Manchester City Council
Report for Resolution

Report to: Children and Young People Scrutiny Committee –28 February 2017

Subject: Early Years Update

Report of: Director of Education and Skills

Summary

This report provides the Committee with an update on the roll out of the Early Years Delivery Model; an overview of the quality of provision in the sector; confirmation of changes in the rates of payment to providers and a summary of next steps.

Recommendations

Members are asked to note the contents of the report.

Wards Affected: All

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Background documents (available for public inspection):

None

1. Introduction

This report provides the committee with an update on the roll out of the Early Years Delivery Model; an overview of the quality of provision in childcare settings in the City; confirmation of changes in the rates of payment to providers and a summary of next steps.

2. Context

The Early Years Offer for the City has been developed in three parts:

(i) an Early Years Delivery Model working in an integrated way with health partners;

(ii) access to good quality, accessible and affordable childcare and early learning places across the City; and

(iii) ensuring families are connected to an integrated and targeted family offer delivered by Sure Start Children's Centres through the revised Sure Start Core Purpose

3. The Early Years Delivery Model

The Early Years Delivery Model (EYDM) is an integrated pathway for all children from pre-birth to 5 years of age in partnership with health care and early years professionals. The model supports the delivery of the Sure Start Core Purpose which has at its heart improving outcomes for young children and their families and reducing inequalities in: child development and school readiness; parenting aspirations and parenting skills; and child and family health and life chances. The EYDM incorporates the new model for Health Visiting in accordance with the national 'Call to Action'. Getting the 'right start' is most likely to lead to better physical, social, emotional and educational outcomes, from children being school ready at the end of the Early Years Foundation Stage to having improved life chances in the longer term.

An 8 stage model based on assessment at key points was developed across Greater Manchester in line with the national expansion of Health Visitors. The 8 stage model largely aligns to the requirements of the Healthy Child Programme (HCP) and has a requirement to use the Ages and Stages Questionnaire 3 (ASQ3) as the main assessment tool.

4. Roll out of the Early Years Delivery Model from April 2015

The phased roll out of the EYDM began in April 2015 with

- the staffing infrastructure in place with a plan to complete Health Visitor recruitment by January 2016.
- the Sure Start Core Purpose delivered using a place based approach with 14 Sure Start groupings, with 6 of these groups managed and organised on behalf of MCC by five public sector and voluntary organisations and 8 groups managed by MCC.
- the first five stages of the eight stage assessment model in place across the city

- **Stage 1 assessment;** roll out of the Healthy Child Programme Health Visitor assessment antenatal visit from 28 weeks.
- **Stage 2 assessment** ; new birth visit at 10- 14 days
- **Stage 3 assessment** ; two month HV visits making use of the evidence based Ages and Stages Questionnaire 3 (ASQ3) and a Maternal Mental Health Assessment

- **Stage 4 assessment** ; nine months assessment offered by booked appointments and making use of the ASQ3
- **Stage 5** assessment; 2 year review offered by booked appointments and making use of the ASQ3.

- **Assessment stage 6** has been trialled in 70 schools, using the ASQ3 (an assessment tool which is new to schools) pending a wider scale up in Summer 2017. Stages 7 and 8 are to be reviewed with schools pending implementation in 2019 and 2020 respectively
- Implementation of the assessment stages and the commissioned evidence based interventions at scale for all babies born after 1st April 2015 including the ASQ3, Wellcomm Screening tool and Incredible Years.

5. Stages 1-5 Performance data and emerging outcomes from interventions

NHS England expected performance against all 5 of the HCP assessments, when fully rolled out, to be at 95% reach nationally. The most recent city wide data available for stages 1 to 5 is for Quarter 2 2016-17. This data shows a reduction in reach when compared to the previous quarter. During Quarter 2 the health service moved to a new information management system and the fall in recorded output reflects the transition between systems including staff training in use and management of the new system. Draft data for Quarter 3 shows improvement and a return to previous levels with maternal mental health assessments reaching 83%; the stage 3 6-8 week development check reaching 93% and the stage 2 new birth visit improving to 83%. These levels of performance are subject to contract monitoring.

