



EQUALITY IMPACT ASSESSMENT

Service: Children's Networks: Early Years

Directorate: Children and Young People's Service

Title of Proposal: Impact of the implementation of the Early Years Single Funding Formula (EYSFF) for childcare.

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1. Introduction

1.1 The purpose of this equality impact assessment of the implementation of an Early Years Single Funding Formula (EYSFF) for childcare is to:

- Understand the implications of resources/resource levels as a consequence of implementing an Early Years Single Funding Formula and how the changes will impact on communities;
- Develop an action plan to manage impact or, where necessary, mitigation plans against significant impacts on communities in Haringey.

2. Aims of the policy, service or function

2.1 In June 2007, the Department for Children, Schools and Families (DCSF) announced the requirement to implement a single funding formula for maintained, private, voluntary and independent sectors from April 2010; proposing that differences in funding across providers must be justifiable and demonstrable. In December 2009 implementation of the EYSFF was deferred until April 2011 to give additional time for consultation on the formula.

2.2 The Children, Schools and Families Select Committee report into the EYSFF, published March 2010, concluded that the underlying principles were sound and that it will bring greater transparency than current arrangements. The Committee's recommendations were to: include a quality supplement; introduce a unified funding formula for 2-11 year olds; and, for the Government to review all Local Authorities (LAs) EYSFFs to ensure transparency, quality and equity. The

Government's response, published April 2010, accepts the principles behind the Select Committee's recommendations but notes that an EYSFF is for local agreement between LAs and providers.

- 2.3 From September 2010, all 3 and 4 year olds are entitled to 15 hours per week free childcare (rising from 12.5 hours in 2009-10). This entitlement is also to be flexible. Parents are to have some choice over the number of sessions and the length of sessions that will make up the 15 hours of funded provision. Private, voluntary and independent providers can choose whether or not to offer funded provision.
- 2.4 Concerns have been raised nationally over the quality of cost analysis available on private, voluntary and independent sector provision and the lack of a clear understanding of the differential staffing costs between maintained and PVI sectors. Haringey have used detailed survey figures from pan-London data, to develop its cost analysis - a strategy adopted by most London LAs.
- 2.5 Concern has also been raised over targeted support for vulnerable communities and young children. A market driven model is unlikely to deliver sufficient, affordable childcare places for those communities where deprivation is highest.
- 2.6 Haringey Council has made considerable progress with the development of its Early Years Single Funding Formula and in modeling the impact that this formula will have on the distribution of resources to fund the 15 hour offer across the Borough.

3. Consideration of available data, research and information

- 3.1 This section reviews the range of information available to determine the current position and future impact of the Early Years Single Funding Formula. We review the current position to establish which children are gaining benefit from the funding of 12.5 hours per week of childcare and those who will benefit most from the increased investment to provide for 15 hours per week alongside the implementation of a single funding formula.
- 3.2 The distribution of the child population is not uniform across the Borough. Population density of 0 - 4 year olds varies widely; North network has the highest density, South network next and West network with the lowest density. Seven Sisters, Bruce Grove and Tottenham Hale wards have the highest density; Highgate, Stroud Green and Crouch End wards have the lowest density. The most deprived communities, the highest proportion of children from non-white groups and the greatest incidence of children with the most pressing needs are found in the North and South networks.
- 3.3 Haringey Council has engaged a significant proportion of 3 and 4 year olds in its free entitlement offer: The overall figure is 73% of 3 and 4 year olds excluding those 4 year olds already in reception classes. Overall, 68% of families access entitlement through the maintained sector and 32% from PVI nurseries and playgroups.
- 3.4 In total, 1106 places are taken up from providers in the north network, 1343 by providers in the west network and 1533 by providers in the south network. There are many more, smaller PVI settings. In total there are 49 maintained settings; 5

Children's Centre day care nurseries and 59 PVI settings. The PVI and maintained settings in the West network are fully subscribed. There are vacancies in some of the maintained settings in North and South networks. Maintained settings are located in primary and nursery schools in the main and the location of provision has remained fixed over time.

