



**The extension to the free
early education entitlement
offer for 25 per cent of 3 and
4 year olds**
Interim Guidance for local
authorities July 2008





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Chapter 1 – introduction

Purpose of pack

This is interim guidance for Local Authorities on how to deliver the flexible extension to the free entitlement offer for 3 and 4 year olds. However, it aims to set out the Government's policy in a way that will be accessible to all interested parties, providers and particularly interested parents.

What is the objective?

From September 2010, every local authority must offer 15 hours of free early education to all 3 and 4 year olds, over a minimum of 38 weeks. That offer must be made available flexibly, to meet parental demand over a minimum of three days.

As a step towards that, from September 2009, all local authorities will be required to make the offer available to 25 per cent of their most disadvantaged 3 and 4 year olds.

What is the current entitlement?

Parents are currently entitled to access 12.5 hours of free early learning and care a week across a minimum of 3 days over 38 weeks a year. In a few local authorities, the offer is made over a longer period. Where this happens parents receive a proportionate number of hours a week – in other words, 475 hours of provision (38 weeks x 12.5 hours) divided by the number of weeks over which it is taken. 3 and 4 year olds can take up their free place at a range of early years settings including nurseries, playgroups, day care providers, nursery classes and accredited childminders. In order to draw down funding to deliver the free entitlement early years providers must meet any conditions set out by their local authority, be registered with and inspected by Ofsted and deliver the Foundation Stage curriculum.

Why are we extending the offer?

The offer is predicated on clear evidence which shows that involvement in high quality early years education can lead to better educational and social outcomes for all children – which last through primary school. There are particular benefits for children from disadvantaged backgrounds.

Early Years provision can also act as an enabler for parents, allowing them time to return to work, enter training or achieve a better balance in their work and family life. This can, of course, in turn bring considerable benefits to the children within families taking up early years provision.

The extension to the offer seeks to balance these benefits – extending the offer so that there are additional benefits to children and making the offer more flexible to better meet the needs of parents.

Why is it being introduced through a staged approach?

Achieving an increase in the number of hours available to parents and, in particular, offering those hours more flexibly, is challenging – to local authorities in planning provision, and developing new funding arrangements, to providers in working out how to deliver the extended hours more flexibly and to other delivery partners in understanding what is being offered.

It is essential that planning for and implementation of the extended offer is undertaken through a partnership of local authorities, providers and other stakeholders, including parents – to ensure the offer meets parents' demand and that delivery is practical and sustainable.

That is why, from 2007, 20 pathfinder local authorities have been working to develop best practice approaches to the extension and why from September 2009, we expect all local authorities to deliver the extended offer to 25% of their most disadvantaged 3 and 4 year olds.

Chapter 2 – context

The Legal Framework

Currently local authorities have a duty to secure sufficient nursery education for children in their area under Section 118 (1) of the School Standards and Framework Act 1998. In fulfilling this duty local authorities must have regard to statutory guidance – *The 2006 Code of Practice on the provision of nursery education places for 3 and 4 year olds*. The duty is not a guarantee for a parent and their child of a specific number of hours at a specific provider, but ensures that all those who wish to access the offer have the opportunity to do so. From 1st September 2008, section 7 of the Childcare Act 2006 will supersede, for English local authorities, their duty under section 118 of the School Standards and Framework Act 1998.

The new duty on local authorities is to secure early years provision, rather than nursery education. This change follows the introduction of the Early Years Foundation Stage (EYFS) from September 2008. The EYFS brings together care and early learning for children 0-5 in a single, integrated quality framework and replaces the Curriculum Guidance for the Foundation Stage. It is divided into two parts: learning and development requirements and welfare requirements.

Regulations have been made under section 7 to prescribe the type and amount of free early years provision each eligible child is entitled to and the age at which a child becomes eligible to benefit. The Regulations will come into force on 1 September 2008, at the same time as the EYFS. These regulations maintain the status quo, placing a duty on local authorities to ensure that 12.5 hours per week of free early years provision is available over 38 weeks of the year for all eligible 3 and 4 year-olds in their area.

