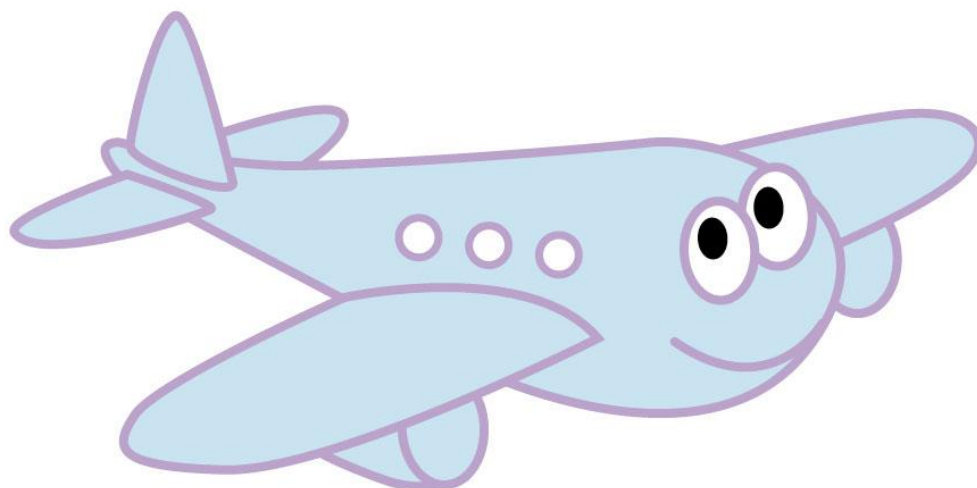




Derby City Council

**Childcare and
Families Information Team
Market Position Statement
for Funded 2 Year Old's
2015**



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1.0 Introduction

- 1.1** The Early Years Market Position Statement (MPS) 2013 focused on the supply and take up of childcare provision for 2, 3 and 4 year olds in Derby. This overview was particularly important due to the introduction by the Government of the Free Early Education Entitlement (FEEE) for two year olds from September 2013.

In September 2014 the Government changed the eligibility criteria for FEEE so 40% of the less advantaged two year olds across the city could access a funded two year old place. A FEEE two year old place allows the eligible child to have up to 15 hours per week of early years provision over 38 weeks. The eligibility criteria for a FEEE two year old place can be found on pages 6 to 7 of the link detailed within **2.1**.

Early year's provision plays a crucial role in the lives of many families with evidence showing access to good quality early years education giving children a flying start and leads to better outcomes as they move through school.

This change to the eligibility criteria has enabled more disadvantaged children to take up a two year old FEEE place and will maximise their learning and development opportunities and support identification of early help where necessary.

The FEEE for two year olds will continue to support the current universal offer for 3 and 4 year olds and embraces a smooth transition to this whilst providing eligible 2 year olds with good foundations for starting school by developing their social skills and supporting speech and language.

- 1.2** Derby City Council (the Council) is committed to ensuring:

- there are sufficient places including choices for parents / carers of FEEE places for two year olds across the city
- and to the on-going extensive promotion of the 'Flying Start' for 2 year olds needed to maximise the take up of the entitlement.

The Council fully acknowledges that to continue to improve outcomes for young children the FEEE for two year olds must be promoted widely and transparently across the city and will need to include direct targeting of eligible families to maximise take up of this statutory entitlement.

- 1.3** This Market Position Statement (MPS) for Funded Two Year Olds 2015 will focus on the impact the market management activities undertaken over the last 2 years by the Childcare and Families Information Team (CFIT) has had on the sufficiency and take up of FEEE two year places across the city and will identify any future sufficiency issues.

- 1.4** Building on the Early Years MPS 2013 for 2, 3 and 4 year olds the Council has identified key achievements, priorities and future challenges linked to the delivery of the FEEE for 2 year olds which meet agreed local, national and Department for Education (DfE) targets.

1.5 Overview of Achievements, Priorities and Future Challenges:

Achievements:

- CFIT continues to deliver an on going extensive marketing campaign which has increased public and professional knowledge of the 'Flying Start' offer and good recognition of the Council's two year old branding. The Flying Start aeroplane branding is well embedded across the city with professionals, schools, childcare providers and families.
- Take up of the FEEE for two year olds in the city is currently **1261 children** which represents a **69% take up** which is **above the East Midlands average of 56% and national average take up rate of 62%**. The Council has received recognition for its good performance at government minister level.
- CFIT are part of key strategic groups who focus on the 0-5's agenda to ensure the FEEE for two year olds delivered in the city actively **supports two year olds to achieve healthy outcomes and school readiness**.
- Focused and targeted support by the Early Years Team within the Council's Quality, Standard and Performance department has resulted in a significant increase in the achievement of 'Good' Ofsted judgements within the Private, Voluntary and Independent (PVI) sector.
- CFIT have used **£288,853** of government funding to deliver an extensive Pump Prime Funding programme accessed by **34 early years providers** to create new two year old FEEE places. This has addressed the **significant sufficiency gaps** of two year old FEEE places identified in the Early Years MPS 2013 for 2, 3 and 4 year old within the wards of Arboretum, Alvaston, Derwent, Mackworth, Normanton and Sinfin. The Pump Prime Funding programme has resulted in **902 new FEEE places for two year olds** being made available.

Priorities:

- Further market facilitation activities are needed by CFIT to address the current sufficiency gaps for two year old FEEE places identified within this MPS in the wards of Normanton (**108**), Sinfin (**59**), Chaddesden (**45**), Boulton (**45**), Mackworth (**28**), Littleover (**8**) and Spondon (**6**)
- CFIT to facilitate improved partnership working between the maintained and private, voluntary and independent (PVI) FEEE providers. Initially focusing on the inner city wards of Arboretum and the Normanton as there is a priority for the Council to significantly increase the take up of 2, 3 and 4 year olds FEEE in these wards and improve transition arrangements.
- CFIT to proactively support schools with low nursery occupancy levels to provide, as a minimum, FEEE for eligible two year olds from the term in which they turn three identified as a 'Rising Three'.
- Two year old FEEE take up data to be provided termly to Children's Centres who as part of their core offer have strategic accountability to ensure good levels of two year old FEEE take up is being achieved. CFIT to work with Children's Centres to identify and undertake activities to maintain and improve on the city's high levels of take up. Targeted activities will be undertaken in the wards of Arboretum and Normanton where the highest numbers of eligible children live but have take up levels are only 62%.
- CFIT to work with the strategic leads for health visitors to implement robust monitoring procedures so that health visitors, who are key professional working with eligible families, are accountable for the promotion and take up of the 'Flying Start' for two years olds .

- Increase the number of early years providers who deliver the FEEE for two year olds using the stretched offer of 12 funded hours per week over 48 weeks.
- Implementation of a self-service system so parents can make on-line applications for a 'Flying Start' funded two year old places. This will include a built in eligibility checking service and automatic allocation of an acceptance letter.
- CFIT will maximise future funding available to the Council through the Early Years Pupil Premium (EYPP) and Pupil Premium. CFIT will implement revised consent procedures whereby the parent agrees the Council can reuse personal data collected as part of the initial two year old eligibility check to see if the child is eligible in the future for EYPP and Pupil Premium funding.
- CFIT will collate robust information on the models delivered by all FEEE providers so that it can be reviewed against working and non working parental need.
- CFIT to ensure early years providers who deliver the FEEE for two year olds take direct responsibility for promoting this offer in their areas and for the Council to support this by using social media to increase engagement with families.