- 3.5 Take-up ratios vary widely across wards. The number of children accessing the 12.5 hours free entitlement in the 30% most deprived wards shows a varied take up of 40% - 89% and 6 of the 13 most deprived wards have lower than 60% take up. The take up in the three wards with the highest number of children in poverty are White Hart Lane 74%, Northumberland Park 68%, Tottenham Hale 72%. It is clear that factors in addition to poverty and affordability are also influencing rates of take-up of funded places. It is also those families in greatest need of support and children who would benefit most from early education who are not, in general, accessing their entitlement to funded childcare and early education.
- 3.6 Whilst many families access provision in their locality, there is significant mobility within and outside the LA. Just over 61% of places in the north network are used by local families; 78% of places in the south network are used by local families; and 69% of places in the west network are used by local families. Within Haringey there is a strong preference for educational provision that is located in the West network. This is evident throughout all phases of education and most common in the secondary phase. Those families who can exercise choice and sustain travel to childcare and learning are accessing provision outside of their ward of residence.
- 3.7 There is considerable variation in take up of funded places across different ethnic groups. The early years population accessing free childcare is made up of 4.6% (7.2%) of Asian children; 24.5% (30.9%) of Black children, 0.73% of Chinese children, 1.54% (7.21%) from other groups, 15% (9.34%) from mixed groups and 53.1% (44.0%) from white groups.¹ From these figures it is clear that white and mixed heritage children are over-represented and Black and Asian children under-represented in funded provision.
- 3.8 The factors which account for the over and under-representation of families accessing free childcare include:
- knowledge of their entitlement to funded places and the ways to gain access to that provision;
 - availability of good quality provision in the locality – good quality childcare places, that are available, are not necessarily in easy reach of the place where families live;
 - cultural choice where childcare at home or within a closed community is the preferred option;
 - A preference for alternative provision through child minders or kinship networks.
- 3.9 Children's Centres have a key role to play in working with families and children with the most intensive needs. Some have very high contact ratios with these groups through effective outreach programmes; others are less successful in reaching and engaging socially isolated groups in accessing local services.

¹ Figures in brackets are the 2010 population proportions calculated on the Y1 school population

3.10 The Early Years Single Funding Formula is a market driven model. The funding will follow the child. This will have a very significant impact on where investment is located and prioritised. These issues are considered in the next section.

4. Assessment of Impact

4.1 The implementation of the early years single funding formula will shift investment significantly from the maintained to the PVI sector and from the south to the west. There are extra resources invested into the system to fund the increase from 12.5 hours to 15 hours. However there are clear shifts in where that investment will be located and consequently where the greatest benefit will be realised. Parents are also accessing childcare through the range of child minders active across Haringey. There are 71 in the north network, 100 in the south network and 69 in the west network. There are also 6 crèches in the North, 4 in the south and 3 in the west. Children attending these settings do not access the funding for free places, most of which are in the north and south network areas.

Gross impact of EYSFF:

Maintained primary schools:	gain	£16,141
Maintained nursery schools:	lose	£69,511
CC and PVI:	gain	£763,116

Geographical impact of the EYSFF:

49% of PVI 3/4year old funded places are in the West network
20% of part time maintained places are in the West network area
15% of full time maintained places are in the West network area.

4.2 The EYSFF is a universal benefit which follows a child accessing childcare and early education in a maintained setting or registered PVI setting. The overall impact of the implementation of the EYSFF will be to invest a greater proportion of resources in the West network, in PVI settings and significantly reduce funding to maintained nursery schools. 51% of funded places in the PVI sector are taken up by children resident in west network wards. Conversely, 22.7% of places in the maintained sector are accessed by these communities. White communities are overrepresented in accessing PVI provision and black and Asian communities are underrepresented. The highest proportion of places accessed by out of borough residents is in the West network. Families resident in the West network are least likely to seek places in other network areas.

4.3 Many of the PVI settings are small but carry a significant management overhead. Several elements of the proposed EYSFF provide allocations to settings irrespective of size. Such factors form part of the explanation for the transfer of resources between the maintained and PVI sector.

4.4 The Early Years Single Funding Formula would bring greater investment to already advantaged communities because of the re-distribution of resources from the maintained sector to the PVI sector. We have the largest number of PVI providers in the west of the borough.

- 4.5 Haringey's child poverty needs assessment points to a ratio of need across network areas as: West 13%: North 37%: South 50%. High quality, affordable childcare is demonstrated by research to be one of the most potent factors in mitigating the impact of child poverty through education and facilitating employment. The proposed model for the EYSFF would reduce the Council's capacity to use childcare as a key lever in mitigating the effects of poverty.
- 4.6 Research shows us that families who face the greatest barriers to social inclusion are those who are least likely to access the benefits and services to which they are entitled. The lower levels of take-up of free funded early education and childcare from ethnic minority groups and from the most socio-economically deprived communities contributes to the widening gap in achievement and aspiration as children move through the school system. There is also a gender imbalance in participation from some ethnic communities - boys are more likely to be registered for childcare than girls.
- 4.7 Haringey intends to target a proportion of the overall funding for the free entitlement to meet the needs of socio-economically deprived communities and targeted ethnic minority groups through the inclusion of a deprivation supplement within the formula. This should enable settings to provide for the additional needs that children from these communities may have. The second element of the deprivation supplement formula is triggered by children from key ethnic groups: African, African-Caribbean, Turkish, Kurdish and Gypsy, Roma and Irish Travelers. The funding formula does not however, stimulate the take-up of additional places in areas of greatest need.
- 4.8 Haringey also funds 857 targeted full time places across its Nursery School and maintained Nursery classes. The intention was to target some resources on children with special educational needs and to address higher levels of need within our communities. Places are allocated to maintained settings and some PVI settings with admissions to these places, in most cases, being managed by those settings. Currently, there is no mechanism to ensure that take-up of full time places is supporting families with the greatest needs. Indeed, some full time places have been allocated to out-of borough residents.
- 4.9 The key issue facing Haringey is the need to ensure greater take-up of funded early years provision in those communities where needs are greatest. However, alongside all local authorities nationally, Haringey is facing very stringent financial constraints as a consequence of the national coalition government's fiscal policy and the potential outcomes of the national spending review. The impact will be very significant for early years and non-statutory services. To mitigate the impact on those communities where needs are greatest it will be necessary to:
- improve the uptake of the free entitlement for 3 & 4 year olds by children from families in our disadvantaged communities and priority groups by promoting the uptake of childcare within the locality;
 - work with community and voluntary organisations to improve access for families to settings offering affordable and accessible childcare in the localities where families would benefit most;