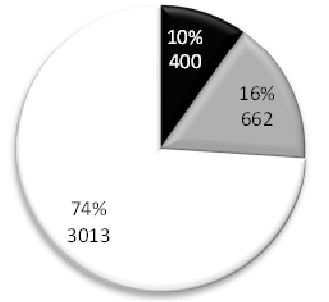
Contact	Description	2016-17 Q1	2016-17 Q2
Antenatal	Visit to every pregnant woman between 28 – 36 weeks	21%	39%
New Birth Visit	Visit to every new born baby between 10-14 days to include a maternal contact if appropriate *(data in brackets relates to % seen over 14days)*	87% (10%)	72% (15%)
Maternal Mental Health Assessment	Undertaken with every mother between 6 -8wks	90%	65%
6-8wk Health Developmental Assessment (HDA)	Visit to every baby between 6-8wk to undertake an ASQ, assess development and identify needs	N/A	N/A
9 month Health Development Assessment (HDA)	Booked contact for every child at 9 months, to undertake an ASQ, assess development and identify needs by 12months and by 15months in Brackets	61% (61%)	62% (65%)
2 year Health Developmental Assessment (HDA)	Booked contact for every child at 2 years, to undertake an ASQ, assess development and identify needs	54%	60%

The most recent data indicates that take up of the Stage 4 (9 months) and Stage 5 (2 year old) reviews was at 54% and 61% respectively. These reviews generally take place in clinical settings rather than during home visits. Parents must make an appointment and attend at an agreed time. Work is underway to improve take up including late afternoon clinics, a revised appointment letter and follow up by Early Years Outreach Workers

Stage 6 assessments have been trialled in up to 70 Primary Schools. A further roll out of Stage 6 is planned for March 2017. At this time all Primary Schools who haven't currently trialled the assessment will be invited to attend. Positive outcomes from the pilot schools have included the earlier building of relationships with parents; opportunities to influence the home learning environment through the development of home learning packs based on individual assessment and support for parents to develop their understanding of typical child development.

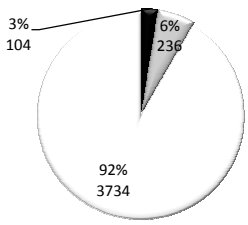
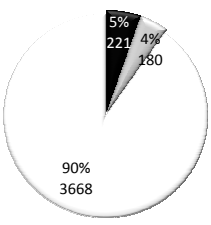
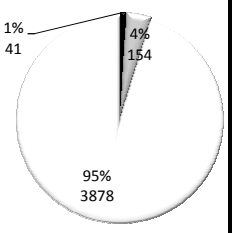
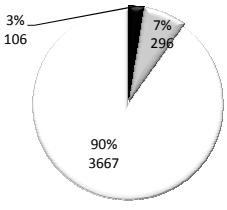
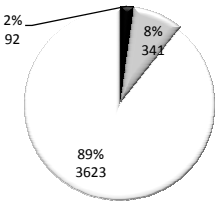
5.1 Developmental outcome by area of learning/domain

ASQ Development Outcomes at 6 – 8 weeks (as at end of Q2 2016)



The ASQ3 is an evidence based assessment completed by parents and supported by professionals. Results are scored and categorised as falling within black, grey or white shaded areas for 5 aspects of learning. Children whose scores fall within the white area are considered to be developing typically. Grey indicates that development requires targeted attention and black indicates that further assessment and specialist attention is required. Children are categorised by their highest level of need in any area of learning.
At 6-8 weeks 74% of children show typical development in all areas of learning. 16% require targeted support and 10% specialist attention.

Developmental outcome by area of learning/domain

Communication	Gross Motor	Fine Motor	Problem Solving	Personal Social
				

The ASQ assesses children against the five areas of learning above; the charts above demonstrate the percentage of children scoring in the white, grey and black for each area of learning. As in the previous section white indicates developing typically, grey indicates targeted activity required and black indicates specialist attention required.

The diagram above indicates that at 6-8 weeks the need for support or intervention is lowest for fine motor skills with 95% of children showing expected levels of development, 1% of children being categorised as in the black area indicating a need for specialist attention and 4% categorised as grey indicating targeted attention. Overall the need for support is greatest for personal social development where 89% of children are assessed as showing expected levels of development, 2% requiring specialist attention and 8% requiring targeted attention.

Of the children who with an ASQ3 assessment at 9months and/or 2 years:

At **9 months** 61% are developing typically in all areas of leaning whilst 27% require targeted attention and 11% specialist attention. The majority of children requiring targeted attention at 9 months do so in the area of gross motor control. This includes balance, standing and sitting.