Future Challenges:

- CFIT will continue to work closely with multi-agency professionals to target and engage more effectively with the 20% most disadvantaged families who are eligible for a funded two year old place to encourage improved take up of the FEEE for two year olds.
- The Council until 31 March 2015 used trajectory funding, provided by the Government, to increase DCC's capacity to challenge the quality of childcare delivered by PVI FEEE providers. PVIs provide most of the FEEE places for two years across the city. The increased DCC capacity has delivered 1 to 1 support and targeted quality improvement training however as the trajectory funding is no longer available the reduced capacity could result in a significant risk as reduced levels of support are likely to impact on the quality of PVI's provisions and future Ofsted inspection outcomes. This could impact on future sufficiency of FEEE places for two year olds, as the Council, to meet DfE statutory guidance, should only fund two year old FEEE providers with an Ofsted judgement of 'outstanding' or 'good'.
- In its role as market facilitator CFIT has engaging directly with PVI childcare providers predominantly to support the creation of 288 and 64 new two year FEEE places in the Arboretum and Normanton wards respectively. This MPS has identified the need to create an additional 108 places in the Normanton ward. However evidence indicates that parents who live in the Arboretum and Normanton wards have a strong preference for wanting to access the two year old FEEE within a maintained provision however the new two year old FEEE places have been predominantly created within the PVI sector.
- The limited capital funding available will need to be prioritised to address the issue of increasing the number of places delivered by the maintained sector in the Arboretum and Normanton wards. This will create surplus FEEE places for two year olds in the Arboretum ward but is necessary to engage parent's who will only use their first choice which is maintained provision. The Council can only increase take up of FEEE for two year in these wards if parents are confident and engaged with their first choice of provider. Demographic data in Section 7 evidences these are the city's key wards where the highest numbers of eligible children live but where currently two year old take up is one of the lowest at 62%.

- Work with professionals to find ways to improve engagement with the increased levels of Eastern European communities now living in the city to raise awareness and encourage take up of this statutory entitlement.

2.0 Why the Council completes a Market Position Statement (MPS)

2.1 The **Education Act 2011, Section 1** places a statutory duty on local authorities to secure sufficient FEEE places for eligible 2 year olds. Details of this and the local authorities statutory duties linked to assessment and sufficiency of childcare provision as specified with the **Childcare Act 2006, Sections 6, 7 and 11** can be found on page 3 of the DfE's early education and childcare statutory guidance provided in the link below:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/351592/early_education_and_childcare_statutory_guidance_2014.pdf

2.2 The Council to deliver its statutory duties to have sufficient FEEE places for two year olds has to take responsibility to '**manage the market**'. To do this the Council has to adopt the role of '**market facilitator**' and respond to changes in the supply and demand for FEEE places for two year olds. The Council has a responsibility as part of this role to incentivise and support all childcare providers to consider the creation of new funded places or expansion of existing provision in areas

There has been a significant increase in the number of new FEEE places for 2 year olds created across the city over the last two years. The Council has directly influenced the creation of many of these new places by providing Pump Prime Funding to create new places in the wards identified and specified, in the Early Years MPS for 2, 3 and 4 year olds 2013, as having significant gaps to meet expected demand upon introduction of the statutory entitlement in September 2013. The Pump Prime Funding programme is explained further in **Section 6.4**.

A key priority for CFIT will be to continue to work in partnership with new and existing FEEE providers to assess the on-going market and demand for FEEE places for 2 year olds and explore their capacity to deliver places in a flexible way to maximise the take up of this entitlement.

2.3 This MPS clearly sets out the following key areas:

- The FEE places for 2 year olds available in the city
- Current take up of 2 year old FEEE places
- Expected demand for FEEE places
- Quality benchmarking for 2 year old FEEE provision

The Local Authority by using this information can assess the need for increasing the number of FEEE places for 2 year olds within specific geographical areas identified within the gaps analysis in **Section 3.1**.

2.4 A market position statement is a strategic Council tool aimed at a range of stakeholders and incorporates key local intelligence, demographic data, supply and demand statistics. This is needed to proactively support new and existing childcare providers to make proactive business decisions that will impact on the Council's priorities linked to take up of the FEEE offer for 2 year olds and achievement of DfE targets:

The Council will proactively work with all key partners, such as maintained, private, voluntary and independent childcare providers and those interested in local business development to assist in the planning, commissioning or delivery of provision of the necessary services to address the changing market needs for funded 2 year old's within the city.

3.0 Methodology

Please note that for information included in this section refer to Appendix 3, Table 1

- 3.1** CFIT has worked with the Council's Information Management Team and the Policy Research and Engagement Team to provide data and local intelligence for this MPS for Funded 2 year olds 2015. Information and data provided by these teams has evidenced the accuracy of the termly DWP data provided by the Department for Education (DfE) on the numbers of eligible two years old there are in the city.
- 3.2** To identify 2 year olds that may be eligible for a two year old FEEE place the DfE provides termly DWP data to local authorities on the total numbers of two year olds within the 40% less advantaged households who meet the eligibility criteria from their records. This data is used to contact families by letter and encourage them to apply for a funded 2 year old place. The data is also shared in accordance with Data Protection Procedures and DfE guidance with Children Centres for them to target families registered with the Children's Centre. Where families apply for a place but then do not go on to take up a place this can be tracked and proactively followed up by CFIT and the Children's Centres. DWP data is used within the timeframe set by DfE only match record are used for follow up activities outside of this.
- 3.3** A population forecasting methodology has been used to predict the 2 year old population for 2014/2015 based on the previous 8 years of live birth data. This is the same methodology used in the School Organisation Place Planning document 2014. It needs to be recognised that the FEEE for 2 year olds is not a universal offer and has an eligibility criteria based primarily on families with low incomes. This means the place planning methodology used for two year old funded places cannot be aligned to the methodology used for 3 and 4 year old FEEE and school place planning which are both statutory universal offers available to all children
- 3.4** The methodology used in the Early Years MPS 2013 for 2, 3 and 4 year olds to identify potentially eligible children was based on free school meals and housing benefit data however the methodology used for this MPS 2015 is based on the data received from the DWP. This provides clear data on the total number of places needed to support potential demand at a ward level.
- 3.5** CFIT will continue to use the termly DWP data and map this against benefit data, 2 year old population projections and the supply and take up of provision to support with future place planning to ensure the sufficiency of 2 year olds funded places
- 3.6** For the purpose of analysing any potential shortfall of 2 year old funded places across the city within this MPS the following information will be considered:
 - Hours available of FEEE places for two year olds in Spring term 2015
 - DWP figures provided by the DfE in November 2014 of the total two year olds who will be eligible for a place from the Spring term 2015.
 - Spring term 2015 take-up of 2 year old FEEE places at ward level
 - 2 year old population figures at a ward level for the purpose of determining future 2 year old population levels.

4.0 2 year old place planning and gaps analysis

4.1 Take up and gaps analysis matrix

Please note source tables for the data used within the matrix are available in Appendix 1, Tables 1 to 5.