4.10 There may well be the withdrawal of universal benefit and consequently means testing of support for childcare. We know that under these conditions there will be children needing support where claims will not be made. Once again, Children's Centres will have a key role to play to ensure that those who are entitled to funding will have access to that support.

4.11 The current proposal for the allocation of resources through the single funding formula (EYSFF) model proposed is likely to widen the gap between communities particularly where availability and affordability of places is an issue. The action required to address this issue is:

- a programme of outreach work by Children's Centres and key partners agencies serving the most challenged communities and families, to increase take-up of funded places and sustained participation in childcare and early education;
- consider the use of funding for full time places more strategically to address priority needs;

5. Consultation

5.1 Formal consultation on the Early Years Single Funding Formula is scheduled for autumn 2010. This consultation will include all stakeholders to ensure that there is a consensus over the components of the formula and its impact on the funding of Early Years provision.

There are a range of consultations undertaken to date which inform the issues raised in this Equality Impact Assessment. These consultations point to:

- the importance of outreach work from Children's Centres and other agencies to increase access to childcare, early education and other services for young children;
- the wide variation in intensity and impact of outreach services;
- the value of specialist knowledge and expertise in working with the most disadvantaged groups;
- the importance of local partnerships to ensure that services are deliverable and sustainable;
- The vital role of very effective local 'intelligence' networks particularly where there are high levels of mobility in local communities.

5.2 Consultation to date on the implementation of the Single Funding Formula has shown that:

- there are widespread concerns that the implementation of the formula will widen the achievement and progress gap that already exists when children start school;
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- The elements for deprivation and quality are variable factors which can be used to support the additional needs of children from priority groups;
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- more intensive and sustained work is required in local communities if the take-up of funded childcare places is to increase amongst priority groups;

- 5.3 The proposed Early Years Single Funding Formula will be available publicly through reports to Council and to School's Forum.
- 5.4 The Childcare Sufficiency Audit will be published in spring 2011 and will include a detailed report on the outcomes of consultation with focus groups and the results of a postal questionnaire.

6. Training

- 6.1 The implementation of the Early Years Single Funding Formula has repercussions for a wide range of agencies and services. The focus for Haringey is on measures to increase the take-up of funded childcare places by a much greater proportion of families in the priority groups, from the communities facing the greatest impact of child poverty and from key ethnic communities. There are also training issues for all settings to accelerate the progress of those children with priority needs and ensure the continuing improvement in the quality of provision.
- 6.2 The training required to achieve these improved outcomes will be delivered through the overall early years programme and will include training needs identified through a similar review of Children's Centres and the outcomes of the Childcare Sufficiency Audit 2011. The training programme will be targeted at maintained settings; PVI and children's centres; partners in early year's provision; and, LA staff.
- 6.3 The outcomes of the training will be to:
- increase the effectiveness of contact with all communities across Haringey and in particular with those who are less likely to access early years services;
 - increase participation in funded childcare, particularly amongst priority groups;
 - improve the assessment of needs, intervention and tracking of progress of priority groups across all settings;
 - develop a more even provision of PVI settings across Haringey;
 - Improve the value for money achieved through all settings and ensure that resources are targeted where needs are greatest.

7. Monitoring arrangements

- 7.1 The collection and analysis of PLASC data will enable an annual review of take-up across all wards, SOAs, communities and providers. The key indicators will be participation figures, particularly for those communities, groups and geographical areas where participation has been low in the past. This analysis will be undertaken jointly by the School Funding and Early Years team.
- 7.2 Children's progress in early education is assessed in all settings that offer funded places. The collection and analysis of this data annually will provide evidence of the impact of childcare and early learning on key communities and priority groups. This analysis will be undertaken by the Early Years team.