In fulfilling their section 7 duty local authorities must have regard to statutory guidance. The 2006 Code of Practice will constitute statutory guidance under section 7, although we will be making housekeeping amendments to reflect the introduction of EYFS.

Current take up

We know that the free entitlement offer is popular. 95 per cent of all 3 and 4 year olds currently access some provision. Those who currently do not access any provision are predominately from disadvantaged backgrounds. The flexible extension to the offer therefore presents an important opportunity to reach out to this group and enable children and their parents to access the benefits.

We also know that there are variations in how 3 and 4 year olds currently access the offer. For example, 3 year olds predominately access the offer through the PVI sector, with take up here at 58 per cent. However, 4 year

olds predominately access the offer via the maintained sector where take up at these types of settings is at 78 per cent. There are also regional variations in how the offer is accessed. For example, in the South East, provision is primarily met by the PVI sector, whereas in the North provision is primarily met by the maintained sector. Local authorities will need to take regional variations into account when thinking about how to secure access to provision. They will also need to consider how they can use this as an opportunity to enable children who currently do not access the offer at all to do so.

The future

Extending the offer and introducing the requirement for flexibility represents a significant change in the provision that we are asking local authorities to ensure is available. We will therefore consult on a new Code of Practice in Spring 2009. In particular this will look at the changes required to deliver 15 hours a week of free provision more flexibly. We will also consult on new regulations to reflect the increase in the entitlement to 15 hours a week.

This will be a useful opportunity to comment on the proposals and to share your learning. The Department intends that the revised statutory guidance and amended regulations will come into force in September 2010, by which time all local authorities will be delivering the increased, flexible entitlement to all their children. This is set out in more detail in Chapter 7.

Chapter 3 – definition of 25 per cent

25 Per cent target

- **What:** 25% of total 3 & 4 year old population from Schools & Early Years census' data
- **Who:** Most disadvantaged children in the LA
- **How:** Recommend using SOA data
- **Choice:** By child or setting

What this means for local authorities

This means that local authorities must:

- Decide whether to target children or settings
- Use local data sets to ensure an evidence based approach
- Decide the best means to target economic deprivation.
We recommend using SOAs

Rationale

The aim of introducing a 25 per cent target in the first year is to allow local authorities the time and opportunity to develop a process to deliver the offer in a way that fits with their local circumstances. When we talk about 25 per cent, we mean 25 per cent of the total 3 and 4 year old School Census and Early Years Census population.

Those pathfinder authorities who are already delivering a universal offer should continue to do so.

Who should make up the 25 per cent

In extending the offer local authorities must focus on the most disadvantaged children first as evidence shows they have the most to gain from accessing the free entitlement offer. Although there are many indices of deprivation, it is our view that economic deprivation should be the main measure. They must also be identified using local data sets to ensure an evidence based approach.

How should the 25 per cent be identified

This target will only be in place for one year. By September 2010 there will be a universal offer for all those who wish to access it. Given this, we do not

want to be overly prescriptive and set strict eligibility criteria. However, we do expect the approach to be evidence based. Set out below are two options local authorities can choose from.

Option 1

Option One would be to base the offer on Super Output Areas (SOAs) which is a simple measure to identify areas of economic disadvantage. Whilst it is not rigorously targeted, it does represent an easy way to reach some of the most disadvantaged. Local authorities will then need to consider whether this is best done by identifying children or settings within a SOA. As set out below, we suggest a settings approach is the best way forward.

Option 2

Option Two would be to adopt an outreach focused approach. This would require local authorities to identify individual children. This would be a very targeted and evidence based approach, but is also likely to be fairly resource intensive.

Given this, it is our view that an approach based on the first option – Super Output Areas – would be an easier and less burdensome approach, but this will be for local authorities to decide along with whether to target children or settings.

When deciding between a child or setting based approach, there are a number of issues in relation to both that local authorities should take into consideration first.

Settings

There are three issues – numbers and capacity, which are intrinsically linked, and sustainability.

Numbers and capacity: If a setting is being asked to extend its offer to only one or two children this may well present real issues in terms of its capacity to deliver. For example, providing the resources to extend the offer and having the spaces to provide a flexible offer.