		2 year olds spring term 2015										
		Number of providers	Number of available 2 year old FEEE places	2 year old FEEE places in Inadequate settings	2 year old FEEE places in Satisfactory or R/I settings	2 year old FEEE places in Good settings	2 year old FEEE places in Outstanding settings	Population identified by DWP	FEEE places taken up	% take up against DWP	Possible Shortfall places	Surplus places
Locality 1	Chaddesden	7	34	0	0	34	0	79	47	59%	45	0
	Derwent	9	210	0	24	94	0	161	131	81%	0	46
	Oakwood	10	46	0	0	46	0	43	27	63%	0	3
	Spondon	11	46	0	0	43	0	52	29	56%	6	0
Locality 2	Alvaston	10	184	0	78	48	0	157	125	80%	0	27
	Boulton	7	74	0	16	56	2	119	86	72%	45	0
	Chellaston	10	80	0	48	14	2	59	49	83%	0	21
Locality 3	Sinfin	7	154	0	104	50	0	213	144	68%	59	0
	Abbey	8	160	0	32	104	0	112	68	61%	0	48
	Arboretum	12	328	0	96	200	0	259	161	62%	0	69
Locality 4	Normanton	9	174	0	100	66	0	282	174	62%	108	0
	Blagreaves	8	78	0	16	28	8	53	44	83%	0	20
	Littleover	5	32	0	0	28	4	40	29	73%	8	0
Locality 5	Mickleover	5	23	0	8	15	0	21	12	57%	0	2
	Allestree	8	56	8	0	46	2	11	6	55%	0	45
	Darley	6	69	0	27	42	0	51	32	63%	0	18
	Mackworth	5	86	0	24	24	2	114	84	74%	28	0
	Total	137	1834	8	573	938	20	1826	1261	69%	299	302

4.2 Key Points

- CFIT will continue to monitor all wards and the take up of FEEE places for 2 year olds comparing actual take up, against available places, children eligible for the offer and demographic data to assess pressure areas to manage the 2 year old childcare market promptly and effectively.
- The gaps analysis matrix breaks down data to a ward level provided in November 2014 by the Department for Works and Pensions (DWP) evidencing **1826** families would be eligible for a funded 2 year old place in the city from the Spring term 2015 term so **1826** two year old funded places needed to be available in Spring term 2015.
- The gaps analysis matrix evidences across the city there were **1834** places available in the Spring term 2015 term so there were sufficient FEEE places for two year olds to meet demand but parents in some areas may not always have had access to their first choice of provision when deciding where they wanted their child to attend.

- Since this snapshot of **1834** total places was taken in the for Spring term 2015 further FEEE places for two year olds places have continued to become available and the total number of available FEEE places is currently **1892** (May 2015) which further evidences there are now sufficient places across the city but some localised availability issues in specific wards.
- The gaps analysis matrix evidences the seven wards below had a possible shortfall of places:

Ward	Shortfall of places
Normanton	108
Sinfin	59
Chaddesden	45
Boulton	45
Mackworth	28
Littleover	8
Spondon	6

- It should be noted that parents often migrate to other wards for their childcare due to their route to work, preference of service delivered, preference towards a certain sector delivering the FEE and family support so the possible shortfall in places may not have any measurable impact on take up.
- The total number of FEEE places for two year olds taken up in Spring term 2015 (**1261**) within the matrix exceeds the ward break down numbers as the total figure includes out of area children such as children from Derbyshire and other neighbouring local authorities.

4.3 Take up and gaps analysis by wards

Locality 1

Chaddesden

Chaddesden had the fourth lowest take up rate at **59%**. DWP identified **79** families as possible eligible of which **47** children have taken up a funded place. Of the remaining, **3** families applied for a place but did not take up and **29** families did not apply. There was an identified shortfall of **45** places needed for spring term 2015. However with a low take up rate not all the available **34** places were used. All funded 2 year old places were available in settings judged as 'good' by Ofsted.

Derwent

Derwent had the third highest take up rate at **81%** and the fourth highest number of families (**161**) identified as possibly eligible of these **131** children took up a funded place. There were **210** places available which if all eligible children took up a place would give a surplus of **49** places.

Oakwood

Oakwood had had a **63%** take up, **46** families were identified as possibly eligible. There were **46** places available which would have met full take up but some places remained unused. All funded 2 year old places were available in settings judged as 'good' by Ofsted.

Spondon

Spondon has the second lowest take up rate at **56%**, **52** families were identified as possible eligible and **29** children took up a funded place. There were **46** places available which would have given a slight shortfall in the number of places available if take up had been higher.

Locality 2

Alvaston

Alvaston has the fourth highest take up rate at **80%** and the fourth highest number of funded 2 year old places available at **184** compared against the number of possible eligible families (**157**) gives 27 surplus places based on full take up. However **125** children took up a funded place.

Boulton

Boulton has the third highest shortfall of places (**45**). Take up is good at **72%** which may indicate that there is a future capacity issue if take up increases to meet the number of possible eligible families (**119**).

Chellaston

Chellaston and Blagreaves have the joint highest take up rate at **83%**, Chellaston has a good number of childcare providers (**10**) offering **80** places which exceeds the number of possible eligible families and indicates that there are surplus places (**21**) in the ward

Sinfin

Sinfin has the second highest shortfall of places (**59**). Take up is currently **68%** which may indicate that if take up is to increase further then additional places will need to be created to meet the needs of the possible eligible families (**213**). Sinfin has the highest number of places (**104**) delivered by settings judged as 'satisfactory/requires improvement' by Ofsted.

Locality 3

Abbey

Whilst Abbey has surplus places (**48**) take up is lower than the city average at **61%**. Abbey has the second highest number of places (**104**) in settings judged as 'good' by Ofsted.

Arboretum

Arboretum has the highest number of surplus places (**69**) but a lower than average take up rate at 62%. Arboretum has the highest number of childcare providers (**12**) and the highest number of places (**200**) being delivered by settings judged as 'good' by Ofsted. Further work needs to be undertaken within this ward to understand why take up has not increased when places are available, considerable will need to be given to whether the preferred choice of early years provider is available.

Normanton

Normanton has the highest shortfall of places (**108**) identified in the city and a lower than average take up rate at 62%. The shortfall in places could well affect take up and additional places may need to be created to support any improvement in take up. Normanton has the second highest number of FEEE places (**100**) being delivered by settings judged as 'satisfactory/requires improvement' by Ofsted. It is recognised that some families in the community are not comfortable engaging with the types of

providers available with two year old provision delivered in maintained nurseries and schools in the Arboretum and Normanton ward being full and retaining waiting lists.

Locality 4

Blagreaves

Supply of 2 year old FEEE places in Blagreaves meets and slightly exceeds demand with surplus places (20); take up is joint highest at 83% with Chellaston.

Littleover

Littleover has a higher than average take up at 73% but further take up growth may be restricted due to a small shortfall of places (8).

Mickleover

Mickleover has the second lowest number of possibly eligible families (21) however the take up is also the second lowest in the city at 57%. The supply of places indicates that demand would be met to support full take up. Further work with key locality partners needs to be undertaken to raise take up and identify any barriers to that.

Locality 5

Allestree

Allestree has the lowest number of possible eligible families (11) however the take up is also the lowest in the city at 55%. There are surplus places (45) so demand would be met to support full take up. Further work with key locality partners needs to be undertaken to raise take up and identify any barriers to that. All FEEE places are delivered by setting judged as 'good' (46) or 'outstanding' (2) by Ofsted.

Darley

Despite surplus places (18) take up in Darley is lower than average at 63%.

Mackworth

Take up is good in Mackworth at 74% but there is a shortfall of places (28) which may impact on improving take up further. Additional places may need to be created to support any future improvement in take up.

5.0 Supply and quality of 2 year old FEEE places

Please note for the information included in this section refer to Tables 1 and 2 in Appendix 2.

