



Brent

SCHOOLS FORUM

4 October 2017

Report from the Strategic Director of Children and Young People

For Information

Wards Affected: ALL

Update on the implementation of the extended 30 hours childcare entitlement

1.0 INTRODUCTION

- 1.1 The statutory entitlement to 30 hours of free childcare and early education for 3 and 4 year olds from working families took effect on 1 September 2017. Implementation and subsequent administration of this entitlement sits with the local authority as is the case with the existing free early education entitlements for 2, 3 and 4 year olds.
- 1.2 This report aims to provide an update on progress with the implementation of the extended entitlement including updates on communication and marketing, administration processes and sufficiency of places.

2.0 RECOMMENDATIONS

- 2.1 The Schools Forum is requested to note the contents of this paper as an update from that presented in a paper to Schools Forum in June 2017.

3.0 BACKGROUND

- 3.1 The Childcare Act 2016 extends statutory duties on local authorities to secure free childcare for qualifying children. Specifically, section 2 creates a duty on English local authorities to secure the equivalent of 30 hours of free childcare over the equivalent of 38 weeks of the year for qualifying children.
- 3.2 In preparation for the roll-out of the extended entitlement, the Local Authority carried out significant work in 2016, including assessment of likely demand from parents and sufficiency of places, engagement with providers and planning for the administration of the entitlement. Spring term 2017 saw the publication of the statutory guidance to the extended entitlement, related operational guidance, the template model provider agreement and final decisions around funding rates. These documents provided clarity, both for purposes of finalising processes and for making a decision around delivery of the extended entitlement for those providers who were waiting for their final funding rate.

4.0 DETAIL

4.1 Engagement with providers

We have been in regular communication with providers and have circulated 4 bulletins focused on the expanded entitlement over the last year. In order to promote and support childcare providers across the sector to prepare for the entitlement, a number of briefing sessions and training events have taken place in the last 14 months:

86 providers have attended the 'Delivering profitably - the 30 hour entitlement' workshop

109 providers have attended the '30 hour free entitlement expansion developing your business model' workshop

172 providers have attended the '30 hour entitlement launch event'

A partnership pilot involved 10 settings from across the sector who met to test strategies and processes for effective partnership working, agree and test ways in which information can be shared across settings regarding the 30 hours (including vacancy information) and explore shared training opportunities for staff across different provider types

4.2 Sufficiency of places

The figures below have been taken from the returned early years funding provider agreement forms (returned in July, August and September) for the new agreement between childcare providers and the LA which takes effect from 1 September 2017:

	Offering 30 hour places	Number of providers planning to offer (as %)	Not offering 30 hour places	Unconfirmed
Free entitlement registered childminders	61	64%	20	14
Free entitlement registered PVI settings	88	78%	19	6
Schools	30	55%	18	7
Total number of providers	179	68%	57	27

An earlier survey carried out in April 2017 indicated that 120 providers were planning to offer approximately 1200 places. The figures above suggest that the total number of places available in September could be higher.

4.3 Eligibility checking

The process for determining eligibility is carried out by HMRC. Parents are required to verify their identity online and then complete an online application for the 30 hours. If successful, they are given an 11 digit eligibility code, which they need to take to a

childcare provider for verification. The online checking process went live in April for 3 year olds and did not commence until mid-July for 4 year olds. The HMRC website has experienced a number of technical difficulties (including service outages, time out issues and lack of response to initial applications made by parents). HMRC has assured Local Authorities that these technical issues have been resolved but anecdotal evidence from parents suggests that this is not the case.

Online and telephone support is available from HMRC but again the feedback from parents suggests that this support is insufficient.

4.4 Numbers of successful codes

The DfE provides Local Authorities with a weekly update of number of eligibility codes successfully applied for and the proportion of these which have been taken to a childcare provider for verification before taking up the 30 hour place.

As of 18 September 2017, Brent had 922 eligibility codes and 525 of these had been verified by a provider.

4.5 Models of delivery

On completion of the first head count in October we will have a clearer picture of the models of delivery that providers in the borough are offering. Initial indications are that the majority of providers will continue to offer the entitlement over 38 weeks although some providers have confirmed that they plan to offer 'stretched' delivery – i.e. fewer hours per week across a larger number of weeks per year.

4.6 Administrative processes

New administration processes are now in place to support delivery of the extended entitlement. Grace periods have been confirmed, as has the requirement by the Local Authority to audit all voucher codes 6 times a year.

The technical difficulties highlighted above have meant that manual processes for headcount will be used to complement automated head count processes. Specifically, temporary codes issued by HMRC along with eligibility codes with a validity start date of 1 September onwards will be processed manually.

4.7 Online systems

The 30 hour module provided by Servelec, the company behind the Synergy database was launched in August 2017. This module has been installed and upgraded in preparation for the September 2017 headcount.

PVI providers are already using this module through the provider portal for submission of their headcount claims and so the addition of the 30 hours module will not change significantly their existing processes. For schools however, there will be additional challenges as they currently submit their head count through termly Census returns on the SIMS database. For purposes of 30 hour delivery they will need access to the Synergy provider portal as that will allow them to access the Electronic Checking Service (ECS) to check the validity of the voucher codes.

Existing schools Census returns and payment processes have been reviewed in order to align PVI and schools processes to ensure smooth running of the administration of the entitlement across all parts of the sector. Schools are currently required to use both SIMS and Provider portal processes. Data solutions which could reduce this duplication are being explored.

Training sessions have been offered to all providers in August and September and take up is as follows:

Childminders: 37

PVI's: 63

Schools: 43

4.8 Setting partnership project

Brent LA coordinated a pilot to bring together settings from across the sector to discuss ways of working in partnership. The pilot considered ways that settings (including schools, childminders and private, voluntary and independent providers) can work together to share information about vacancies, to develop agreements for parents to access childcare across a variety of settings, and to further consider the implications of the proposed delivery models.

Key aims of the pilot:

- a) Test strategies and processes for effective partnership working
- b) Agree and test ways in which information can be shared across settings regarding the 30 hours (including vacancy information)
- c) Explore shared training opportunities for staff across different provider types

The pilot settings' feedback was used to shape planning for delivery of the offer and pilot how information can be shared across settings. As a result of the pilot, vacancy information for settings will now be published online in the childcare directory and it is hoped that this resource will provide useful information for both parents and settings working in partnership with other settings.

Partnership settings shared their experiences as part of the 30 hour launch events and their case studies were used to provide examples of ways of working in partnership to meet family's needs. We will receive further updates from partnership settings regarding how they are delivering the entitlement in the autumn term.

4.9 Partner engagement

Successful engagement with partners will be crucial in ensuring effectively delivering of the extended entitlement. We have held two meetings to communicate messages around childcare with internal Customer Service and employment colleagues and partners from Health, Job Centre Plus and Citizens advice colleagues. Alongside the outreach with partnership organisations outlined above we are working to

engage Brent employers in communicating messages around childcare. We have hosted 3 business breakfasts and are conducting an employers survey to establish a baseline of information on the ways in which employers currently support their employees regarding childcare.

4.10 Support for parents

As a planned national media campaign by the DfE and HMRC never took place, the responsibility for marketing and publicising the new entitlement has rested with LAs. In Brent, we have sent out letters to parents already paying for additional hours and information to all childcare providers, carried out outreach across the borough (including at health visiting clinics and libraries) and most recently advertised the entitlement on JC Decaux boards across Brent. This campaign will be repeated in October alongside a social media campaign featuring case studies with families who have taken up the entitlement.

Following early statistics showing a slow application rate for Brent and both local and national feedback about problems families were experiencing with the HMRC application system, a decision was made that we would run support sessions for families in Wembley and Willesden libraries, where families could come and receive support with the application process from a member of the Early Years team. In August we ran five sessions at Brent libraries to support families with completing online applications. The following outcomes were achieved.

Total attendees	39
Were not eligible	19
Made application and awaiting a response	10
Were eligible and received code	7
Did not have sufficient details to make application	1
Details not recognised and in contact with HMRC	2

4.11 Emerging issues with the HMRC application system and process

As Early Years staff supported parents with their applications at the above sessions, their experiences mirrored feedback already provided by parents locally and what we have seen in the national press. These included:

- Parents experiencing significant delays in contacting HMRC (several parents remained on the phone for over an hour). In one instance, a parent called 4 times, was cut off 3 times, the last call was 20 minutes. The parent had to hang up as she had to leave to go to work and the total time on the phone was 1 hour 20 mins.
- Getting through to HMRC customer service and being on hold for more than half an hour for the call then to be disconnected. This occurred on numerous occasions leaving the parent to call again and being put on hold.
- Parents having completed the 30 hours application over the 15 days expectancy for HMRC to contact them and still not receiving the 11 digit code. This caused great concern as eligible parents were required to have their

code by 31 August in order to be able to access the extended entitlement in September.

- HMRC customer service staff being unhelpful when contacted and on a number of occasions advising parents to contact LAs, when the responsibility for confirming eligibility rests with their organisation and not with LAs. This has led to some angry calls from parents to the EY team in the belief that the problems encountered have been due to something the LA has or has not done.
- System inconsistencies, for instance one parent with twins applied, was given an eligibility code for 1 child and told that they would be in touch later. Regarding the application of the other child. This parent then has to re-contact HMRC although they are scheduled to go away and not be back until the end of August.
- Problems with re-validating codes and in some instances, this generating new codes, leaving one parent with two different codes.

Parents have given positive feedback on the support that they have received by Early Years staff in these sessions. For many, English is their second language and so support was particularly positive regarding help provided with completing the online forms.

It had been hoped that the above issues would be resolved in the Autumn Term but unfortunately the DfE and HMRC have now advised that it could be a further 2 – 3 months before issues are resolved. The impact of this is continuing to be felt by parents as they go through the application and re-validation process and by the team during the administration which is becoming increasingly complex as they are having to manage issues arising on a daily basis.

In addition to continuing to support new families to access their entitlement, Early Years will also be working to ensure families accessing the entitlement continue to do so successfully. Settings will be encouraged to remind parents who are already taking up the entitlement to revalidate their code. To support them with this, we will be producing communications material that providers can display on their notice boards. This will complement the automatic reminders families will receive from HMRC and help to reduce the likelihood of families falling out of eligibility.

5.0 NEXT STEPS

5.1 Our next steps in continuing the delivery of the extended entitlement will be as follows:

- a) To ensure the new entitlement continues to be marketed throughout the borough in order that all parents are aware of the offer. We are also planning to engage with parents whose children are currently accessing NEG2 places to promote the entitlement and discuss with them the benefits of this for them and their child.
- b) To engage with partners including employers to improve information sharing around childcare entitlements (30 hour offer included).
- c) To develop provider support strategies for the first year of implementation.
- d) To develop simple and continuous feedback and evaluation processes by September 2017.
- e) To put in place an ongoing system of assessing sufficiency in order to identify any potential issues in a timely manner. This is being done at ward level so that we can have a deeper understanding of availability, take-up and movement in each area.

6.0 RISK ASSESSMENT

Risk	Impact	Mitigation
<p>Childcare providers choose not to offer 30 hour place leaving a shortfall of places to meet anticipated demand.</p>	<p>Eligible families are unable to access what is a statutory entitlement for them.</p>	<p>Substantial work has taken place with early years' settings to help them plan for the extended entitlement. This includes providing funded business support events, cost calculators to help early years' settings plan and testing new approaches including partnership pilots. As we currently have 179 providers offering 30 hour places, the indications are that we should have sufficient places for September 2017, but this will need to be monitored closely to ensure this remains the case for subsequent terms.</p>
<p>There is low take-up of the entitlement despite sufficiency of 30 hour places in the borough.</p>	<p>Sustainability of childcare businesses would be negatively impacted.</p> <p>Families would not be accessing an entitlement that could provide extended early education for their child and support their access to employment.</p>	<p>A comprehensive marketing and outreach campaign has already taken place to date to ensure that both parents and partners are aware of the entitlement and how to access it. The benefits of early education will also be promoted. The absence of a national campaign will mean that we will have to continue efforts across the borough to ensure that momentum is retained.</p> <p>Business support to providers will continue.</p> <p>Work with employers and (JCP etc.) to promote the entitlement as an aid to recruitment and retention</p>
<p>Systems or process failures impacting administration of the entitlement</p>	<p>The LA unable to meet administrative requirements, affecting access to places for eligible children,</p>	<p>Back up manual processes have been developed to ensure administration can run smoothly.</p> <p>Monitoring and evaluation</p>

	payments to providers and required audits being carried out.	processes in place to ensure that ongoing review and feedback takes place, identifying potential issues and addressing these in a timely manner
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7.0 STAFFING IMPLICATIONS

- 7.1 As administration of this entitlement sits with the LA, there will be staffing implications. It will be key to use existing staffing capacity effectively and for strong systems and processes to be in place for streamlined administration. The creation of a fixed term post will help to ensure that the additional administration generated by the extended entitlement and school claims process is effectively managed.

8.0 FINANCIAL IMPLICATIONS

- 8.1 Brent has been funded a provisional £1.8 million for the 7 months of extended entitlement in 2017/18. This would fund access to 15 additional hours for approximately 1,100 children. Headcount claims for the Autumn term will take place between 21 September 2017 and 5 October 2017. Following this, we will be in a position to forecast against this allocation. The DfE intend final funding allocations for 2017/18 to be based on child numbers recorded at the January 2018 census, which mitigates the risk of a higher number of children taking up the entitlement leading to a shortage of funding.
- 8.2 The Early Years service will also need to continue to plan so that 95% of Early Years funding is passed through directly to providers from 2018/19.

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