

BIRMINGHAM CITY COUNCIL**PUBLIC REPORT**

Report to:	CABINET
Report of:	Interim Corporate Director For Children and Young People
Date of Decision:	27th June 2017
SUBJECT:	CHANGES TO THE CITY COUNCIL FUNDED FULL-TIME EARLY EDUCATION PLACE POLICY AND NURSERY SCHOOLS ADMISSIONS
Key Decision: Yes	Relevant Forward Plan Ref: 003757/2017
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s):	Councillor Brigid Jones, Cabinet Member, Children, Families and Schools
Relevant O&S Chairman:	Cllr Susan Barnett, Schools, Children and Families Committee
Wards affected:	All

1. Purpose of report:
1.1 To seek approval to remove the existing City Council funded full-time early education places policy relating to the eligibility of vulnerable children.
1.2 To seek approval to amend the existing admission policy with regards to full-time early education places for nursery schools and to nursery classes within primary schools.
1.3 All consultation responses received are available for viewing by the public and in Group Offices prior to the Cabinet meeting.

2. Decision(s) recommended:
That the Cabinet:-
2.1 Approve the proposed removal of the City Council funded full-time early education place policy from September 2017.
2.2 Approve the proposed changes to the admissions policy for nursery schools and nursery classes within a primary school to be implemented from September 2017.
2.3 Note the introduction of the new Government initiative for funding full time early education places for eligible children of working parents from September 2017.

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3. Consultation

Consultation should include those that have an interest in the decisions recommended

3.1 Internal

Representative head teachers and school governors have been consulted. Schools Forum were also consulted and gave their support to a range of proposals (including the proposed removal of funding to support full-time places) for allocating the Early Years Block funding within the Dedicated Schools Grant for 2017/18. Officers from City Finance and Legal and Governance have been involved with the preparation of this report.

Representatives from Nursery and Primary Schools and BCC Daycare providers have been involved in a series of Focus Group meetings to develop the DSG funding proposals, and the work of the group was incorporated into the decision making process for setting the Early Years rates and allocation of the DSG.

3.2 External

Representatives from the PVI Support Organisation have been consulted as part of the series of Focus Group meetings outlined above. The PVI Support Organisation is a representative body of the private, voluntary and independent sector nursery providers. Sara Reece (Stepping Stones Day Nursery) and Catriona Savage (My First Friends Day Nursery) are the PVI representatives on Schools Forum and have also been consulted as part of the process. The outcome of the consultation informed the development of the report to Schools Forum.

A public consultation has taken place for a 30 day period between the 31st March and 28th April 2017, on the proposal to withdraw City Council funded full-time places. 109 responses were received. Only 26% of respondents supported the withdrawal of the full-time places for vulnerable children and 83% believed there would be a detrimental impact for vulnerable children with increased demand on Early Help services expected as result. Of those who responded that they did not support the cessation of the places, suggested alternatives were given as tightening the criteria further and funding the places from a different budget source. The agreed budget reductions applied to Early Years over the last four years (£17.1m) does not make this a viable option. The outcome of this consultation has been taken into account in forming the proposals within this report. A report detailing the outcome of the public consultation is available as appendix 1.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

The existing BCC funded full-time places policy is consistent with Council policy, plans and strategies in that the criteria currently applied supports the most vulnerable children and families to access more than the statutory minimum early years entitlement. The priorities are based on the Right Service, Right Time model in use within the Early Help strategy and contribute an intervention to address an identified safeguarding or education need towards improving a child's outcomes and narrowing of the attainment gap. The withdrawal of this policy is due to the fact that there is insufficient Dedicated School Grant to continue funding these places. The governments introduction of the new 30 hour entitlement will enable children of working parents to access a full-time place and this is unlikely to be the same children that the current policy targets.

4.2 Financial Implications

The early education entitlement (EEE) funded by the DfE through the Dedicated Schools Grant (DSG) is a universal offer of 15 hours. The locally offered City Council funded full-time places for vulnerable children has been funded within the DSG as a local decision at the expense of other parts of the schools and Private, Voluntary and Independent (PVI) sectors. National changes to the Early Years Block funding formula of the DSG funding introduced by the DfE, which took effect in April this year, have required changes to how the City Council fund early years providers and means continued funding of the local City Council policy for full time pupils is no longer sustainable. National changes to the formula allocation have also resulted in a reduction of the overall amount allocated by the DfE per child to Birmingham. The changes to the formula were consulted upon widely during January 2017 and Schools Forum informed of the new formula in February. This did not include any funding for the City Council funded full-time places for vulnerable children that had a budget of £2.5m in 2016/17.

The proposed removal of the existing City Council funded full-time place policy is required as an alternative source of funding cannot be identified. To continue with the policy would adversely impact on the General Fund given the DSG has been fully allocated.