7.3 Haringey will also continue to review the sufficiency of places for 3 and 4 year olds to ensure that the outcomes of the Childcare Sufficiency Audit are implemented. In addition to this, the quality of the free entitlement provision across all sectors will continue to be monitored to ensure that all children are able to access the best possible quality education and care in their earliest years. This monitoring and analysis will be undertaken by the Early Years team.

8. Impacts identified

Diversity	Impact
Age	<p>The Early Years single funding formula is a universal benefit available to all 3 and 4 year olds where parents choose eligible childcare for their children.</p> <p>The formula, in itself, has no adverse impact due to age. More three year olds than four year olds access funded places. Many four year olds enter reception classes and are involved in full-time education.</p>
Disability	<p>Children with a disability have priority in admissions policies and many are supported through the funding of full time places. There are designated places in special schools for children with complex disabilities. Targeted funding ensures that appropriate places are available for all children with a disability who are known to the Local Authority.</p>
Ethnicity	<p>There is a low take-up of funded child-care places by parents in some of the most deprived and ethnically diverse wards and under representation by ethnic minority groups particularly: Travelers/Gypsy Roma; Asian groups; Black African and Caribbean groups.</p> <p>White and mixed groups are much more likely to take up funded places.</p>
Gender	<p>The single funding formula itself is a universal grant which follows the child. Overall here is a proportional balance of boys and girls accessing funded childcare, but in some communities there are more boys than girls participating.</p>
Religion or Belief	<p>The single funding formula provides funding for denominational and faith based settings in both the maintained and private, voluntary and independent settings. The application of the formula is common across all settings. Those settings supporting families from the most deprived communities, from priority groups and from key ethnic communities gain additional resources through the application of the formula.</p>
Sexual Orientation	<p>Data is not collected on sexual orientation. There is no known adverse impact.</p>

9. Actions to be implemented

Equality Areas	Impact	Action required	Lead Person	Timescale	Resource implications
<p>Early Years Outcomes Duty: Reducing the gap between the 20% most disadvantaged and the rest</p>	<p>Re-distribution of resources from maintained sector to the PVI sector. Majority of PVI providers are located in the West network within the borough in which levels of child poverty are significantly lower.</p>	<p>Target a proportion of the overall funding for the free entitlement to meet the needs of socio-economically deprived communities and targeted ethnic minority groups through the inclusion of a deprivation supplement within the formula.</p> <p>Ensure that the deprivation supplement acts as an enabler; supporting the provision of high quality, accessible places for our most disadvantaged 3 and 4 year olds.</p>		<p>April 11</p>	

Equality Areas	Impact	Action required	Lead Person	Timescale	Resource implications
Age Ethnicity	The take-up of funded places varies significantly across Haringey with a very high provision and take up of places in the West of the borough and very low take-up of places in some communities in the East of the borough	<p>Improve the quality of information on the benefits of childcare and early education and on the availability of funded places in the locality.</p> <p>Partnership working with key statutory, voluntary and community Early Years service providers.</p> <p>Establish effective mechanisms for linking the provision of, and access to targeted childcare for 2 year olds, to the free entitlement for 3 and 4 year olds.</p>	<p>Greer Ndefo/ Children's Information Service</p> <p>Ngozi Anuforo/Ros Cooke</p> <p>Ngozi Anuforo</p>	October 10 - March 11	5 days officer time Revised publications and web pages
Ethnicity	Lower take-up of funded child-care places by parents in some of the most deprived and ethnically diverse wards and under representation by ethnic minority groups particularly: Travelers/Gypsy Roma; Asian groups; Black African and Caribbean groups.	Improve outreach from Children's Centres and key partner organizations; serving the most deprived communities, to increase take-up of funded childcare	Ngozi Anuforo	January 11 - March 11	Greater impact from targeted outreach services

Equality Areas	Impact	Action required	Lead Person	Timescale	Resource implications
Ethnicity Disability		Improve the monitoring of progress of priority groups and target populations to identify impact of provision and further investments required.	Ngozi Anuforo	January 11 - March 11	One day conference fro leaders of settings Three days staff time
Disability Gender Ethnicity		Implement the monitoring strategy set out in Section 7above.	Ngozi Anuforo	January 2011	Systems already in place

9. Publication and sign off

This Equality Impact Assessment will be signed off published in 2010 and made publicly available through Haringey's web-site. It will be filed in the Members library and will be made available through Public Libraries and Children's Centres.

Assessed by (Author of the proposal):

Name:

Designation:

Signature:

Date:

Quality checked by (Equality Team):

Name:

Designation:

Signature:

Date:

Sign off by Directorate Management Team:

Name:

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Signature:

Date: