

ROYAL BOROUGH OF WINDSOR & MAIDENHEAD SCHOOLS FORUM

DATE:

AGENDA ITEM: 5

TITLE: TWO YEAR OLD FREE ENTITLEMENT PROGRAMME UPDATE

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1 SUMMARY AND PURPOSE

1.1 This paper provides an update on the Two year olds (2YOs) free entitlement programme.

2 BACKGROUND TO TWO YEAR OLD FREE ENTITLEMENT

2.1 From September 2009 RBWM was a pilot authority offering free childcare to disadvantaged 2 year olds.

2.2 Free early education became a statutory entitlement for eligible two year olds from 1st September 2013, with the LA having a duty to secure provision of up to 570 hours of free childcare per annum (max 15 hours per week).

2.3 From September 2013 20% (150,000) nationally of 2 year olds were expected to receive free early education (phase1). This will be extended from September 2014 to 40% (around 260,000) of 2YOs (Phase 2).

2.4 From September 2013 (phase 1) eligible 2 year olds includes:-

1. Children in Care / Looked after children
2. Children who meet the FSM criteria i.e. families whose income is below £16,190 and are in receipt of one of a range of benefits
3. LAs have discretion to fund children who meet local criteria e.g. children with a special educational need or children referred by a professional e.g. a health visitor or social worker working with the family.

2.5 The DfE estimates that approximately 130,000 children (20% of the total in England) are eligible and funding for RBWM in 2013/14 was based on an estimate of 203 eligible children.

2.6 From September 2014 (phase 2) the eligibility criteria have been widened to include parents on low income or benefits that don't meet the FSM criteria. The DfE's estimate of eligible children in RBWM meeting these new criteria is 334.

3 2 YEAR OLD BUDGET

3.1 The DfE allocations for 2014-15 and 2013-14 for 2YO's are shown in Table 1.

	2014-15	2013-14
Notional amount for statutory places	£882K	£635K
Notional amount for trajectory (capacity) building	£108K	£249K
Total	£990K	£884K

3.2 The agreed allocation of the 2 year old funding is shown in Table 2.

	2014-15	2013-14
Statutory place funding at £5.30 per hour	£725K	£613K
Central expenditure in support of Early Years provision	£80K	£80K
Trajectory (capacity building) funding	£108K	£0K
Funding allocated to non 2 year old budget	£77K	£191K
Total	£990K	£884K

3.3 In addition we were allocated a £167,812 Capital Funding budget to fund the expansion of 2 year old provision which was the subject of a separate report to Cabinet in Aug 2013. This will be used to expand provision in areas of greatest need.

3.4 The RBWM 2013-14 Revenue Allocation (to fund statutory places for up to 20% of the Borough's most disadvantaged two year old children) was based on an estimate of 203 eligible children taking up their full annual entitlement of 570 hours at an hourly rate of £5.48. This compared to the national average funding rate of £5.09. After due consideration we agreed a rate of £5.30 for RBWM providers from the 1st April 2013 and the £613,000 was based on 203 children taking up 570 hours at £5.30 per hour.

3.5 The 2014-15 allocation was based on an estimate of 177 pupils from April 2014 and 334 from September 2014.

3.6 Members of Schools Forum will recall that the allocated funding has not been fully deployed in support of Two Year Old Free Entitlement. This is because officers considered that the numbers of children taking up the new free 2 year old entitlement will be fewer than is provided for in the Borough's DSG settlement and funding has been allocated to support other DSG commitments.

4 2013-14 OUTCOME

4.1 In the 2013-14 financial year we funded 427 eligible 2 year olds at a cost of £376,000 as follows :-

Summer term 2013	116	£94000
Autumn term 2013	146	£136000
Spring term 2014	165	£146000
Total	427	£376000

4.2 165 = 81% of the DfE estimate of 203 eligible children.

4.3 Whilst the take up was less than the DfE forecast, it was not unexpected and the growth in numbers over the 3 terms is encouraging and is the result of a significant amount of work promoting the free entitlement in the Borough during this period.

4.4 The 2013-14 £613,000 'Statutory Place Funding' budget was used as follows :-

Funding of 427 children (as per table 3 above)		£376,000
Allocated to a separate budget for 2YO capacity building (see 4.5 below)		£100,000
Transferred to DSG Reserves		£137,000
Total		£613,000

- 4.5 In September 2013 Schools Forum agreed to set aside £88,000 from the DSG surplus plus £100,000 from the underspend in the £613,000 budget (see table 4), to create a budget of £188,000 for improving 2YO provision and capacity building. £31,000 of this was used in 2013-14 mainly to provide small grants to providers taking funded 2YO's to improve the quality or increase the capacity of their 2YO provision eg by purchasing suitable resources or equipment, leaving a balance of £157,000. This is held in reserve on the balance sheet and is earmarked for the 2YO programme.
- 4.6 Just over half of the 80 PVI providers in the Borough offer places (where available) to eligible funded 2 year old children. In addition we have 7 childminders offering places to eligible 2 year olds. Between them they have approximately 300 places available for eligible 2 year olds. To be eligible providers must have an Ofsted rating of good or better at the point of place allocation.