At **2 years** 71% of children show typical development in all areas of learning. At this stage the need for intervention and support is greatest for communication (18%) and then personal social areas of learning (13%) . Notably communication at 2 years has the highest proportion of children requiring specialist support (11%). Communication at this stage of the ASQ3 focuses on items such as pointing and identifying, use of 2 and 3 word phrases and following a simple instruction.
In the assessment of this cohort, 2 year olds' gross motor needs are lower with only 8% requiring targeted or specialist intervention.

5.2 Communication and Language
A Communication and Language pathway has been developed in response to the Greater Manchester Speech and Language Therapy (SALT) service specification and in line with the EYDM in Manchester to support the language development of young children at risk of language delay. The pathway is linked to the need to improve school readiness and the recognition of the potential life long impact communication difficulties can have on individuals and the wider community.

The support provided is based on evidence that coordinated community wide strategies to develop the skills of the children's workforce and empower parents to give their young children the best possible start in life can improve language skills across the community, with a particular impact on disadvantaged children.

There is evidence that the risks associated with language difficulties can be mitigated by early identification and intervention. Children whose language difficulties are resolved by 5½ years are more likely to go on to develop good reading and spelling skills and keep pace with peers, achieving on a par with children without a history of language disorder by the end of schooling (Conti-Ramsden, 2009).

The Communication and Language pathway includes delivery of a standardised language screening tool known as Wellcomm. The potential outcomes of the tool are:

Red Referral to specialist speech and language therapy service

Amber Access to language activities within the Communication and Language pathway

Green No support required

Although the Communication and Language Pathway is still being embedded there has been a significant increase in the percentage of children identified by the ASQ3 assessment who now receive a Wellcomm screening. At the end of Quarter 2 83% of 2 year olds identified by ASQ3 assessment as needing support have received a Wellcomm screen.

In addition to Wellcomm activities, parents are given the opportunity to attend Parent Child Interaction (PCI) groups to increase their understanding of language development and communication strategies which support their child's communication development.

Parents are observed and assessed pre and post groups by the facilitator on the frequency of their use of the strategies taught such as; following the child's lead, commenting and repeating language. The **average group score pre and post groups rose from 10.7 pre-PCI groups to 17.8 post PCI groups (out of a maximum score of 33),** demonstrating an increase in parents using strategies to encourage speech and language development during interactions with their children.

Reasons for not sustaining intervention included; parents/family unavailable, family moved out of area and parents starting a new job.

January – December 2015	**275**
January – September 2016	**648**

There has been a substantial increase in referrals to the SALT specialist service in 2016. This is as a direct result of the pathway.

These children with communication and language needs would not previously have been identified as early prior to the implementation of the communication and language pathway.

The high referral rate has created a challenge for the specialist speech and language therapy service and waiting times for initial assessment have increased. However, once assessed, the children and families will access appropriate advice and support to ensure that children reach their potential in communication and language before they begin school.

5.3 Support for Parenting

The Children and Parenting Service (CAPS) is a multi-agency, early intervention service delivering high quality, evidence based interventions to Manchester's most vulnerable pre-schoolers and their families. All CAPS interventions are delivered to targeted families with clinically significant problems such as poor attachment, child conduct, parental depression, parental anxiety or lack of confidence and risk of harm or neglect. There is overwhelming evidence that failing to tackle these problems early on in preschool leads to poorer life chances.

Incredible Years (IY) Parent Training Programme, Webster-Stratton (Parent Survival Courses in Manchester)

The Incredible Years (IY) Parent Training programme is an intervention with one of the strongest evidence bases within its field. CAPS are commissioned to deliver a suite of IY parenting interventions. CAPS has reported on the delivery of interventions to 740 children from birth to 5 years in the last 12 months. Initial calculations by the Social Finance Office informed commissioning decisions based on reaching a target group of 20% of the preschool population. MCC commissions CAPS to deliver evidence based interventions including Incredible Years Parent Programmes to at least 85% of this target group. Cohorts in Manchester have grown considerably since the EYDM was designed. The expected reach based on current population is up to 1550 children per year. This depends on need and the level of referrals.