This proposal will also align with the current national position in which local authorities are only funded by the DfE for 15 hours a week of early years provision through the DSG. Birmingham is one of (if not the only) LA that has continued to provide any form of funded places above the 15 hours entitlement and is an outlier in this respect.

4.3 Legal Implications

Under the Children Act 1989 and, the Children Act 2004 the Council must discharge its functions having regard to its statutory duties and the need to safeguard and promote the welfare of children. Section 18 of the 1989 Act requires local authorities to provide such day care for children in need within their area who are aged 5 or under, and not yet attending schools, as is appropriate. NOTE: This will continue to be available within the Corporate Childcare places funding for children that are not eligible for early education, which is separate to the full-time education place. This will become part of the Early Years Health and Well-Being offer from September 2017.

Section 1 of the Childcare Act 2006 (Early Years Outcomes Duty) includes the requirement to improve the well-being of young children and reduce inequalities between children. Section 6 requires the Council to secure, as far as is reasonably practicable, sufficient high quality childcare to meet the requirements of parents in employment or training needing childcare.

Section 7 places a duty on the Council to secure free early years provision for three and four year olds. This duty relates specifically to the provision of 570 hours over no fewer than 38 weeks (15 hours per week). The Council may provide additional hours of early education, in excess of those required by the Childcare Act or other legislation, but it does not have a statutory duty to do so.

The Childcare Act 2016 introduces a funded targeted extended free childcare entitlement of 30 hours, targeted towards children of working parents rather than vulnerable children, which is being introduced from this September (2017).

4.4 Public Sector Equality Duty

An initial equalities screening has been undertaken (EA002149). It demonstrated that a full equality assessment was not required even though there may be an adverse impact on people in the protected categories of Age (it is a specific policy for 3 and 4 year olds), Disability and Race. The impact was considered fully alongside the public consultation and a specific question was posed regarding the impact on vulnerable children and any mitigating actions that could be taken. The response was to reduce the impact by tightening the criteria to the most vulnerable children only, and to continue to fund places for those children by identifying an alternative budget source. This is not a realistic mitigation as an alternative budget source has not been found. There is an impact on Age, as this is a specific policy relating to 3 and 4 year olds.

Overall, there isn't a mitigation that can be made for current children that have a full-time place and won't be transferring to a reception place in school from September. However, the statutory entitlement to 15 hours early education will continue to be available to all children. Where there are exceptional circumstances for a very vulnerable child (child protection/child in need/looked after child) where withdrawal of a full-time place will cause significant hardship or a safeguarding need, the City Council will consider alternative funding through Children's Social Care on an individual basis.

A full assessment was not undertaken on the basis of the considerations/mitigations detailed above. Please refer to Appendix 2 for the Equalities Assessment.

5. Relevant background/chronology of key events:

- 5.1 Birmingham has a history of funding some full-time early education provision which pre-dates the current universal education entitlement to 15 hours per week. Full-time nursery places were originally provided within the 27 Council maintained nursery schools and all children attending the nursery schools accessed a full-time place regardless of their circumstances or need.
- 5.2 Birmingham is one of (if not the only) Local Authority that has continued to provide any form of funded places above the 15 hours entitlement and is an outlier in this respect.
- 5.3 The criteria for accessing a funded full-time place were changed in 2011 and again in 2016 following changes introduced by the DfE to the funding requirements. The current criteria were implemented from September 2016 with a more targeted access to City Council funded full-time places.
- 5.4 Modelling of the Early Years block of the DSG for 2017/18 highlighted that the current £2.5m annual cost of City Council funded full-time places cannot be sustained within the DSG resources available. The statutory entitlement is for all children to have access to a 15 hour early education offer from the term after their third birthday. The government are introducing an entitlement of 30 hours for children of working parents (not all children) from September 2017. This is not targeted to vulnerable children and is unlikely to enable the same children to have access to a full-time place.
- 5.5 In autumn term 2016, 1440 children (8% of all funded places) were funded for full-time hours. This is a decrease from 20% compared to autumn 2015 following the implementation of the revised criteria in September 2016. The majority (78%) of those funded for full-time take up their place in a maintained setting (a nursery school or class).
- 5.6 Analysis by ward shows the proportion of children accessing a City Council full-time funded place varies enormously across the city wards and areas of deprivation, meaning that there is weak consistency across the city and quite likely a lack of equity for children in similar situations in different areas. (See appendix 3 data report). The analysis shows that in some wards the proportion of children with funded full time places is unusually high whilst the overall take-up of early education is lower than average. This suggests

that the offer of so many full-time places may be preventing take-up of the statutory requirement by other children in these wards as a child accessing a full-time place occupies 2 places for the 15 hours thereby reducing the number of places available.

