

CABINET MEMBER FOR CHILDREN, YOUNG PEOPLE & FAMILIES 10 August 2010

EARLY YEARS FREE ENTITLEMENT – REVISED PROVIDER AGREEMENT

Report by Director for Children Young People & Families

Introduction

1. The Local Authority has statutory responsibilities through the Childcare Act 2006 and associated guidance to ensure sufficiency of places for the free entitlement for all 3 and 4 year olds. From September 2010 the entitlement has been extended to 15 hours per week. The Provider Agreement is the mechanism by which the County Council distributes funding and ensures compliance with statutory and legal responsibilities.

Consultation and Revision

2. The revised national Code of Practice published earlier this year sets out the framework for agreement between the early years providers and the local authority. The Local Authority consulted with all providers on the Code of Practice between 1st of June and 21st June 2010. A full report on the consultation responses is available on the Council's internet site www.oxfordshire.gov.uk/eycopcr
3. The response rate was disappointing with a 5% return (19 responses). The consultation report and subsequent revised Provider Agreement was taken to the Early Years Working Group of the Schools Forum on July 20th for full discussion where several changes were made in response to advice from stakeholder representatives on that group. The final proposed version of the agreement for September 2010 – March 2011 is attached at Annex 1, and the process for removing a provider from the Early Years Register is at Annex 2.

Formula Funding

4. The total budget concerned is circa £16 million of public funding which the County Council passports directly to some 350 private, voluntary and independent settings, based on take up of the free entitlement by approximately 8,000 children per annum. The Single Funding Formula will be introduced from April 2011 at which point further revisions to the funding agreement may be needed, to include maintained sector nursery classes and nursery schools.

Financial and Staff Implications and Risks

5. There are no direct staffing or budget implications for the County Council because all nursery education is maintained, private and voluntary providers is entirely funded from the Dedicated Schools Grant or other specific grants.
6. However several private and voluntary providers have expressed concern that current funding does not meet their costs of providing the places. There is some evidence that the current economic situation and the increase of the free entitlement to 15 hours is impacting heavily on some providers. 14 providers have withdrawn from the funding scheme over the last year and 4 new providers have been registered. If places are withdrawn there is a risk the Council's duty to ensure sufficient free places for all eligible children and potentially the need to create additional places within the maintained sector. This situation is being closely monitored by officers through regular sufficiency assessments.

Equality Impact Assessment

7. This policy has a primary purpose to ensure that providers do not disadvantage particular groups of children and to ensure access to the free entitlement by all. It is written to ensure providers are inclusive and do not make charges or hold discriminatory policies or practices which might prohibit any child from his or her free entitlement. An Equality Impact Assessment has been carried out and officers will monitor take up of provision by specific minority groups.

RECOMMENDATION

8. **The Cabinet Member for Children, Young People & Families is RECOMMENDED to approve the revised Provider Agreement as attached at Annex 1 and to delegate to the Director for Children, Young People & Families decisions on any future amendments of an operational nature which may be needed**

MEERA SPILLET
Director for Children, Young People & Families

Background papers: Code of Practice for Local Authorities on Delivery of Free Early Years Provision for 3 & 4 year olds. September 2010. The new Code of Practice 2010 can be retrieved from:
<http://www.dcsf.gov.uk/everychildmatters/resources-and-practice/IG00689/>

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