5.1 Supply of funded 2 year old places

In Spring term 2015 all wards had some providers offering funded 2 year old places however some wards offer more providers than others:

- Darley (6), Littleover (5), Mackworth (5) and Mickleover (5) have the lowest number of providers in the city.
- Arboretum (12), Spondon (11) Chellaston (10) and Oakwood (10) have the highest number of providers in the city

Although all wards have providers, not all provider types are available in all wards; this may limit parental choice as to the type of provider they use for their funded 2 year old places:

- Oakwood (8) and Spondon (7) have the highest number of childminders delivering funded 2 year old places
- Arboretum (0), Mackworth (1) and Normanton (1) have the lowest number of childminders offering funded 2 year old places.
- Alvaston (7), Abbey (5) and Arboretum (5) have the highest number of day nurseries offering funded 2 year old places
- Boulton (0), Allestree (1) Littleover (1) and Mickleover have the lowest number of day nurseries offering funded 2 year old places
- Arboretum (4) and Derwent (4) have the highest number of pre-school playgroups offering funded 2 year old places
- Chaddesden (0), Oakwood (0), Abbey (1), Alvaston (1), Blagreaves (1) and Darley (1) have the lowest number of pre-school playgroups offering funded 2 year old places.

Since January 2015 maintained nursery schools and school nursery units in the city have been able to offer Flying Start for 2 year Old funded places to children eligible for a funded two year old who access their nursery in the term before they turn 3. These children are described as 'Rising 3s (Appendix 2 – Table 1)

- Arboretum (3), Normanton (1), Sinfin (1) and Spondon all have maintained nurseries offering funded 2 year old places for 'rising 3s
- Abbey, Allestree, Alvaston, Blagreaves, Boulton, Chaddesden, Chellaston, Darley, Derwent, Littleover, Mackworth, Mickleover and Oakwood have no maintained nurseries offering funded places for 'rising 3s.

CFIT in November 2014 and May 2015 contacted all Headteachers whose schools have nursery units and maintained nursery schools to encourage more schools to deliver funded 'Rising Three' places, particularly those schools whose nursery numbers are below their maximum capacity.

In Spring term 2015 the total number of two year old FEEE places delivered in each ward varied across the city:

- Chaddesden (34), Littleover (32) and Mickleover (23) have the lowest number of places in the city
- Arboretum (328), Derwent (210), Alvaston (184) and Normanton (174) have the highest number of places in the city

5.2 FEEE Provider quality

Please note for the information included in this section refer to Tables 3 and 4 in Appendix 2.

From 1 September 2014, the Council has had to meet revised requirements issued by the DfE in the Early Education and Childcare Statutory Guidance for Local Authorities on the delivery of free early education for 2, 3, and 4 year olds. This Statutory Guidance states that childcare providers who are funded to deliver childcare places to eligible 2 year olds must have an Ofsted judgement of 'outstanding' or 'good'. Newly registered childcare providers can deliver funded places pending their first Ofsted inspection however if they do not gain the required Ofsted judgements of 'outstanding' or 'good' then the Council may no longer be able to fund eligible 2 year olds at their setting

In Spring term 2015 the number of FEEE places for two year olds available by ward and Ofsted judgement is detailed below (Appendix 2 - Table 2):

- Number of places in 'inadequate' settings - Allestree (8)
- Number of places in 'satisfactory / requires improvement' – Sinfin (104), Normanton (100), Arboretum (96), Alvaston (78), Chellaston (48), Abbey (32), Darley (27), Derwent (24), Mackworth (24), Blagreaves (16), Boulton (16), and Micklegate (8)
- Number of places in 'good' settings – Arboretum (200), Abbey (104), Derwent (94), Normanton (66), Sinfin (50), Boulton (56), Alvaston (48), Allestree (46), Oakwood (46), Spondon (43), Darley (42), Chaddesden (34), Blagreaves (28), and Littleover (28).
- Number of places in 'outstanding' settings – Blagreaves (8), Littleover (4), Allestree (2), Boulton (2), Chellaston (2) and Mackworth (2).

In the Spring term 2015 there were 1834 places available the table below breaks down the numbers of providers and places by Ofsted inspection outcome across the city:

Number of providers	Ofsted inspection judgement	Number of places available
18	Pending first Ofsted inspection	293
1	Met	2
1	Inadequate	8
22	Satisfactory / Require Improvement	573
86	Good	938
9	Outstanding	20

Since the introduction of FEEE places for 2 year olds in Spring term 2013 there has been a significant growth in the number of childcare providers delivering places. In Summer 2013 there were 69 childcare provider compared with 137 in Spring 2015, a 98% increase, however:

- whilst the number of places delivered by 'inadequate' and 'outstanding' providers has remained constant
- the number of places delivered by providers awaiting their first Ofsted inspection has increased
- and the number of places delivered by 'satisfactory / requires improvement' providers has decreased since Autumn 2014

6.0 Take-up of 2 year old FEEE places

Please note for the information included in this section refer to Tables 5 and 6 in Appendix 2

6.1 FEEE take up by eligible 2 year olds

The Government have recently acknowledged that it is unlikely for local authorities to be able to reach 100% take up of the two year old FEEE for a variety of reasons. Current levels of three and four year old FEEE in the city which is a universal offer is 96%. To date Derby City's two year old take up of places has been 69% (January 2015) which has been recognised at government minister level as one of the highest take up in the East Midlands region. The aspiration in 2015-2016 is to maintain two year old take up levels of 70% or above.

Term	Target amount of children	Actual amount of children	% take up
Summer Term 2014	953	1024	107 %
Autumn Term 2014	1856	1253	68 %
Spring Term 2015	1826	1261	69%

The number of families identified by the DWP varies by ward: **Section 3.2** provides more information on DWP data.

- the highest number of identified families live in Normanton (282), Arboretum (259) and Sinfin (213)
- the lowest number of identified families live in Mickleover (21) and Allestree (11)

In Spring term 2015 the number of children taking up funded two year old place varied greatly by ward. However the ward in which a child takes up their place may not be the ward in which they live and therefore correlation between DWP data and taken places may not always give a true illustration of the take up levels for the eligible children living in a ward.

- Normanton (174), Arboretum (161), Sinfin (144) Derwent (131) and Alvaston (125) had the highest number of children taking up a place
- Littleover (29), Spondon (29), Mickleover (12) and Allestree (6) have the lowest number of children taking up a place.

The Council needs to consider the wards who have the highest and lowest take up of FEEE places for 2 year olds but more importantly needs to consider the two year old take up levels as a percentage against the termly DWP data provided by the DfE identifying the numbers of eligible families at a ward level. Some wards may show a low number of children in places but may also have a low number of identified families which could evidence that their take up rate is good. Please see **Table 5 in Appendix 2**.

- Blagreaves (83%), Chellaston (83%), Derwent (81%) and Alvaston (80%) have a good take up rate
- Mickleover (57%), Spondon (56%) and Allestree (55%) have low take up rates

The wards of Arboretum and Normanton have the highest number of eligible two year olds but take up is only 62% which CFIT will be specifically focusing on with targeted activities to increase this to above 70%.

6.2 Session models delivered for 2 year old FEEE places

Childcare providers delivering FEEE places for two year olds agree in the Provider Agreement they enter into with Derby City Council to deliver one or more of the session models below:

- 3 hours per session over 5 days
- 5 hours per session over 3 days
- 2 x 6 hour sessions and 1 x 3 hour session over 3 days
- 7 ½ hour per session over 2 days
- 1 x 10 hour session and 1 x 5 hour session over 2 days

CFIT encourage providers to offer flexibility in which models they deliver, so that working parent's needs can be met and parents are supported back into work.