- 5.7 There are currently 12 criteria under which the council funds full-time places, and these have been grouped into five broad categories (Note: Some children have been allocated a place based on more than 1 criteria):-

Children in first stages of language development	Children in this group are mostly (90%) in the schools sector and removing funding would affect approximately 500 children
Children with disabilities	Around 300 children accessed a full time place on the basis of their disability
Children where there are safeguarding issues	Children with safeguarding issues are often the city's most vulnerable children and removing full-time places could be significant. Whilst 305 children were funded under these criteria, not all of them (211) were on a plan for vulnerable children of one kind or another
Child protection plan or child in need plan	65
Looked after child plan	39
Family support plan through early help/fCAF	107
Children already receiving a full-time place	648 children received a place as they had previously qualified under the old criteria. These children would have moved through to Reception and would be unaffected by this change
Parental vulnerabilities	A total of 221 children were funded for full-time places based on the additional vulnerabilities they face as a result of their parents' situations. 132 had parents with disabilities or illnesses, 19 had a parent in prison, 46 lived in families experiencing domestic violence or drug/alcohol abuse and 24 lived in families with no recourse to public funds.

- 5.8 A 30 day consultation has been undertaken with schools, settings and parents and has informed this report. A report detailing a summary of the consultation response is attached as Appendix 1. The full consultation response is available on request.

- 5.9 The proposed withdrawal of the City Council funded local criteria for full-time places for vulnerable children should not be confused with the new national policy which in September 2017 will introduce funding for 30 hours of early education to children of parents who work more than 16 hours and earn less than £100k each. This will be funded within the DSG.
- 5.10 Schools and PVI settings have already been informed that the removal of the BCC funded full-time places are being considered and it has been requested that offers of places for full-time provision are not made and parents of existing children that may still be expecting a full-time place September are aware that this may not be possible.
- 5.11 The withdrawal of places will apply to vulnerable children from September 2017 that are currently receiving a full-time funded place. There will not be any transitional arrangements put in place to allow any child who accessed a full-time place as part of their early education prior to September to continue to do so until progression to school. However, where there are exceptional circumstances for a very vulnerable child (child protection/child in need/looked after child) where withdrawal of a full-time place will cause significant hardship or a safeguarding need, the City Council will consider alternative funding through Children's Social Care on an individual basis.
- 5.12 Council Officers have identified a particularly high level of risk for the sustainability of early education in a small number of primary and nursery schools as a result of the combined impact of simultaneous changes in early years; these include changes to the children's centre delivery landscape as part of the Early Years Health and Well-Being contract; changes to the rate of funding for early years in introducing the universal rate, which particularly affects schools provision as funding levels are reduced in 17/18; and the removal of City Council funded full-time places. Further work will be undertaken with those schools to mitigate this high level of risk by exploring alternative models of delivery and opportunities available from the 2 year old entitlement and the new targeted 30 hours entitlement from September for children of working parents. It may be necessary for Early Years Officers to support some settings to stop providing early education in the face of non-viability.
- 5.13 The removal of the City Council full-time place policy will require an amendment to the existing admissions policy for nursery schools and primary schools with nursery classes which will remove the references to the full-time place policy. The proposed revised admissions policy can be found in appendix 4.

6. Evaluation of alternative option(s):

- 6.1 The funding pressure identified within the DSG has required a number of measures to address the gap. As it is not a statutory entitlement and the Authority does not receive any funding for full-time early education places, there is a no alternative other than to cease funding these places from the DSG. The Department for Education have set prescriptive requirements on how the early years block funding is to be allocated and this does not allow for the full-time places to be funded without impacting on other areas such as support for children with SEND.
- 6.2 The criteria could be refocused to the most vulnerable children as identified through Child Protection/Children in Need/Early Help plans. An alternative funding source is not available through the General Fund as there is significant pressure to ensure agreed savings targets are delivered to balance the overall City Council budget.

7. Reasons for Decision(s):	
7.1	To ensure that the funding available for early education is used to provide the best possible early education offer that enables every child to have an equal chance of the best start in life.
7.2	Funding from the Dedicated Schools Grant and is no longer available to support these places.

Signatures	<u>Date</u>
Cabinet Member, Children, Families and Schools: Cllr Brigid Jones 	
Interim Corporate Director for Children & Young People Colin Diamond	

List of Background Documents used to compile this Report:
Childcare Act 2006. Effective Provision of Preschool Education (EPPE) Project - Sylva et al, 2010 Early Education and Childcare – Statutory Guidance for Local Authorities, 2017

List of Appendices accompanying this Report (if any):
1. Summary Report on the Consultation Response 2. Equality Assessment. 3. Full-time places data report Autumn Term 2016. 4. Revised admission Policy for Local Authority Nursery Schools and Nursery Classes from September 2017

Report Version	<u>0.5</u>	Dated	<u>15th June 17</u>
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