The success of the intervention is measured by the use of clinically significant impact measures such as the Karitane Parenting Self Confidence Scale and the Eyberg Child Behaviour Inventory. Both show that post intervention the majority of those seen successfully move out of the clinical range for intervention. Work continues to assess longer term impact and CAPS continues to work with children in the Early Years who remain within the clinical range.

6. Integrated Review at 2 years

An early implementation group, of settings from north, central and south areas, has been set up to explore options to bring together the Early Years Foundation Stage (EYFS) Progress Check at age 2-3 and the health and development review at age 2-2½ for children funded for the free early education entitlement. This arose out of concerns nationally and locally that separate reviews can lead to duplication, the potential for conflicting advice for parents and missed opportunities for early identification of need.

This group will trial approaches and make recommendations for city- wide implementation by June 2017. The early implementation group includes Sure Start providers, health visitors, Early Years Quality Assurance officers and settings in the private and voluntary sector.

7. EYQA Ofsted outcomes

Ofsted outcomes for the quality of provision within the Early Years Private, Voluntary and Independent sector continue to improve. Of settings inspected

95% full day care is graded 'Good or Outstanding'.
100% MCC tendered settings are graded 'Good' or 'Outstanding'
90%Sessional childcare is graded 'Good'.
95%Out of school clubs are graded 'Good' or 'Outstanding'
85%childminders are 'Good' or 'Outstanding'

The Early Years Quality Assurance team continues to target support and intervention at settings judged Requires Improvement and Inadequate and prioritises settings awaiting inspection and those known to have new or inexperienced staff or who, for other reasons, may be cause for concern.

Early Years Development briefings continue to be offered termly to all settings. There

is regular communication with all settings to support them to remain informed about changes to requirements including Safeguarding and Prevent for example and to ensure that strategies to continue to improve provision are implemented. Dental Health, the MSCB and the Integrated Review have been recent topics.

8. Funding Rates for the Free Early Education Entitlement

8.1 In line with recent recommendations the rates paid to providers for the Free Early Education Entitlement have been reviewed. Until 2017 Manchester has paid variable hourly rates to providers:

Age group	Setting	Base Rate £	Deprivation rate £	Quality Supplement £	**Total Hourly Rate £**
2 year olds	All settings	4.85			**4.85**
3 - 4 year olds	Nursery Schools	7.31	0.00 - 0.25	1.15	**8.46 - 8.71**
	School Nurseries	2.35	0.00 - 0.25	1.15	**3.50 - 3.75**
	PVI Childminder	2.00	0.00 - 0.25	1.15	**3.15 - 3.40**
	PVI Day Nursery	2.30	0.00 - 0.25	1.15	**3.45 - 3.70**
	PVI Playgroup	2.05	0.00 - 0.25	1.15	**3.20 - 3.45**

The FEEE rate for **two year old** children is the same in all settings across Manchester and reflects the higher staff to child ratio required in the care of two year olds (1:4) when compared to the ratio for children who are 3 or 4 years old (1:8 or 1: 13 within specific hours of the day).

The rate for **3 and 4 year olds** previously agreed by Schools Forum for payment from the financial year 2011/12 is made up of three portions, a base rate, a quality supplement and a deprivation payment. The **base rate** is derived from a cost analysis of provision and legal requirements for staffing levels. The **quality supplement** of £1.15 per child per hour is paid to all providers. Settings are expected to engage with the LA's QA framework and work towards the achievement of an Ofsted outcome of at least Good. The LA can, and does, withdraw this element of funding if a setting is judged Inadequate and provides support for settings judged Requires Improvement to help them to improve the quality of provision .The **deprivation rate** is paid on a sliding scale ranging from 0.25 pence per hour for

children in the most deprived areas to 0.00 pence for those in the least deprived areas.

Following discussion with providers and Schools Forum it has been agreed that the rates for the funding for 3 and 4 year olds paid to childminders, playgroups/sessional care and day care will be brought into line with the rate paid to school nurseries; a base rate of £2.35 per hour.

8.2 New national funding formula

From April 2017 there will be a new national funding formula for early years funding for 3 and 4 year olds.The new formula has set one rate for all early years providers. The hourly funding rate to the Council from the Government will be calculated as:

A national base rate of £3.53 per hour plus:

- additional educational needs' (AEN) funding based on proxy counts of children entitled to Free School Meals, with English as an Additional Language and/or in receipt of Disability Living Allowance

Multiplied by:

- an Area Cost Adjustment (to account for labour and premises variations across the country)

The result of the above calculation for Manchester is a payment equivalent to £4.87 per hour.