A key focus for CFIT in the future will be to collate robust information on the models delivered by all FEEE providers so that it can be reviewed against working and non-working parental need. This information will be available by December 2015.

6.3 Public engagement and promotional activities

Please note that the information included in this section refer to Table 8 in Appendix 2.

CFIT continue to undertaken a wide range of promotional activities to raise professional and public awareness of the FEEE for eligible 2 year olds. Key professional groups have included Health Visitors, Children Centre Leads, Family Visitors and schools.

Since Autumn term 2013 CFIT have monitored, if specified, where parents have heard about 2 year old free childcare:

- The highest single referring group was childcare providers who gave information to **637** families
- Local professional referrals came from NHS/Health Visitors (**326**) and Children Centres/Family Visitors (**222**) schools (**67**), Job Centre Plus (**27**), social care (**24**) Connexions (**14**) Derby College (**3**) and libraries (**3**).
- Families and friends gave information to **249** families

CFIT have ensured that public facing information about the free childcare for 2 year olds is widely available and has created a range of mediums for this.

- Direct marketing by letter and postcard to families who details come from the Department of Works and Pensions has generated **434** applications
- Information available on Derby City web site has generated **251** applications
- Road side banners and posters generated **168** applications
- Printed promotional material generated **108** applications however the printed leaflets, posters and postcard were proactively used by the key professionals to initiate conversation with families about the free childcare.

6.4 Pump Prime Funding Overview

Please note that the information included in this section refer to Appendix 3 – Table 1.

The DfE allocated funding to local authorities to assist with the implementation of the new two year old statutory FEEE. The Council used significant amounts of this funding to provide a Pump Prime Funding programme which predominantly PVI childcare providers applied for. The Council when advertising the Pump Prime Funding programme made childcare providers aware that this funding would need to be targeted to create new two year old funded places in the key areas identified within the Early Years Market Position Statement 2013 for 2, 3 and 4 year olds where significant shortfalls of FEEE places for two year olds had been identified.

The Council has undertaken four Pump Prime funding rounds since June 2013 and have allocated funding of **£288,853** to a total of **34 childcare providers** who have either created new childcare provision or expanded existing provision. There are **902 new two year old funded places** now available as a direct result of this funding.

The Early Years Market Position Statement 2013 for 2, 3 and 4 year olds identified the wards of Arboretum (282), Normanton (268), Sinfin (210), Alvaston (186), Derwent (154), Mackworth (116) and Chaddesden (78) had the most significant shortfall of FEEE places for two year olds.

Pump Prime Funding programme agreed to create new FEEE places for two year olds in Arboretum (288), Derwent (168), Sinfin (112), Normanton (64), Mackworth (36), Chaddesden (32) and Alvaston (24). The MPS 2015 has evidenced that Alvaston, Arboretum and Derwent wards no longer have a sufficiency issues and the shortfall of two year old places in the wards of Normanton (108), Chaddesden (45) and Mackworth (28) has significantly reduced.

It should be noted that a further 356 FEEE places for two year olds have been created over the last 2 years on top of the 902 created supported directly by the Pump Prime Funding programme. When the Council published the MPS in July 2013, its aim as 'market facilitator', was to encourage childcare providers to create new provision or expanding their existing provision to deliver additional new FEEE places for two year. The MSP July 2013 has had the impact the Council wanted with childcare providers responding to the identified market need.

7.0 Demographics

7.1 Demographic Analysis Matrix

The data within this matrix has been obtained from a variety of sources including DWP and the Council's Policy Research and Engagement Team.

		DWP Eligible 2 Year Old Figures - Spring 2015	Population Figures for 2 Year olds 2014	Number of Statutory Aged Pupils Claiming Free School Meals (FSM)	Number of Employment Support Claimants (ESA) May 2014	Number of all Job Seeker claimants (JSA) Dec 2014	Number of All Tax Credit claimants August 2012	Percentage of Households with Income less than £16,190
	Yellow = high							
	Green = low							
	Wards							
Locality 1	Chaddesden	79	154	306	490	231	205	30.18%
	Derwent	161	267	727	785	163	1755	35.30%
	Oakwood	43	174	140	250	48	815	18.37%
	Spondon	52	137	180	345	68	795	27.97%
Locality 2	Alvaston	157	309	669	825	311	1758	34.12%
	Boulton	119	199	523	595	183	1430	29.74%
	Chellaston	59	204	252	395	102	965	22.53%
	Sinfin	213	300	970	840	325	2150	33.96%
Locality 3	Abbey	112	237	355	705	231	1340	29.32%
	Arboretum	259	440	915	1385	583	2350	31.99%
	Normanton	282	395	1101	865	428	2565	29.90%
Locality 4	Blagreaves	53	150	194	330	84	1990	27.03%
	Littleover	40	143	145	305	58	755	16.07%
	Mickleover	21	145	103	200	43	610	20.82%
Locality 5	Allestree	11	114	55	150	21	450	21.18%
	Darley	51	175	178	560	161	740	26.96%
	Mackworth	114	179	402	625	144	1320	32.12%
Total		1826	3722	7215	9650	3184	21998	31.27%

Note:

Free School Meal (FSM) Source: DCC Performance and Improvement

Number of all tax credit claimants by Lower Super Output Area (LSOA): August 2012 - Because all the figures are rounded to the nearest five, not all the totals are exactly equal to their respective sums

Number of JSA and ESA claimants Source: ONS Crown Copyright Reserved [from Nomis on 10 February 2015]

7.1 The methodology for this MPS has used termly DWP data supplied by the DfE that evidences the number of eligible 2 year olds by ward who are potentially eligible for a FEEE place. In the 2013 MPS a different methodology was used to support the development of this which is detailed further in **Section 4.1 – 4.3**.

7.2 The eligibility criteria to access a 2 year old FEEE place stipulated by the DfE includes families claiming Jobseekers Allowance (JSA), Employment Support Allowance (ESA) and Working Tax Credits (WTC) or Child Tax Credits (CTC) where income is less than £16,190. Analysis of the workless benefit data at ward level confirms Arboretum, Normanton, Sinfin and Derwent have the highest level of claimants in all workless benefit categories. These wards match to the DWP Spring term 2015 data as these are also the 4 wards with the highest levels of children potentially eligible to take up a 2 year old FEEE place.

- 7.3** The MPS 2013 used Free School Meals (FSM) data to identify potentially eligible two year olds by ward across the city. The use of FSM data to try and evidence where potentially eligible two year olds live is still relevant as it identifies the 20% families and confirms eligibility trends by ward.
- 7.4** The demographic matrix in 7.1 shows there are high levels of statutory aged pupils in receipt of free school meals in Normanton (1,101), Sinfin (970), Arboretum (915) and Derwent (727) with numbers in Mickleover (103) and Allestree (55). The free school meal data mirrors the DWP for the 4 highest and 2 lowest wards of eligible children.
- 7.5** Exeter GP patient register was used as a population overview for two year olds in the city for the 2013 MPS but this data is not currently available to support the MPS 2015. Instead data has been sourced from the Council's Policy Research and Engagement Team to identify population projections for 2 year olds. This population projection data is not based on actual live birth data; the projected birth data for 2013/2014 by ward has been based on the previous 8 years of actual live birth data for 2 year olds and projections for 2013/2014 then made using this. This is the same methodology currently used by the Council for the planning of school places.
- 7.6** **Table 1 in Appendix 4**, shows there were 3720, 2 years olds in the city according to the 2 year old projected population data in 2014:
- The highest numbers can be seen in Arboretum (440) and Normanton (395), Alvaston (309) and Sinfin (300) and the lowest figures in Mickleover at (145) and Allestree (114).

