

## **CABINET– 19 JUNE 2018**

### **25-Hour Free Early Education Place for Children Deferring School Reception**

#### **Report by Director for Children's Services**

#### **Introduction**

1. The report notifies the Cabinet that government funding for 25 hours of early education for reception-age children deferring, or not taking up, a maintained school reception place will not be forthcoming nationally after the end of March 2019.
2. Due to the recently introduced new childcare entitlement for working families – the 30-hour offer - the number of families who may be affected by the withdrawal of the 25 hours offer in Oxfordshire is significantly reduced.

#### **The 25 hours offer**

##### *Background*

3. On 17 July 2007 Cabinet approved a change to full time school admissions for all reception aged children from January 2009. Prior to this date, admissions to reception were half time from the September after their 4<sup>th</sup> birthday, and full time from the term of the child's 5<sup>th</sup> birthday.
4. The approved policy change included measures to ameliorate the potential effect of the change in private, voluntary and independent (pvi) sector childcare providers and to allow parents maximum choice in the education and childcare provision for children of reception age.
5. One of the measures approved by Cabinet was to extend the offer of full time (25 hour) reception funding to pvi providers registered to claim government nursery education funding through the Council. This offer was fully funded by the government through Dedicated Schools Grant (DSG)

##### *25 hour Take up in 2016/17 Academic Year*

6. Take up of the 25 hour offer in the pvi sector has followed a common pattern each year, with numbers declining as the academic year progressed. Take up for the 2016/17 academic year are provided at table 1 as an illustration. The decline in take up during the school year reflects the decreasing proportion of the year cohort eligible to defer, as each term more become of statutory school age.

**Table 1: Children Claiming 25 hours in 16/17 Academic Year**

Sector	Aut 16	Spr 17	Sum17
Childminder	2	2	0
Independent School Nursery	223	129	62
LA Attached Nursery School	4	0	0
LA Nursery School	16	9	2
Playgroup or PreSchool	18	15	13
Private provider	27	20	15
<b>Totals</b>	<b>290</b>	<b>175</b>	<b>92</b>

7. Parents/carers may choose to defer take up of their child's school reception place for many reasons. These include that the child was not felt to be ready; due to imminent house move and not wishing to start a school for only a short period; or because their current childcare provision better meets family needs e.g. offering wraparound childcare or a more flexible offer.
8. Where summer-born children do not take up their school place in the term they become 5, the School Admissions Code requires that the place is forfeited and parents must reapply for a place for their child in the September following their 5<sup>th</sup> birthday. For popular and oversubscribed schools therefore, parents of summer born children usually choose to take up the place in the summer term to secure their preferred school
9. The Council's 6 freestanding nursery schools and 1 attached nursery school are currently permitted to offer 25-hour funding, but maintained nursery classes should only offer either a universal or extended 30-hour place. 16/17 data indicates that 4 of the 6 Freestanding nursery schools, and the attached nursery school at Wheatley offered 25-hour places (20 children in the autumn term, reducing to only 2 by the summer term). In the current academic year only 2 freestanding nursery schools continue to offer 25 hour funded places.
10. By the summer term 2017, only 92 children were still accessing the 25 hours in the pvi sector, 67% of these in independent schools. The vast majority (>90%) of the latter do not then take up a maintained or academy school place and are expected therefore to have remained in the Independent School.

*Reviewing the 25-hour offer, and the new 30-hour childcare entitlement*

11. In August 2016, the government consulted on changes to funding free childcare and early education places for 3 and 4-year olds, including a new national funding formula. As a result of this consultation, the Education and Skills Funding Agency (ESFA) confirmed that 'we consulted on a technical

correction to resolve a historic anomaly where government funded some four-year olds to receive up to 25 hours childcare rather than 15 hours'. Following the consultation, the government decided to implement this change from 2019-20 to allow sufficient time for local authorities to prepare for the change. Government funding for the 25 hours will therefore cease at the end of March 2019.

12. In September 2017, the government implemented a new childcare entitlement for working families – the 30 hour offer or extended entitlement. This increases the free funding entitlement for qualifying 3 and 4-year-old children. In Oxfordshire we estimate that 63% of all 3 and 4-year-old children qualify for the extended entitlement. This can be taken up in maintained early years provision, where the child has not yet accessed a reception place, or in the pvi sector – including academies and childminders. It can also be accessed in a range of holiday and out of school provision. Due to the 30-hour offer, the cohort of families who may be affected by the withdrawal of the 25 hours funding is significantly reduced, as they will be able to continue to access a free full-time place through the new funding route.

### **Financial and Staff Implications**

13. Based on 2016/17 25-hour take up figures; the current hourly funding rate of £4.03 and assuming 63% of these families will qualify for the 30 hours/extended entitlement, to continue funding the remainder at 25 hours is estimated to cost in the region of £99,000 per year. There are no staff implications as funding is passed on to schools and settings.
14. Funding through the Early Years National Funding Formula is split into two components:
  - a. Funding for the 15 hours universal entitlement for three- and four-year-olds.
  - b. Funding for three- and four-year-old additional 15 hours for working parents.

There is no third option of 25 Hours

15. The DfE has confirmed that DSG funding for 25 hours will cease from April 2019. In the interim, the DfE are excluding any planned expenditure on this from the pass-through calculation in the formula. The calculation allows LAs to retain 5% of the funding for central services. This means that any expenditure to continue 25 hours will need to be funded from the centrally retained element of the funding or a local authority budget would need to be sourced. A decision to continue with this policy would therefore reduce the amount of centrally retained expenditure which is for the benefit of all Early Year providers. There is no LA budget available to continue with the 25 hours policy.

## Equalities Implications

16. Note that in table 1, termly headcounts will include children accessing for 1, 2 and 3 terms. Over the year, 289 families accessed the 25-hour funding (assumed 37% not eligible for 30 hours is therefore around 106 families affected by the proposed change, for at least one term)

The new 30 hour extended entitlement means that full time funding will be accessible to the majority of families after the government withdraws 25-hour funding. The LA will ensure parents are aware of the new 30 hours extended entitlement and that providers can claim funding for them.

17. Those **not** eligible for the 30-hour extended entitlement would include:
- where one (in a single parent family) or both parents are unemployed/homemakers,
  - where one (in a single parent family) or both parents are on a very low income (the equivalent of working <16 hours a week based on the national minimum wage)
  - where one (in a single parent family) or both parents expect to earn over £100k per annum
  - Students

These parents will have the option to take up a place in a reception class at 25 hours per week.

18. Some children with SEND off set a place in reception for various reasons. The SENSS team are aware of 12-15 families who are currently planning on offsetting their child's place and to start reception in Sept 2019. Some of these children are likely to get 30-hour funding. Others will be looked at on a case by case basis and either funded as exceptional cases or be offered specialist provision where appropriate.

## RECOMMENDATION

19. The Cabinet is **RECOMMENDED** to approve a change to the policy on Full Time admissions for Reception Aged 4 Year Olds to remove the 25-hour funding offer for children deferring or not taking up a school reception place, with effect from 1 April 2019

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