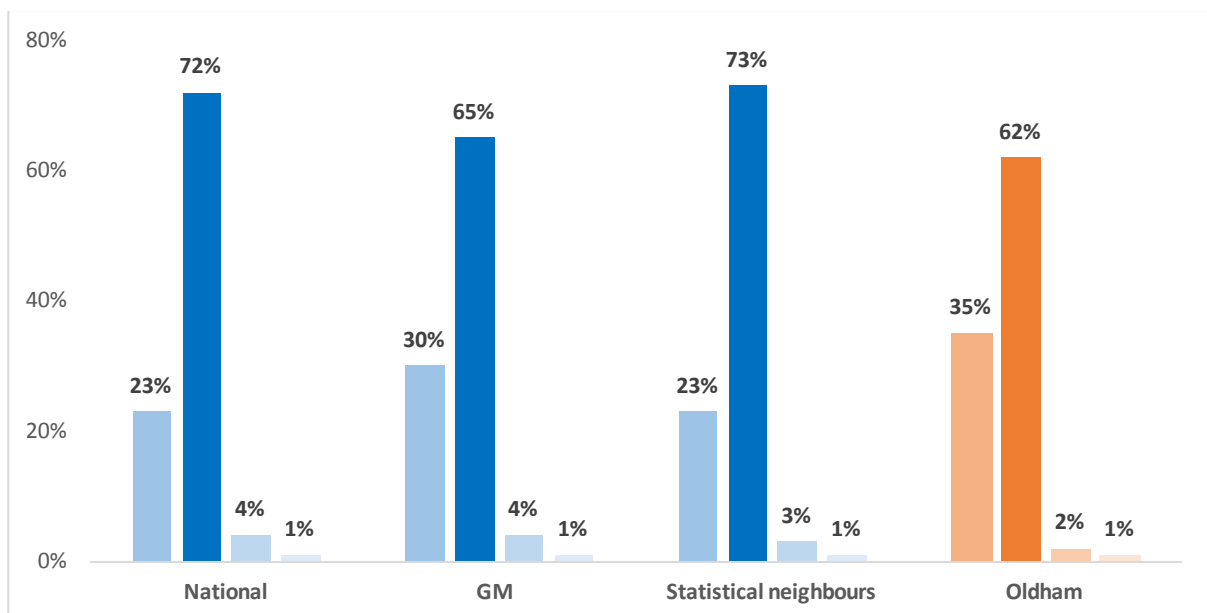
Profile of 30 Hours delivery by provider type: Spring term 2018

Provider category	Total providers by sector	Delivering 30 hours	Percentage delivering
Day nursery	44	42	95%
Pre-school/playgroup	38	27	71%
Childminder (on the EY directory)	86	48	56%
Maintained/academy nursery class	64	30	47%
Independent school	4	4	100%
Total	236	151	64%

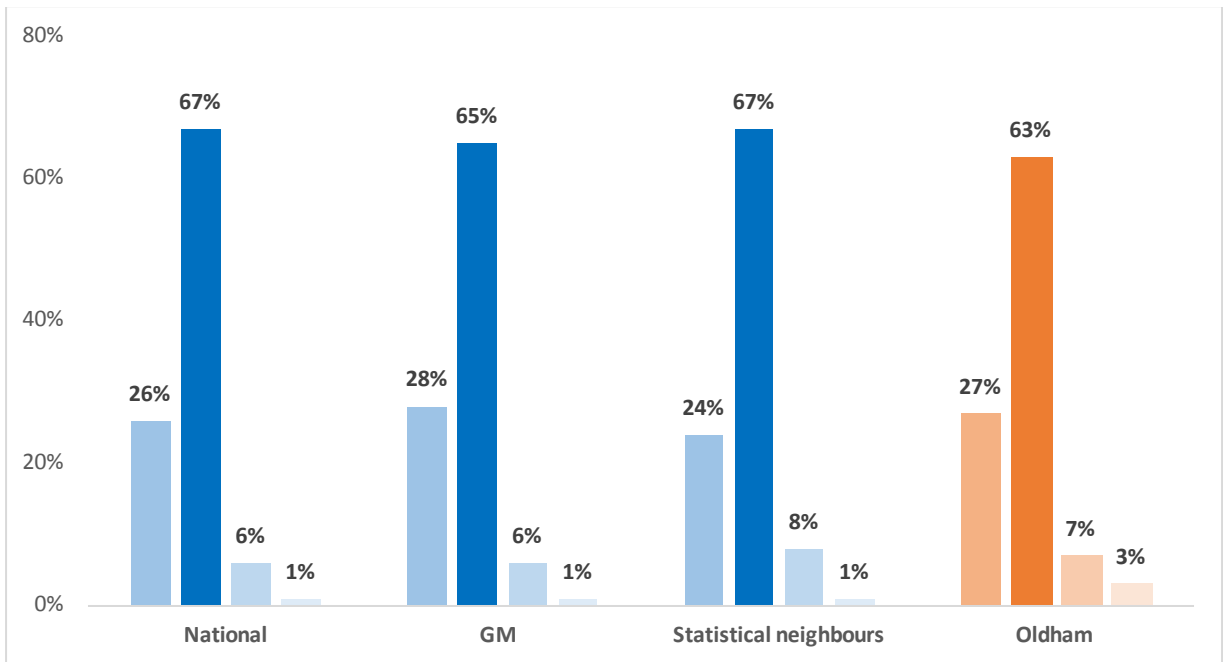
APPENDIX 5

Benchmarking the quality of settings where children in Oldham take up the free entitlement against other local authorities

2 year-old uptake by Ofsted inspection rating (%)



3 and 4 year-old uptake by Ofsted inspection rating (%)



Source:
Provision for children under five years of age in England: January 2018. DfE. Published June 2018