Sustainability: There is a risk that parents taking up the free entitlement offer outside the target area may decide to switch providers in order to access the additional hours. In deciding where the boundary line for the offer lies, local authorities should give careful consideration to the sustainability of neighbouring providers

Children

Here there are two issues – administration – which is arguably the biggest barrier and resentment.

Administration: If a local authority chooses to target a child, it is likely that individual settings may end up with only one or two children receiving the extended offer. This could present huge administrative problems for both the local authority and the setting for example in calculating payments, structuring

learning and delivering flexibility.

Resentment: Equally if a child is seen to be receiving additional hours there is a risk that other parents may feel that their child should also be able to access the extension now.

None of these issues are insurmountable, but they all need careful consideration before an approach is adopted. However, given the issues outlined above, it is our view that in the majority of cases a setting approach is likely to be the most straightforward.

Chapter 4 – flexibility

The Framework

- **Entitlement:** 15 hrs a week over minimum of 3 days
Unless taken over more than 38 weeks
- **Length of offer:** 38 weeks minimum
- **Minimum hours in day:** 2 hour blocks
- **Maximum hours in day:** 10 hours in one day, 13 hours in total if over 2 days.
- **Providers:** 2 maximum.
Unless the LA deems exceptional circumstances.
- **Parents:** LAs to set out a clear offer of flexible provision for parents within these parameters

What this means for local authorities

This means that all local authorities must:

- Ensure genuine flexibility is delivered
- Actively encourage and support providers to move towards delivering the offer within this framework.
- Increase awareness amongst parents of what flexibility means.
- Ensuring a sufficient number of providers are delivering a flexible offer to meet local needs.

Rationale

The aim of the free entitlement offer is to deliver the maximum benefits to the maximum number of children. Flexibility is about ensuring children and their parents have the maximum opportunities to access that offer and that parents can use the entitlement to support their work life balance needs.

In moving towards a flexible offer, local authorities will therefore need to ensure that an appropriate balance is struck between the best developmental interests of the children involved and the benefits to the parents in terms of employment training and work/life balance.

Flexibility will mean different things to different people and ensuring there is sufficient provision to meet the needs of most will be challenging. We do not propose to give a prescriptive definition here: that would be contradictory. Each local area will need to establish exactly what flexibility means to their parents and what they can do to meet that, without being expected to meet the individual needs of every single parent. It is about establishing what is

reasonable. To aid local authorities in this, we have set out a framework to work within and indicated some possible ideal options that local authorities may like to encourage their providers to move towards.

The Entitlement

Parents are entitled to access 15 hours of free early learning and care a week across a minimum of 3 days. Parents will be able to access this entitlement over 38 weeks a year. Where the offer is made over a longer period, parents will receive the offer for 570 hours (38 weeks x15 hours) divided by the number of weeks of the offer. For example, if the offer was accessed over 50 weeks, the hours each week would be reduced to 11.

Parents are entitled to access the full entitlement across no more than two providers, except where the local authority deems there are exceptional circumstances, then more than two providers may deliver. The exact offer will be dependant on local capacity, but parents cannot access free provision for standalone blocks of less than 2 hours, or for more than 10 hours in one day. If the offer is only accessed over two days then the total offer cannot exceed 13 hours.

The Framework

It is important to emphasise that this represents overall minimum and maximums of individual sessions. However, local authorities have an obligation to ensure that genuine flexibility is delivered. This means that parents must have a genuine choice of accessing more than just a three hour session. If local authorities fail to deliver this, we will look at whether there is a need to introduce more prescriptive requirements in the new Code of Practice.

In addition, local authorities must set out a clear offer to parents, based on demand locally and on the capacity of the sector in their area to deliver.

The minimum and maximum

The minimum time for access to free provision for a standalone block should not be less than 2 hours and the maximum length of a session should not exceed more than 10 hours in one day. We cannot, of course, require parents to take up the full offer, but if parents access only two days, then 13 hours is the maximum they will be able to receive. Ideally the offer will be delivered by only one provider, but parents are entitled to access the full entitlement across a maximum of two providers. If a parent wishes to access the entitlement over a greater number of providers than this, the local authority will need to deem that there are exceptional circumstances to warrant this.