The MPS 2013 evidenced the 2 year old population according to live birth data in the city taken from the Exeter GP patient register was 3536; in comparison to current figures this indicates there has been a 5.2% increase in population. This may be due to migration but is more likely to be due to new arrivals in to the city. If the 2 year old population continues to increase slightly over the next few years then we may potentially see an increase in demand for FEEE 2 year olds places if those families meet the eligibility criteria.

The DfE target is currently for 40% of children from less advantaged households to have access to a FEEE 2 year old place, based on an overall 2 year old population of 3720 and a Spring term 2015 DWP entitlement figure of 1826 the local authority has potentially 49% of all 2 year olds in the city eligible for a two year old FEEE place.

In the longer term a steady increase in the 2 year old population and with the added pressure of 2 year olds entering the early year's childcare market sooner may impact on the demand for 3 and 4 year old places and this could quickly outstrip places available and impact on choice and flexibility in the future. The Council will be completing a strategic planning document on 3 and 4 year old FEEE places to review the demand, supply and take up of provision to be available in early autumn 2015.

- 7.7** The percentage of households within the city with income less than £16,190 varies; the highest percentages of income below £16,190 can be seen in Derwent (35.30%), Alvaston (34.12%), Sinfin (33.96%) and Mackworth (32.12%), with the lowest seen in Mickleover (20.82) and Allestree (21.18%). However, caution should be taken when considering this as there currently is no evidence about which of these households also claim child tax or working tax credit credits or have 2 year old children living as part of the household. The wards with the highest number of potentially eligible 2 year using the DWP Spring 2015 figures are Normanton, Arboretum, Sinfin and Derwent so there are some clear comparisons between wards using these data sets.

- 7.8** The Core Housing Strategy proposes 35,354 houses over the next 15-20 years, with 19,175 of these being built within Derby or on the edge of the city. This development is complex as it straddles both the county and city boundary and may potentially have a significant impact on the sufficiency of 2 year old funded places; please see the School Organisation Plan 2014 for further information.

8.0 Conclusion

Acknowledging the shortfall findings of the MPS 2013, the Council's has successfully facilitated the childcare market by using the Pump Prime Funding programme to pro-actively support childcare providers to create or expand two year old funded places in the key geographical areas of Alvaston, Arboretum, Chaddesden, Derwent, Mackworth, Normanton where significant gaps were identified.

The Council must continue to act as 'market facilitator' by encouraging childcare providers to consider their local childcare market, long term sustainability and through business planning make proactive business and investment decisions to create further FEEE places for 2 year olds or make these more flexible.

The MPS 2015 has identified key sufficiency gaps in Normanton (**108**), Sinfyn (**59**), Chaddesden (**45**), Boulton (**45**), Mackworth (**28**), Littleover (**8**) and Spondon (**6**) wards. These wards still have a shortfall of places but the gaps have been significantly reduced since the MPS 2013. Across the city the Council now has 137 childcare providers delivering FEEE places which has decreased the shortfall identified in the MPS 2013 from 565 places to 299 places

8.1 Recommendations

- CFIT to build on the city's successful marketing campaign and extend this where funding and corporate permission can be secured to include other opportunities such as social media
- CFIT to continue to work closely with key partners such as NHS and Children's Centres so that locality based services can be accountable for increasing the take up of FEEE for 2 year olds with their client groups
- CFIT to work closely with new and existing childcare providers to address the identified shortfall of places in Normanton, Sinfyn, Chaddesden, Boulton, Mackworth, Littleover and Spondon and to manage the childcare market so that parents can access the childcare provider of their choice
- CFIT to ensure that the MPS is produced annually and used as a key strategic planning document to assess the sufficiency of FEEE places for 2 year olds and take up by eligible families. The MPS will inform a yearly action plan which will set targets for managing the sufficiency of two year old FEEE places and maintaining levels of take up of around 70%.

9.0 Contact

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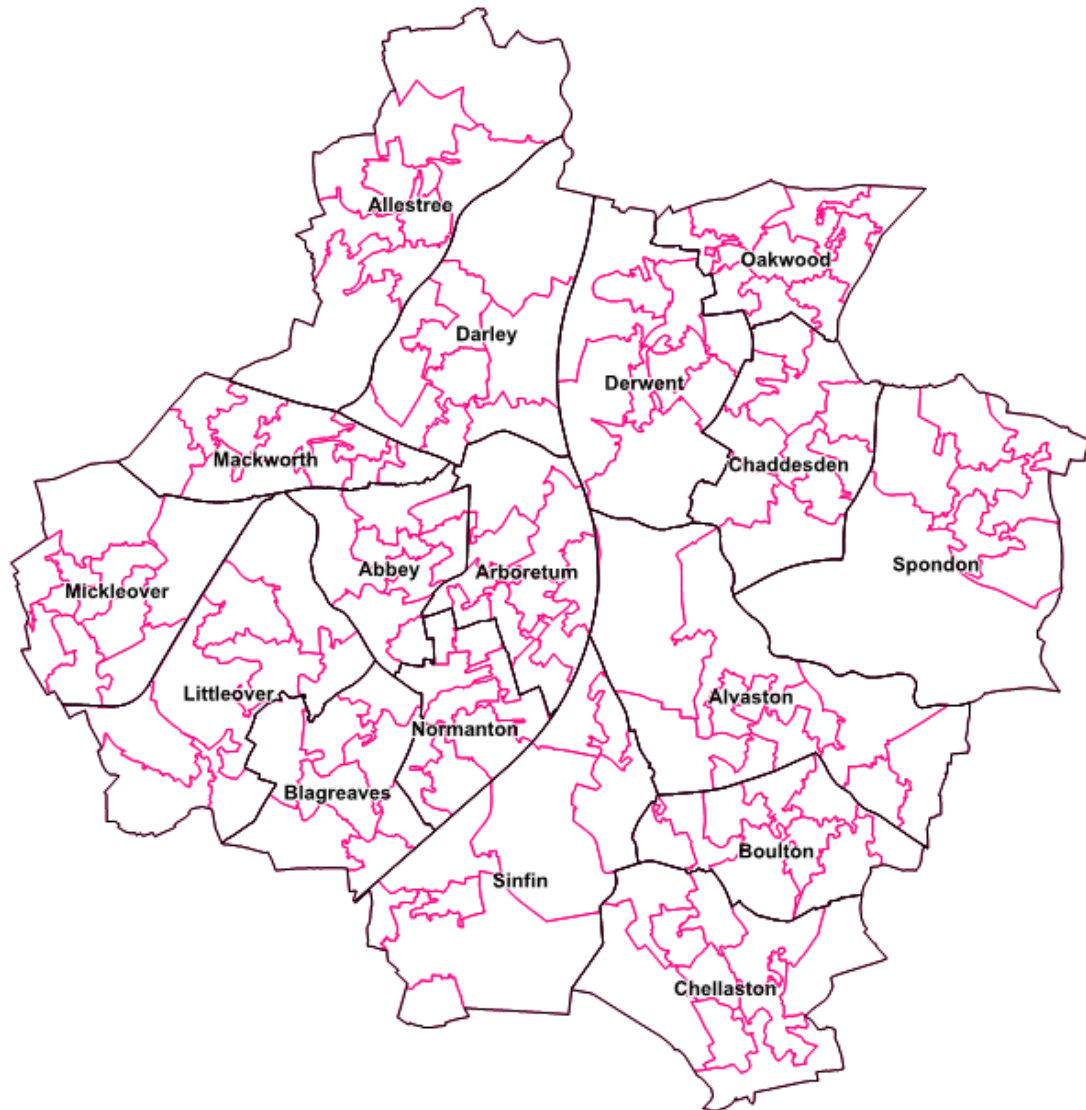
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Appendices