5 2014-15 BUDGET

- 5.1 In the current summer term 162 2YO children have been placed at a cost of just over £130,000. The DfE estimate for this term (on which the funding was based) was 177. A further 27 children have been approved for 2YO funding this term and have not taken up a place.
- 5.2 101 (62%) of the 162 children meet the eligibility criteria. The remaining 61 (38%) have been funded using our local discretion and were approved by a majority decision by members of our 2YO funding steering group.
- 5.3 The DfE estimate for RBWM eligible children from September 2014 is 334. Based on take up to date our estimate for the number of 2YO children we will fund this year will be in the order of :-

Summer term 2014 outcome	162	£130000
Autumn term 2014 estimate	220	£230000
Spring term 2015 estimate	270	£240000
Total		£600000

- 5.4 Planned expenditure this year to be taken from the £108K capacity building allocation (unless otherwise stated) :-
- Various capital projects to increase available places are in course – see section 6 below – these will be funded from the £167K capital funding.
 - Employment of an additional full time member of staff to support the 2YO programme on a fixed term contract until the 31 March 2015 at a cost of £19K to be funded from the available budget.
 - Renewed employment of an NHS speech and language therapist to support settings with eligible 2 year olds with difficulties – annual cost £26K taken from the £80K central expenditure budget.
 - 2YO relevant training courses for early years practitioners.
 - Quality 2YO resources for early years settings and parents.
- 5.5 Additional capital projects may be required over and above those already identified to ensure we have sufficient suitable places for all eligible 2YO's. If the allocated £167K capital funding is not sufficient we may need to approach the DfE to request approval to use some of the revenue budget for capital purposes.

6 ACTIONS TAKEN AND TO BE TAKEN TO SUPPORT THE 2YO PROGRAMME

- 6.1 There is a need to increase capacity to ensure we have sufficient places in the required locations and to meet the further expansion (Phase 2) of the 2YO programme. We have identified a particular shortage of spaces within the Cookham Road area of Maidenhead. We have a suitable RBWM building (St Edmund House) in this area which is to be converted into a nursery and operated by a private provider. Some of the £167K capital funding will be used in this project.
- 6.2 Discussions are taking place with the nursery school federation and a number of schools with nursery classes to assess their suitability to take this younger age group. Maintained settings will have to be registered with Ofsted to take children younger than "Rising threes". Maidenhead Nursery will be the first maintained setting to take funded 2YO's. They are receiving funding (from the £167K capital funding allocation) to make alterations to their premises to be able to take 8 eligible 2YO's from September 2014.
- 6.3 Two further capital projects are in course in the Dedworth area which will further increase the number of places for eligible 2YO's.
- 6.4 We are continuing to promote the 15 hour free childcare entitlement with providers, parents and partners/agencies including Social Services, Children & Young Peoples Disability Service (CYPDS), Health Visitors, Children's Centres.
- 6.5 We have a steering group which meets termly to evaluate progress with the programme's implementation and includes representatives from Early Years, Children's Centres, Speech & Language Development, Health and Social Care.
- 6.6 We provide a programme of training activities/courses/support each term available to all early years practitioners to help raise/maintain the quality of provision. This is being extended further to focus specifically on two year olds eg we are considering an SLA with the Nursery Federation Teaching School Alliance.
- 6.7 Within previous Schools Forum reports we highlighted the need to increase staff resource to handle the increased workload of the expanding 2YO programme. An additional fixed term full time role has very recently been filled and will be in place in August until the 31 March 2015.
- 6.8 Parent champions – a programme is being developed to support families in specific communities across RBWM to access both Children's Centres and 2YO funding
- 6.9 A 2 Year Old Quality Provision Tool has been developed to help raise quality in Early Years Settings offering care for 2 year olds.

7 2015-16 The Future

- 7.1 Funding for 2015-16 will be based on actual take up (participation) and will be determined from the annual Early Years census in January 2015.
- 7.2 As a result local discretion to fund children that don't meet the eligibility criteria will be reduced but we will continue to fund where we can families in most need (eg if there are safeguarding issues, or mental health issues, or the child's well being or development would benefit) by using all available 2YO funding/reserves.
- 7.3 Expected future outcomes/benefits of the 2YO programme : –
 - Improved outcomes for the most vulnerable children.
 - Raise attainment for those on Free School Meal(FSM)
 - Increased capacity and take up of free places
 - Parent engagement and confidence in supporting their children
 - Community benefits for residents