Delivering Flexibility Locally

An ideal offer will vary from locality to locality and from parent to parent. The key point is that any flexible offer should be based on the needs of parents in a local area. In other words it is about creating a **diverse market** of provision to create choice and allow parents to each access the option that most closely fits their needs, without being expected to meet the needs of every individual parent at every individual setting. Local authorities' role is to ensure that there is a balanced set of options and that parents are clear what they can expect from flexibility.

Equally, it is not about adopting a 'one size fits all' approach. For example, if parents wish to access their entitlement in five hour sessions over three days, a local authority should do its best to make sure that option is available. And, if parents in a setting want to access their entitlement in three hour sessions five mornings a week, and others in three hour sessions five afternoons a week, local authorities need to do their best to ensure that option is also available.

Where parents are having difficulty accessing provision that meets their needs, local authorities have a role to play in matching them to a suitable provider. Further guidance on this is available at <http://publications.teachernet.gov.uk/default.aspx?PageFunction=productdetails&PageMode=publications&ProductId=DCSF-00943-2007&>

Your Say

This is the framework pathfinders have been using to deliver the extended offer. We think this is right, but we want to continue to test it in the lead up to the new Code of Practice. In Spring 2009 we will begin the formal process of revising the current Code of Practice by launching a consultation. This question will be raised here and we welcome your views.

Delivery

Local Authorities

Local authorities' role will be to ensure that provision is there for all those **who wish to access it**. A key part of this will be about building relationships and creating an understanding of what different providers have the capacity and ability to deliver and working with them to create a flexible offer which meets parents' needs.

Providers

Providers will need to be able to consider what they can offer and they will need to assess what the demand for flexibility within their local area is. Any

offer will need to be based on **parental demand**, but when planning it is essential that the 'right' parents are consulted. The extended offer will start to be delivered from September 2009 with access to a universal offer from September 2010. Providers need to consider the demands of those parents who will be accessing the offer in those years. In other words, the parents with children currently aged one and two. Parental demand should, however be matched against practicality – we do not expect, for example, parents to access the entitlement against different patterns each week or to change arrangements day by day. Some pathfinders have effectively used parental contracts to manage the parent/provider interface to great success and new local authorities should seriously consider the benefits of adopting this tool.

Providers should also consider the scope for working in partnership to deliver parents needs.

Case Study

Rochdale has overseen the introduction of Parental Contracts. These operate between a parent and a provider and set out what hours over what pattern have been agreed between the parent and provider and are binding on both parties for a term. This means that if a parent chooses to move their child half way through the term, a valid reason needs to be given – for example, moving house - otherwise, the funding will not follow the child. A cooling off period of 3 weeks has also been introduced to allow both parties the opportunity to change their minds.

Although these have not been without issues, the benefits of the contracts have been many. Parents have been able to secure a place for their child that meets their needs; providers have security of funding over the term; and the local authority has been able to monitor the take up of provision and begin a process of paying providers for the actual hours they deliver.

Case study

A primary school in Sheffield has linked up with the Children's Centre in the adjacent building to allow an extended offer to be delivered. Children access a combination of two and a half hour sessions in school with the additional two and a half being taken up at the Children's Centre. The school is able to offer two session times from 8.50 to 11.20 am and 12.30 to 3pm. Parents are then offered a choice of sessions which combine with the school sessions to provide a five hour block in one day, for example 8.50 am to 1.50pm or 10 am to 3pm. All parents were offered the flexible options and asked to indicate which sessions they would like to take up. All parents first choices have been able to be accommodated.

Staff are deployed at different times during the week to ensure joint planning and working takes place. A member of staff always takes a child from one setting to another and the receiving setting 'signs' for the child on arrival.

The future

Local authorities will have a statutory requirement to ensure **access** to provision for all three and four year olds to a flexible 15 hours a week over 38 weeks a year by September 2010. Rolling out the extension to 25 per cent of the three and four year old population now provides an opportunity to start planning to meet that requirement.