Appendix 1

Table 1: Map of city showing wards



Appendix 2 - 2 year old supply data for FEEE places

Table 1: provider types by locality and ward

Provider* types by locality and ward (Spring 2015)											
Locality		Ward		Provider Type						Total Providers	Total Places
				Childminder		Day Nursery		Pre-School Playgroup			
		Providers	Places	Providers	Places	Providers	Places	Providers	Places		
Locality 1	Chaddesden	5	10	2	24					7	34
	Derwent	3	6	2	92	4	112			9	210
	Oakwood	8	14	2	32					10	46
	Spondon	7	8	2	12	1	26	1	0	11	46
Locality 1 Total		23	38	8	160	5	138	1	0	37	336
Locality 2	Alvaston	2	6	7	162	1	16			10	184
	Boulton	5	10			2	64			7	74
	Chellaston	4	8	3	48	3	24			10	80
	Sinfin	1	2	2	64	3	88	1	0	7	154
Locality 2 Total		12	26	12	274	9	192	1	0	34	492
Locality 3	Abbey	2	4	5	132	1	24			8	160
	Arboretum			5	216	4	112	3	0	12	328
	Normanton	1	2	4	108	3	64	1	0	9	174
Locality 3 Total		3	6	14	456	8	200	4	0	29	662
Locality 4	Blagreaves	3	6	4	56	1	16			8	78
	Littleover	2	4	1	8	2	20			5	32
	Mickleover	2	2	1	8	2	13			5	23
Locality 4 Total		7	12	6	72	5	49			18	133
Locality 5	Allestree	4	8	1	24	3	24			8	56
	Darley	2	2	3	40	1	27			6	69
	Mackworth	1	2	2	48	2	36			5	86
Locality 5 Total		7	12	6	112	6	87			19	211
Grand Total		52	94	46	1074	33	666	6	0	137	1834

*Number of providers includes 'rising 3 providers' but there are no places assigned to these providers

Table 2: provider quality by locality and ward

Provider* quality by locality and ward (Spring 2015)															
Locality		Ward		Provider quality										Total Providers	Total Places
				No Inspection		Met		Inadequate		Satisfactory or RI		Good			
		Providers	Places	Providers	Places	Providers	Places	Providers	Places	Providers	Places	Providers	Places		
Locality 1	Chaddesden	1	0					0	0	6	34			7	34
	Derwent	5	92					1	24	3	94			9	210
	Oakwood							0	0	10	46			10	46
	Spondon	2	3					0	0	9	43			11	46
Locality 1 Total		8	95					1	24	28	217			37	336
Locality 2	Alvaston	2	58					4	78	4	48			10	184
	Boulton							1	16	5	56	1	2	7	74
	Chellaston	1	16					2	48	6	14	1	2	10	80
	Sinfin							3	104	4	50			7	154
Locality 2 Total		3	74					10	246	19	168	2	4	34	492
Locality 3	Abbey	1	24					1	32	5	104	1	0	8	160
	Arboretum	1	32					2	96	7	200	2	0	12	328
	Normanton	1	8					4	100	4	66			9	174
Locality 3 Total		3	64					7	228	16	370	3	0	29	662
Locality 4	Blagreaves	1	24	1	2			1	16	4	28	1	8	8	78
	Littleover							0	0	4	28	1	4	5	32
	Mickleover							1	8	4	15			5	23
Locality 4 Total		1	24	1	2			2	24	12	71	2	12	18	133
Locality 5	Allestree					1	8	0	0	6	46	1	2	8	56
	Darley	1	0					1	27	4	42			6	69
	Mackworth	2	36					1	24	1	24	1	2	5	86
Locality 5 Total		3	36			1	8	2	51	11	112	2	4	19	211
Grand Total		18	293	1	2	1	8	22	573	86	938	9	20	137	1834

*Number of providers includes 'rising 3 providers' but there are no places assigned to these providers

Table 3: number of providers and places by Ofsted outcome

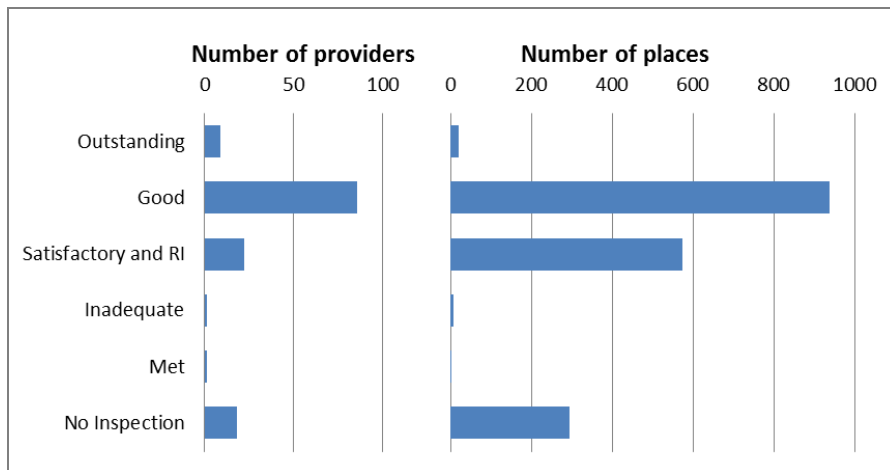


Table 4: number of children by provider quality

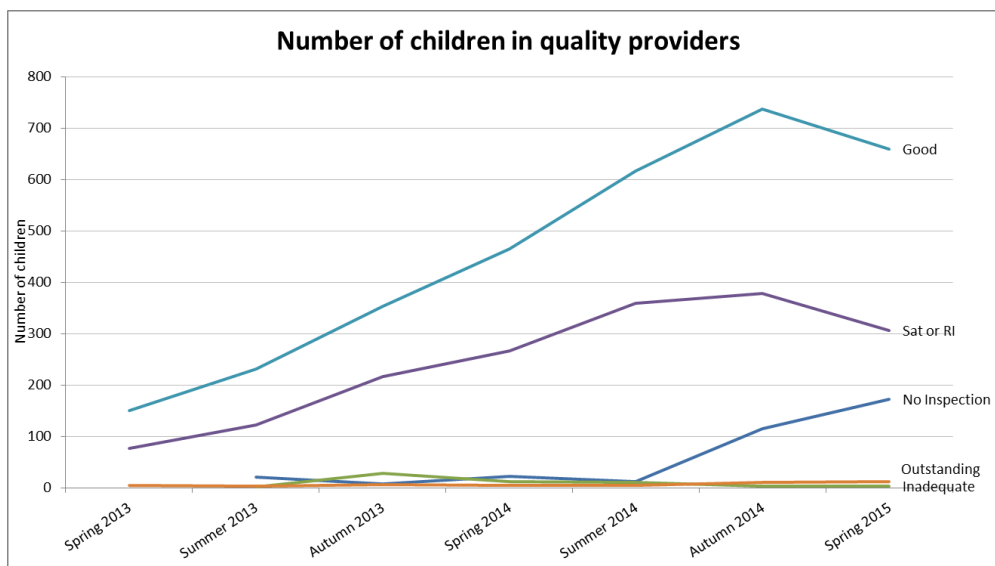


Table 5: FEEE 2 year old take up in Spring term 2015

2 year old take up - ward (Spring 2015)			
Ward	Children in Place	% Take up against DWP	DWP List
Abbey	68	61%	112
Allestree	6	55%	11
Alvaston	125	80%	157
Arboretum	161	62%	259
Blagreaves	44	83%	53
Boulton	86	72%	119
Chaddesden	47	59%	79
Chellaston	49	83%	59
Darley	32	63%	51
Derwent	131	81%	161
Littleover	29	73%	40
Mackworth	84	74%	114
Mickleover	12	57%	21
Normanton	174	62%	282
Oakwood	27	63%	43
Sinfin	144	68%	213
Spondon	29	56%	52
Out of Area	13		
Grand Total	1261	69%	1826

