

**MEETING: CHILDREN AND YOUNG PEOPLE
SCRUTINY REVIEW BOARD
Date: 24 June 2019**



ITEM 05

Report sponsor: Andy Smith, Strategic, Director of People Services
Report author: Heather Ryder- Carrington, Childcare and Families Information Team Manager

Extended Entitlement for 3 and 4 Years Olds: Parental Survey

Purpose

- 1.1 To update the CYP Scrutiny Review Board with the outcome of a further extended entitlement parental survey undertaken in February 2019. This was a recommendation by the Board at the meeting on 9th April 2018.
- 1.2 To highlight the good performance the Council has had with the take up of the extended entitlement. This has exceeded the achievements of other Local Authorities both regionally and nationally. It is good news that there are **2,127 children** currently accessing the offer in Derby compared with DfE expectations of **2,050**.
- 1.3 To raise awareness of the activities undertaken by the Council's Childcare and Families Information Team (CFIT) to not only promote the extended entitlement but, also, Tax Free Childcare (TFC). This scheme can help reduce childcare costs for parents by 20%. This survey confirmed 55% of parents were accessing TFC compared to just 28% in the Feb 2018 survey.
- 1.4 To highlight how flexibly the extended entitlement is being delivered across the city in both childcare settings and schools to support working parents and those looking to increase work hours / or return to work.
- 1.5 To update CYP Scrutiny Board on how feedback given by the Council to the DfE and HMRC on the application process and how robust communication, support and guidance given by the Council to childcare providers, schools, parents and professionals has resulted in 93% of the parents in the survey now being confident with the process and making online applications to HMRC.
- 1.6 To note this further extended entitlement survey was requested by CYP Scrutiny Board at the meeting on 9th April 2018 and concerns at the time linked to the HMRC application process, schools ability to deliver the offer and low take up of the Tax Free Childcare, which have all significantly improved.

Recommendations

- 2.1 To note the excellent take up levels of the FEEE extended entitlement in Derby and performance which is above East Midlands and National levels.
- 2.2 CFIT to continue to proactively support parents, childcare providers and professionals to be aware of the extended entitlement, the application process and the ability to reduce childcare costs by 20% by using Tax Free Childcare.

- 2.3 To note the positive outcomes of the FEEE extended entitlement has had on families and the continued actions to be undertaken by Council to ensure this continues to be delivered flexibly and compliantly by childcare providers to meet the needs of working parents.

Reasons

- 3.1 It is important for the Council to understand not only if parents accessing the extended entitlement are receiving the full benefits expected but, also to be confident that it is being delivered flexibly and compliantly to meet working families work-life balance needs and to ensure schemes like TFC to further reduce childcare costs are being accessed.
- 3.2 The FEEE extended entitlement provides an opportunity for parents to return to work, or increase their working hours. It is, therefore, essential that the Council can evidence any additional costs charged by childcare providers to parents accessing a FEEE place are in line with DfE statutory guidance, have been agreed up front, and are not a barrier to parents accessing their FEEE.

Supporting information

- 4.1 All children the term after they turn 3 years old are entitled to a universal funded early education entitlement (FEEE) offer of 15 hours. From September 2017 the Government introduced an additional 15 hours of FEEE for working families to support childcare costs. This will be on top of the universal FEEE offer of 15 hours and referred to throughout this report as extended entitlement
- 4.2 An initial extended entitlement parental survey was completed in February 2018. The outcome of this was reported to the CYP Scrutiny Review Board on 9 April 2018 providing feedback from parents on how the FEEE extended entitlement had impacted on their childcare costs, and the flexibility of delivery in relation to work life balance needs.
- 4.3 The Board requested the survey be repeated in 12 months and the outcome reported back to the Board. The February 2019 survey has, also, focused on the HMRC application process to obtain the extended entitlement eligibility code due to significant problems initially with this, and to clarify if parents were accessing Tax Free Childcare to reduce their childcare costs by 20%. **There were 168 survey responses, 10% of the 1,762 parents accessing the extended entitlement in spring 2019.**
- 4.4 A full summary of the responses to the extended entitlement can be found in **Appendix 1**. It is extremely encouraging to see that this evidences the very positive impact the extended entitlement is having on working parents / carers.
- 4.5 Key points to note from the results of the survey as follows:
- 143 responses / 168 parents confirmed the extended entitlement had reduced their childcare costs. 108 / 168 (65%) stated this had made a significant reduction compared with 54% of respondents in February 2018;
 - 86 parents confirmed the offer had enabled them to work, with a further 44 stating it had allowed them to increase work hours;
 - 78 responses / 168 (46%) were accessing the extended entitlement over the whole year compared with 40% in February 2018;
 - 81% of parents confirmed they were getting details of any charges upfront, other than costs for additional childcare on top of the FEEE. In 79% of cases, these charges were for meals. DfE statutory guidance clearly states providers are able to do this.
 - 77% (120 / 156) of parents were happy to pay the costs.