Chapter 5 – engaging with providers

Principles

- Develop a communications strategy
- Establish partnership working by utilising existing working groups & national provider organisations
- Ensure every provider is aware of the extended offer & kept up to date on developments
- Look to incentivise providers to deliver more than 3 hours

What this means for local authorities

This means that all local authorities must:

- Follow the four principles.
- Link into work on the Single Funding Formula
- Use a range of tools

Rationale

Ensuring there is sufficient provision for the extended offer is the responsibility of local authorities. Engaging early with providers and establishing partnership working will be a vital step in securing this. By proactively working with providers now, local authorities will be able to clearly set out the policy direction and benefits to providers of delivering the extended flexible offer so that they are on board before the formal statutory requirement begins in 2010.

Principles

Whilst we accept that not every provider will be able to, or want to, deliver the extended offer, local authorities will have a responsibility to ensure there is sufficient provision for those who wish to access it in their area. Engaging with providers will be a key part of that and we have therefore developed a set of principles that local authorities should follow.

- i. Develop a communications strategy.
All local authorities are required to develop a communications strategy for engaging all providers as part of their work to deliver the Single Formula Funding. Within this local authorities should also look at how to engage providers on delivering the flexible extended offer.
- ii. Establish partnership working by utilising existing working groups and national provider organisations.
Working in partnership with providers and other organisations is vital to

securing the success of this offer and local authorities should look at how they can successfully achieve this. For example, as part of the formula development work on the Single Funding Formula, local authorities will need to establish Early Years Working Groups. These should be utilised to communicate messages on the extended offer, discuss concerns around the impact and work to bring providers on board. Schools Forums can also be used for the same purpose.

In addition, national representative organisations such as the National Day Nursery Association (NDNA) and The Pre-School Learning Alliance (PLA) can play a huge role in working with local authorities and facilitating and supporting communication with providers and provider networks. Local authorities should seek to utilise this as much as possible. The NDNA have produced a partnership working guide that local authorities may find helpful to refer to. This can be found at http://www.ndna.org.uk/module_images/Building%20Better%20Partnerships%20Guidebook%20final.pdf

- iii. Ensure every provider is aware of the extended offer and kept up to date on developments.
Whilst some may see this as onerous, being proactive here will help make delivering the extension easier. There are a number of ways that local authorities can achieve this. For example, from simply producing a newsletter or mail shot to hosting an event or information session for providers to attend. Good practice suggests that a mix of communications method tend to lead to the best results.
- iv. Look to incentivise providers to deliver more than 3 hours.
Engaging with and seeking agreement from providers to deliver the free entitlement offer is all part of a negotiation process. As part of this process, local authorities should look at what opportunities there might be to incentivise providers to deliver the offer more flexibly, including funding.

The future

Local authorities constructively working in partnership with providers is essential to the successful delivery of the free entitlement offer. Some local authorities are already doing this. We want all local authorities to be matching the quality of their relationships with the very best. To help this, we are currently considering pulling together guidance for providers on what they can expect from local authorities in terms of support in delivering the free entitlement and what expectations local authorities may have of them.

Case Study

Cornwall have proactively engaged their providers in a number of ways. Time and effort was spent early on in the process to work with and establish a formal reference sub-group of the School Forum. This reference groups is constituted by members of all relevant sectors – both PVI and maintained – and specifically looks at the Early Years Funding Review work including the roll out of the flexible entitlement and single formula.

In addition to the sub-group, workshops were held through the county for PVI and maintained providers so that they had an opportunity to discuss the issues that concerned them, both with each other, the project manager and other members of the reference group. Feedback from these sessions has been positive, with providers appreciating the opportunity to hear about the formula and to be able to ask questions directly.

A third strand that has been set up is a regular 'Funding Review Update Newsletter' which simply informs providers on a regular basis about the roll out of the flexible entitlement and updates providers on other information relating to the single formula and capital funding. This is mailed directly to providers with their funding forms or via email on a termly basis.