Table 6: FEEE take up by ward – Spring 2015

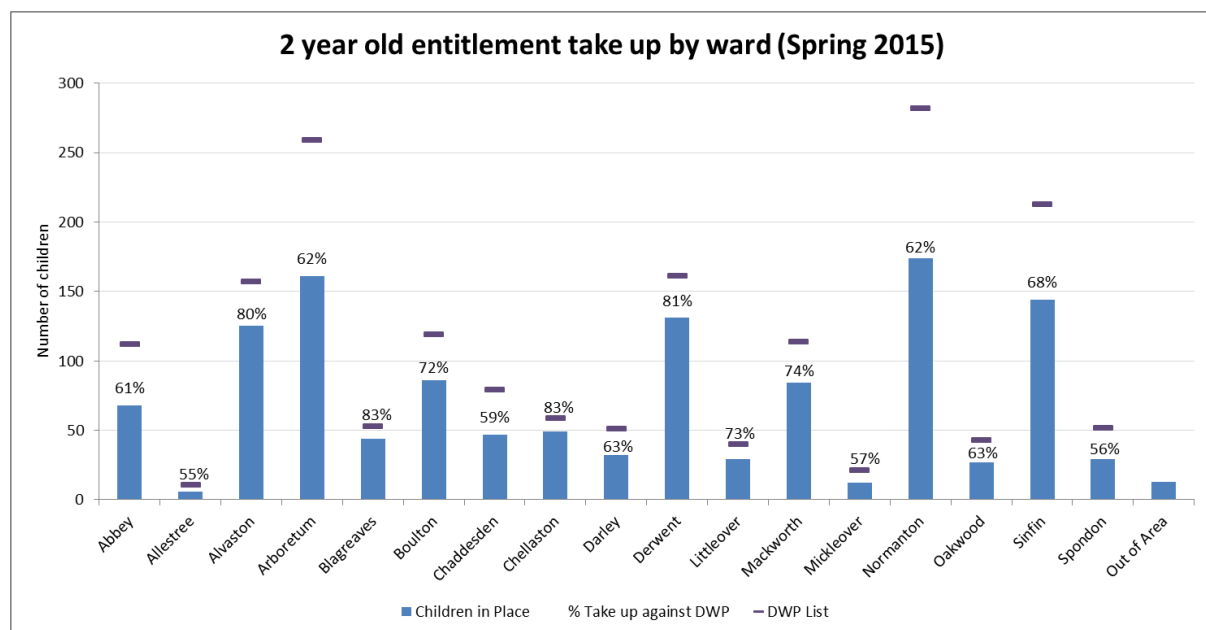


Table 7: Where did parents find out about the FEEE for 2 year olds

2 Year Old - Source of Enquiries		
Source Area	Source	Count of enquiries
Childcare Provider	Childcare Provider	637
Local Advertising	Banner	166
	Leaflet	55
	Lots For Tots	3
	Other	17
	Postcard	34
	Road Side Poster	2
Local Authority	2 Year Old Post Card	17
	CFIT @ Outreach Event	7
	Children's Centre/Family Visitor	222
	Derby City Council Website	251
	Derby Direct	5
	DfE/DWP Letter	422
	DfE/DWP Postcards	12
	Libraries	3
	Other	15
	Social Care	24
Non-Local Authority	Connexions	14
	Derby College	3
	DWP/HMRC	22
	Employer	1
	Friend/Family	249
	JobCentre Plus	27
	National Govt. Campaign	6
	NCMA/PACEY	2
	NHS/Family Support Worker	5
	NHS/Health Visitor	231
	Other	41
	Other F I S	3
	School	School
Grand Total		2563

Appendix 3 – Pump Prime Funding programme

Table 1: Pump Prime Funding summary 2013 - 2015

Localities	Wards	Total Amount of PPF Allocated	Maximum Number Two Year Old Places created with PPF	Number of Two Year Old Funded Places Available	Number of Two Years Accessing a funded place as at March 2015	% of new two year old places created being used
Locality 1	Chaddesden	£10,810	40	32	3	9.4%
	Derwent	£54,523	168	168	118	70.2%
	Oakwood	0	0	0	0	0
	Spondon	0	0	0	0	0
	Total	£65,333	208	200	121	60.5%
Locality 2	Alvaston	£3,000	24	24	5	20.8%
	Boulton	£3985	48	48	38	79.2%
	Chellaston	0	0	0	0	0
	Sinfin	£41,069	156	112	63	56.3%
	Total	£48,054	228	184	106	57.6%
Locality 3	Abbey	£12,330	76	76	21	27.6%
	Arboretum	£102,860	352	288	131	45.5%
	Normanton	£28,948	88	64	20	31.3%
	Total	£144,138	516	428	172	40.2%
Locality 4	Blagreaves	£12,373	46	46	28	60.9%
	Littleover	0	0	0	0	0
	Mickleover	0	0	0	0	0
	Total	£12,373	46	46	28	60.9%
Locality 5	Allestree	0	0	0	0	0
	Darley	£4240	8	8	3	37.5%
	Mackworth	£14,715	36	36	31	86.1%
	Total	£18,955	44	44	34	77.3%
	Total	£288,853	1042	902	461	51.1%

Appendix 4 - Demographic Data

Table 1: 2 year old population by ward

Ward	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Abbey	146	152	164	161	236	197	224	240	237	236	237
Allestree	101	92	96	98	100	106	98	117	115	113	114
Alvaston	201	216	234	230	278	263	283	300	317	306	309
Arboretum	297	284	403	352	437	428	417	418	455	436	440
Blagreaves	111	141	140	120	143	145	151	147	151	150	150
Boulton	159	190	180	147	176	192	159	211	197	195	199
Chaddesden	144	128	156	142	176	184	145	171	146	154	154
Chellaston	144	160	199	188	190	197	208	182	216	203	204
Darley	101	134	147	133	161	153	153	175	178	173	175
Derwent	219	222	229	239	253	268	251	247	281	265	267
Littleover	139	161	158	150	179	154	130	134	150	141	143
Mackworth	158	141	166	149	168	164	192	171	181	180	179
Mickleover	100	109	123	102	115	117	124	139	152	143	145
Normanton	262	321	330	320	391	401	377	402	393	393	395
Oakwood	171	179	159	150	189	187	189	190	162	176	174
Sinfin	248	263	296	246	312	314	307	291	304	300	300
Spondon	97	114	110	113	136	127	132	145	133	137	137
Grand Total	2798	3007	3290	3040	3640	3597	3540	3680	3768	3701	3720

An inverse distance method of calculation for modelling of this data has been used to keep in line with school place planning methodology to support place planning; this is used to determine variants between certain points.