- 4.6 In the February 2018 survey, a considerable amount of parents reported back issues with the HMRC online application process and the lack of advice from HMRC about the need to reaffirm their code every 3 months. CFIT have reported these issues regularly to strategic leads in the DfE and HMRC. In addition CFIT have provided workshops and frequent communication to schools and childcare on how to support parents to get codes, keep them valid and handled high volumes of calls to support parents and childcare providers.
- 4.7 This survey has evidenced these actions have had a very positive impact with 165 responses/ 168 of the parents, confirming they had applied successfully online, 156 (93%) of the parents confirmed they were clearly advised by HMRC / their childcare provider about the need to reaffirm their code every 3 months and received reminders to do this which was not happening 12 months ago.
- 4.8 CFIT over the last 18 months have provided business modelling workshops for FEEE providers to encourage them to be more flexible on how the extended entitlement is delivered. CFIT have been encouraging providers to move away from only allowing the FEEE to be taken over term time /38 weeks, but instead to allow parents to take their FEEE over the whole year to help balance out childcare costs over the year. There are now 594 children accessing a stretched model compared with 400 in February 2018, which shows there is a growing demand for this delivery option. CFIT will continue to provide this support to childcare providers.
- 4.9 Working families were often not able to access their FEEE in a school nursery as they were restricted to only offering the universal 15 hours. This has changed significantly over the last 2 years. There are now 37 of the 47 schools who offer the extended entitlement, usually modelled as 30 FEEE hours / term time only. 545 / 2,127 (26%) of children accessing the extended entitlement in summer 2019 do this in a school nursery, compared with 382 / 1,778 (22%) in summer term 2018.
- 4.10 Following an effective promotional campaign by CFIT aimed at parents, professionals and childcare providers, there has been an ongoing growth in the number of children accessing extended entitlement term on term as shown in the table below:

	2017 No of Ext Ent Children	2018 No of Ext Ent Children	2019 No of Ext Ent Children	Increase/ decrease in children	Growth %
Autumn	1098	1272		174	15.84%
Spring		1541	1762	221	14.34%
Summer		1778	2127	349	19.62

- 4.11 Recent DfE 'take up' data for the extended entitlement determined Derby City is the best performing Local Authority in the East Midlands when child take up data is compared to the number of eligibility codes issued. Derby City has achieved 100%, whereas the East Midlands average is 93%, and nationally this is 92%.
- 4.12 Parents can no longer apply through their employers for childcare vouchers. The Government have instead introduced a scheme called Tax Free Childcare (TFC) where working parents could get help towards 20% of their childcare costs. CFIT have worked with childcare providers, health visitors, undertaken lots of communication on social media, frequent publicity on the Council websites to increase the knowledge and uptake of TFC. This survey confirmed 55% of parents were now accessing TFC compared to just 28% in the Feb 2018 survey.

Public/stakeholder engagement

- 5.1 Online Consultation – CFIT have facilitated parental surveys on the extended entitlement in February 2018 and 2019 to seek feedback from parents /carers on how the FEEE extended entitlement has impacted on their childcare costs and the gauge the levels of flexibility in relation to work life balance needs.
- 5.2 The February 2019 online survey was live from 20 February to 20 March 2019 and had **168 responses**. This represents 10% of the 1,762 parents currently accessing the extended entitlement at the time the survey was undertaken.
- 5.3 CFIT pro-actively publicised and promoted the survey as follows:
- Postcards were sent to all parents accessing the extended entitlement encouraging them to complete the survey;
 - Posters and leaflets in childcare settings and schools;
 - Council Web Pages;
 - Families Information Services (FIS) facebook and social media;
 - School circular and In Touch articles;
 - Promotion by professionals working with families: Children’s Centre staff and health visitors.
- 5.4 The February 2019 survey has, also, focused on the HMRC application process to obtain the extended entitlement eligibility code due to significant problems initially with this and to clarify if parents were accessing Tax Free Childcare to reduce their childcare costs by 20%.

Other options

- 6.1 Do nothing: if no action had been taken the Council, take up would have been very low, and there could have been barriers and issues to parents / carers taking up their extended entitlement.

Financial and value for money issues

- 7.1 CFIT will continue to undertake a rolling programme of FEEE compliance audits to make sure that charges taken by childcare providers as part of the FEEE are compliant with statutory guidance and the Council’s Provider Agreement. Complaints from parents linked to charges are always fully investigated, instigating a full compliance audit if necessary. To date, CFIT have received very few queries in relation to costs and charges for childcare, since the extended entitlement was implemented.

Legal implications

- 8.1 All childcare providers commissioned by the Council to deliver the FEEE have signed the Council’s Provider Agreement, a legal contract to make sure they deliver the FEEE compliantly with the DfE guidance. Where non-compliance is evidenced, the Council will reclaim funding.

Other significant implications

9.1 None directly in relation to this survey.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	N/A	
Finance	N/A	
Service Director(s)	Gurmail Nizzer, Director for Commissioning	5 June 2019
Report sponsor	Andy Smith, Director for People Services	13 June 2019
Other(s)	Diane Whitehead, Head of School Organisation and Provision	5 June 2019

Background papers:

List of appendices: Appendix 1-Extended Entitlement Survey