Suggestions for engagement

- **Using any existing networks, groups or forums.**
For example, Early Years Group, Pathfinder Project Boards or local PVI provider networks such as the NDNA and PLA, and how they could be utilised to communicate the messages of the extended offer and to discuss the impact. In many areas there are also already networks set up where childcare managers/owners meet in an informal way to discuss best practice and business issues.
- **Where groups do not already exist, consider building new ones**
Any new group will need to be representative of a cross-section of providers and not cut across existing provision.
- **Consider how best to engage larger providers and representative organisations.**
For example, national bodies such as the NDNA and The Pre-School Learning Alliance may be in a position to offer support and access to a wider constituency of settings.
- **Writing to all registered providers**
- **Hosting events and information sessions**
This is an opportunity to set out your way forward and to discuss concerns. You will need to consider running events at times of day that make it easy for providers to attend.
- **Increasing awareness through an Early Years newsletter or on LA websites**
The website could be used to encourage providers to give feedback and make contact with a local authority to discuss their concerns.
- **Focus on keen providers first**
Working with those who are already keen to deliver the flexible extension will allow a local authority to develop their strategy and then use these providers as champions to bring others on board.
- **Utilising parental demand surveys**
Where surveys show that parental demand currently outstrips provision, offering the free entitlement may also lead to parents taking up additional provision.

Chapter 6 – funding the extended free entitlement

Funding

- Funding for the 12.5 hours will continue to be received through the DSG
- There are two streams of funding available to support the extension of the offer:
 1. Revenue Funding
 - Received through the Standards Fund
 - To fund the additional hours and flexibility
 - £590 million over 3 years
 2. Capital Funding
 - Received through the Sure Start, Early Years & Childcare Grant
- Funding for the extended entitlement should only be used to fund providers to deliver the additional hours and/or flexibility across the whole offer. It should not be used to subsidise the initial 12.5 hour offer.
- Funding should be used to incentivise real change in the way provision is delivered.

What this means for local authorities

This means that all local authorities must:

- Think about how you intend to use your flexibility funding and inform providers of your policy
- Think about using the funding as a negotiating tool to incentivise and reward best practice
- Make the funding you give to providers for the extension directly related to the delivery of the additional hours and flexibility

Background

Local authorities are already receiving funding for the current 12.5 hour offer through the Dedicated Schools Grant (DSG) and this will not change. Funding for the extension of the offer comes from two pots of money.

Revenue Funding

Revenue funding of £590 million over three years has been made available to deliver the additional 2.5 hours and to incentivise flexibility through the Standards Fund. This money is ring fenced and can only be used to deliver the extension. It cannot be used to subsidise the initial 12.5 hour offer.

A model to allocate the additional funding has been developed based on census data from all local authorities and the experiences of the Pathfinder authorities which has allowed us to assume the take-up of the additional 2.5 hours. Broadly, the model predicts that any child who currently takes up 7.5 hours or more will move to take up the full 15 hours under the new, more flexible offer.

Details of the formula, and indicative allocations for the years 2009/10 and 2010/11 can be found on Teachernet at www.teachernet.gov.uk/docbank/index.cfm?id=12227

The funding for flexibility is to support providers in meeting any low level additional costs they may have to allow them to deliver a more flexible offer. For example, a small grant could be used to allow a provider to purchase additional tables and chairs. The full allocation includes this amount and it will be up to each local authority how much of the pot they spend on flexibility and how much on provision.

Capital Funding

Capital funding of £642 million over 3 years has also been made available through the Sure Start, Early Years and Childcare Grant and will complement the revenue funding already allocated. Funding will allow local authorities to more fully support providers in moving to a flexible offer. For example, funding could be used to improve the availability and appropriateness of outside play space and equipment, or an inside rest area.

Single Funding Formula

By 2010, all local authorities will be legally required to fund providers using a Single Funding Formula and guidance has been developed for this separately. This does represent a big shift and all local authorities will need to start planning now. To give an indication, a broad timeline is set out below.

2008-09

Local authorities should have already undertaken a cost analysis. From 2008-09 we expect that local authorities will be analysing this data to ensure that they have a robust understanding of the costs of the different sectors.

2009-10

Local authorities will need to move to a consistent method of counting pupils in both maintained and PVI settings. This should be based on participation – the actual number of children attending – not places. Local authorities will also be required to undertake an impact assessment.

2010-11

2010 will see the introduction of participation led funding and a new single formula for early years. Transitional arrangements will obviously need to be in place.