Councils can retain 7% of the overall allocation from the early years block for the 3 and 4 year olds to cover the central administration and management costs. This retention rate will reduce to 5% in 2018/19.

- Initial modelling suggests that the proposals will result in Manchester's hourly rate for all types of providers being approximately £4.53 by 2017/18**.** This includes funding for supplements such as deprivation, flexibility and SEN inclusion fund. Deprivation is a mandatory supplement. Supplements such as rural population /sparsity of provision do not apply to Manchester.

The DfE requires councils to have a 'common base rate' of funding, i.e. the same for all providers, by 2019/20 at the latest. This rate will apply to both the Universal provision and the additional 15 hours for Working Families. The overall total of the above supplements cannot account for more than 10% of the funding delegated.

8.3 Impact on Nursery Schools

The introduction of the common base rate will have greater impact on Nursery Schools. Currently nursery schools receive an hourly rate of between £8.46 and £8. 71.

Manchester is working with both Nursery schools to model their budgets for 2017/18 and 2018/19 with the aim of limiting the financial impact of the reduction in rates. The impact that this reduction in funding will have on Manchester's two Nursery schools is currently being assessed, with additional transitional arrangements being considered.

Manchester will receive a supplementary funding allocation of £338k for its two Nursery schools for two years from April 2017 to 2019 to cover additional costs. The extent of any financial support beyond 2018/19 is unclear.

9. Sure Start Children's Centres- Statutory Consultation outcomes

Between November 2016 and January 2017 a statutory consultation was carried out seeking responses to the Council's proposals to make changes to Sure Start provision in the City. The proposals included:

- to regroup the 38 Sure Start Centres into 12 new areas to reflect the way local health and social care services are organised. The new areas are designed to bring together a range of community, health and prevention services with the aim of strengthening the connections between community health, GPs and social care workers who will work together in neighbourhood areas;

and the Council also sought views on reducing the overall number of designated Children's Centres by eight.

The eight Sure Start Children's Centres where a change of use or a reduction in services were:

- Cheetham Park Children's Centre
- Broadhurst Park Children's Centre
- St Clement's Children's Centre
- Chorlton (Nell Lane) Children's Centre
- Claremont Children's Centre
- Didsbury Park (East) Children's Centre
- Didsbury West Children's Centre
- Brooklands Children's Centre

Decisions on where services would continue to be delivered and which centres would no longer operate will be made based on:

- The local need for those services – looking at rates of poverty and deprivation, and measures such as school-readiness and obesity in children
- The location of current centres –some centres are currently located very close to each other

9.1 Characteristics of respondents:

A total of 536 responses were received and of these 87% were female. The age profile of respondents clustered within the 26-39 age band and 64% of respondents were White British. Over two thirds of respondents currently use SSCC and a further 13% had previously used them in the past.

The SSCC most commonly used by respondents was Didsbury Park (East) with 19% respondents using this centre.

71% of respondents walk to the SSCC with Didsbury Park (East) users being more likely to walk (93% respondents).
Full details of the demographic analysis are available in the analysis provided by Cambridge Policy Consultants.

9.2 Respondents' views on the proposals

Residents were asked if they agreed with the proposal to 'focus Children's Centre services where they are most needed and look at removing services where there is a nearby alternative'.

Two thirds (66%) of respondents strongly disagreed or disagreed with the proposal. A quarter (25%) agreed or strongly agreed.

Current users were the most likely group to disagree with the proposal with 73% expressing disagreement (table 3.2). 17 percent of current users agreed with the proposal.

Representative of organisations linked to a Sure Start Children's Centre and other respondents were most likely to agree with 43% and 49% of this group agreeing respectively.

A full analysis of the responses has been completed and is being considered as part of the final decision making process.

10 Next Steps

The Early Years Delivery Model continues to be embedded. Key next steps include:

- Roll out of Stage 6 ASQ3 assessments more widely to schools
- Secure further evidence of the impact of interventions to assess overall impact and value for money in the longer term
- Continue to improve the quality of settings and investigate the impact of increasing numbers of good and better settings on school readiness outcomes
- Support the sharing of assessments at key points of transition between Early Years providers and schools
- Implement the revised funding formula for 3 and 4 year olds
- Respond to budget consultation and final decision.