

Bath & North East Somerset Council

MEETING:	Cabinet	
MEETING DATE:	11th July 2012	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2414
TITLE:	Expansion of the Early Years Entitlement offer for two year old children	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1 Pyramid of Needs Appendix 2 Application Form Appendix 3 Equalities Impact Assessment		

1 THE ISSUE

From 1st September 2013 there will be a mandatory Early Years Entitlement (EYE) for a cohort of eligible 2 year old children as defined by guidance and criteria provided by the Department for Education (DfE.)

2 RECOMMENDATION

1. The cabinet note that Bath and North East Somerset is fulfilling its statutory duty as required by the Education Act 2011 and DfE requirements;
2. That the Council in fulfilling the requirements relating to sufficiency of provision as required by the Childcare Act 2006 and any subsequent legislative amendments will do so with due regard to the resources required and available;
3. That the Council will continue to expand the scheme further by September 2014 in line with national requirements subject to decisions of the Council at its budget meeting in February 2013;
4. To approve the use of a Section 106 payment enabling an increase in provision not previously listed as part of the Capital Programme.

3 FINANCIAL IMPLICATIONS

Revenue funding for payment to providers has been allocated to the Council through the Early Intervention Grant until April 2013 to develop the scheme to date. From then on funding will be allocated through the Direct School's Grant (DSG). The DSG funding allocation is to provide for the purchase of the places from the provider and will in the future be calculated from the annual census data submitted as part of the Early Years census undertaken annually in January. No further resources, revenue or capital, have been provided by the DfE.

Where there is insufficient provision the Council has a duty to "manage the market" in order to ensure there is sufficient provision to meet demand as outlined in the Childcare Act (2006). The Act states that the Council should only be a provider of last resort with providers from the PVI (Private, Voluntary and Independent) sectors being the preferred supplier, subject to certain criteria as outlined in both the national and local requirements for delivery.

As the scheme expands the Council will monitor levels of demand and areas of undersupply as part of its Childcare Sufficiency duties. Should the Council need to stimulate the childcare market in any areas revenue expenditure costs may result from the tendering this activity, in particular if a financial incentive is required to stimulate the market. In cases where there is complete market failure then the Council may also incur capital costs should it need to build premises in order to provide places. Any potential revenue or capital funding pressures arising from insufficient provision to meet demand will need to be highlighted as part of the Medium Term Service and Resource Planning process for consideration by the Council in February each year as part of the Annual Budget report.

Where there are areas of undersupply as identified in the Childcare Sufficiency Report (previously produced every 3 years but now required annually from September 2012) the Planning Obligations SPD 2009 may yield capital receipts within a Section 106 agreement. This process continues to be reviewed in line with legislative changes, e.g. Community Infrastructure Levy (CIL).

One combined Section 106 allocation for expansion of Early Years provision in Twerton yielding £102,717 has been through both the Council's PID and CSG processes but was not included within the Capital Programme in the Financial Plan that went to Cabinet in February this year. This Section 106 allocation requires Cabinet approval prior to use by the two eligible providers who have applied for the funding in order to deliver an increase in the number of places in Twerton. These will be mainly for 2 year old places which will be within the area with the highest number of eligible children for 2 EYE within the current allocation criteria as outlined in Section 5.

4 CORPORATE OBJECTIVES

By expanding the number of two year old children able to access the EYE these proposals will help to "make Bath & North East Somerset a better place to live, work and visit" and support the achievement of the following Council objectives.

- **Promoting independence and positive lives for everyone, including**
 - The people most in need are supported to live full active lives.
 - Children and young people enjoy their childhood and are prepared for adult life.

- Schools develop and extend their role in the local community.
- There are activities and opportunities to help young people to make a positive difference to their lives and communities.
- **Creating neighbourhoods where people are proud to live, including**
 - Reduced inequality between communities across Bath and North East Somerset.

5 THE REPORT

In September 2009 the two year old funding pilot was launched across England. Bath and North East Somerset was provided with funding to support 50 of the most disadvantaged children (as identified on an economic basis) for 10 hours a week, 38 weeks a year (380 hours).

Both the previous Government and the current Government had and have committed to expanding the scheme further. The DfE business plan outlined that it was the intention by 2013/14 that the scheme reached 20% of children across England (as opposed to 20% in each Local Authority.) In addition the entitlement would be for 15 hours a week for 38 weeks of the year (570 hours).

On 29th November 2011 it was announced that the scheme for two year old funding would be increased further so that by 2014 40% of children would be able to access funding.

The proposed breakdown for Bath and North East Somerset is as follows:

1st September 2012	140 places at 15 hours per week (term time only)
1st September 2013	300 places at 15 hours per week (term time only) Two year old funding becomes a statutory entitlement for those children who are eligible
1st September 2014	Approximately 500-600 places at 15 hours per week (term time only). DfE to confirm criteria.

The original objective of financial disadvantage has been maintained but it is in future proposed that the eligibility for Free School Meals (FSM) criteria are used (although the funding does not include a free meal). Looked after children are also proposed as an eligible group. A consultation on the criteria on how children will be identified when the scheme expands further in 2014 will be held during summer 2012.

6 RISK MANAGEMENT

6.1 The report author and Lead Cabinet member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance.

7 EQUALITIES

An EqIA has been completed. No adverse or other significant issues were found.

8 RATIONALE

This is a mandatory requirement on all Councils from September 2013.

9 OTHER OPTIONS CONSIDERED

None

10 CONSULTATION

Staff; Other B&NES Services; Service Users; Local Residents; Community Interest Groups; Stakeholders/Partners; Section 151 Finance Officer; Monitoring Officer

A series of provider events have been held including: -

10th January 2012, Keynsham

17th January 2012, Paulton

18th January 2012, Bath

A further provider recruitment and information session was also held on Thursday 29th March 2012.

11 ISSUES TO CONSIDER IN REACHING THE DECISION

Social Inclusion; Customer Focus; Sustainability; Property; Young People; Human Rights; Corporate; Health & Safety; Impact on Staff.

12 ADVICE SOUGHT

The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

Contact person	Philip Frankland, Strategic Planning and Performance Manager 01225 394330 philip_frankland@bathnes.gov.uk
Sponsoring Cabinet Member	Councillor Nathan Hartley
Background papers	DfE publish on-going details of the scheme here: http://www.education.gov.uk/childrenandyoungpeople/strategy/lauupdates/a00200670/2yo-early-education The latest DfE announcements on the details of the scheme can be found here; http://www.education.gov.uk/inthenews/inthenews/a00209664/dep-uty-prime-minister-hails-a-revolution-in-free-pre-school-education
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