Guidance on the development of the Single Funding Formula has been developed based on the experiences of six pilot local authorities. This guidance is available now on the Every Child Matters website at <http://www.everychildmatters.gov.uk/earlyyears/fundingreform/#top>

Chapter 7 – timetable for developments

Key facts

- **Summer 2008:** Regulations enshrine the length of the free offer
- **Spring 2009:** Consultation on revised Code of Practice
- **September 2009:** All LAs begin delivering access to the flexible, extended offer for 25% of the School & Early Years census' population
- **2010:** Regulations enshrine a flexible 15 hours a week over 38 weeks a year offer
Revised Code of Practice comes into force

What this means for local authorities

This means local authorities must:

- Ensure the processes put in place for delivering to 25% can be easily upscaled
- Begin developing a process to deliver the extended offer to 25% now
- Work with providers to ensure that sufficient flexibility is available to all those who wish to access it
- Increase providers awareness of the upcoming regulatory framework
- Increase parents awareness and manage their expectations of the extended offer.

Current position

Local authorities currently have a duty to ensure sufficient nursery education for children in their area. From 1st September 2008, this will be superseded for English local authorities by Section 7 of the Childcare Act 2006 which places a duty on local authorities to secure early years provision, rather than nursery education. The new regulations also prescribe the type and amount of free early years provision each eligible child is entitled to and the age of children to benefit. This maintains the status quo of 12.5 hours a week over 38 weeks for all eligible 3 and 4 year olds.

Spring 2009 – Consultation

The goal is to ensure universal access to a flexible 15 hours a week over 38 weeks for all 3 and 4 year olds. To ensure this is delivered consistently across the country we want to get the regulatory framework right. Part of this will be to update the current Code of Practice.

We want to ensure all those who have an interest in this area have the opportunity to comment. Therefore we will be launching a full formal

consultation in Spring 2009. The Code of Practice will be revised in light of the comments received here.

September 2009 – Extension

In the *10 Year Childcare Strategy* we set the goal of ensuring access for all 3 and 4 year olds to 15 hours a week of free high quality care and nursery education over 38 weeks by 2010. This extension is the first step to meeting that goal. From September 2009 all local authorities will be required to ensure access for 25 per cent of their Schools and Early Years census' population of 3 and 4 year olds to a flexible 15 hour a week offer over 38 weeks.

2010 – 2011

From September 2010, the flexible extension to the current offer will be extended further and local authorities will need to ensure that it is available to all 3 and 4 year olds who wish to access it. The current regulations will be amended further to reflect this in statute, with the revised Code of Practice also coming into force.

2010 will also see the introduction of participation-led funding and the single funding formula.

Timescales

	FUNDING REFORM	ROLLOUT OF EXTENDED, FLEXIBLE ENTITLEMENT
2007-08	Undertake cost analysis	Pathfinders
2008 -09	Establish an early years working group Develop a communications strategy for ALL providers	
	Analyse data about costs Start to think about shape of formula PVI representation required on Schools Forum (by 1 st September 2008 where forum already has non schools members)	
2009 – 10	Participation-led counting Design and build formula Impact assessment <i>(Optional: participation –led funding) PVI representation on Schools Forum for remaining LAs assuming it is passed in Education and Skills Bill</i>	15 hours offered flexibly to 25% most disadvantaged 3 and 4 year olds (based on Schools and Early Years census data)
2010 – 11	Introduction of participation-led funding Introduction of single funding formula Transitional arrangements in place	15 hours offered flexibly to 100% of 3 and 4 year olds who wish to access it

Further information

Further information about Early Years, including the guidance on the Single Funding Formula can be found on our website at:

www.everychildmatters.gov.uk/earlyyears

If you would like any further information or would like to feed in any comments on this interim guidance please do not hesitate to contact us. As this document sets out, a formal consultation will be launched in Spring 2009 that will look at some of the questions raised here in greater detail. We welcome any thoughts that interested parties may like to feed in to that process.

For further information please contact:

Sara Mason in the Childcare Division at the Department for Children, Schools and Families

Email: sara.mason@dczf.gsi.gov.uk

Telephone: 020 7925 6905