

LONDON BOROUGH OF HAMMERSMITH AND FULHAM**SCHOOLS FORUM – 14 OCTOBER 2013****UPDATE ON THE 2 YEAR OLD PROGRAMME EXPANSION**

The 2 year old programme is a targeted offer aimed at improving the attainment and life chances of some of the most disadvantaged children and supporting low income working parents. From 1 September, 2013, 20% of 2-year-olds nationally are eligible for funded early learning places. The expansion of the programme (previously a pilot) is managed by a tri-borough steering group and this paper provides an update on the progress of the expansion in Hammersmith and Fulham.

For Information

1. Confirmation on Eligibility Criteria for September 2014

1.1 As from September 2013, eligibility is based on meeting the criteria for free schools meals (FSM), having a child protection plan or being looked after by the local authority. The criteria for September 2014 was confirmed last month and will be expanded to include:

- Children meeting eligibility criteria for FSM
- Families receiving Working Tax Credit and have annual gross earnings of no more than £16,190 a year
- Children receiving a current statement of Special Educational Need (SEN) or an education, health and care plan
- Children attracting Disability Living Allowance
- Children leaving care through special guardianship or through an adoption or residence order

1.2 In terms of projecting the number of eligible families for 2014, the Department for Education (DfE) had previously informed local authorities that they should plan for double the amount of eligible families projected in each borough that meet the 20% entitlement (see *Table 1: Supply of 2 Year Old Programme Places against Current Demand Sept 13*). However, more accurate data is expected later this year.

2. DfE Eligibility Data Release, Current Supply of Places and Take Up for September 2013

2.1 The DfE have been issuing data releases to Local Authorities which provide names and address of all eligible families. The data release breaks down the entitlement into the number of terms each family would be able to access funding, determined by the term in which

their child turns 2. This means that some of these children will only access a place for one term before transitioning onto the 3 & 4 year old funded offer.

- 2.2 Table 1 shows the current number of places available as at the end of September 2013, broken down into children already occupying a place from the previous term/s, new starters and vacancies.
- 2.3 The table also includes the original DfE estimate on eligible families (November 2012) against the current DfE data release on the number of eligible children residing in each borough.

Table 1 – Supply of 2 Year Old Programme Places against Current Demand (Sept 13)

Estimated No. of Eligible Families who meet the 20% entitlement (Nov 12)	No. of families listed in Sept 13 DfE data release	Total number of 2 year old places in the borough	Total number of places purchased in RBKC	Breakdown of Current Places		
				Continuing Places	New Starters	Vacancies
585	417	185	2	76	76	35

- 2.4 Based on the current DfE data release figures the borough has created 44% of places for the number of eligible families. However, locally there is not yet sufficient demand for places.
- 2.5 The data release, which should now be updated and distributed on a termly basis, was not previously deemed as comprehensive by the DfE, due to the complexity involved in matching large and very different Department for Work and Pensions (DWP) data sets. It was therefore difficult to use for the development of sustainable places in the relevant parts of the borough.
- 2.6 Hemsells, the organisation contracted by the DfE to support local authorities to deliver the 2 year old programme, has confirmed that the data is now as comprehensive as it possibly can be and the next data release for children eligible for January 2014 is expected to be issued in mid-November.
- 2.7 As table 1 illustrates there are currently 35 places that may be available for eligible families who submit applications¹ during this term. There is no waiting list for eligible families seeking places at participating settings who do not currently have vacancies.

¹ Because places are spot purchased the number of vacancies can fluctuate if providers can fill places with fee-paying children.

- 2.7 Officers anticipate a further 62 places will be available in three children's centres by January 14 and work continues with other early years providers in the borough to develop further places.
- 2.7 Local authorities are still encouraged to capacity build based on the initial DfE estimates as the number of eligible families may fluctuate termly, but the latest data release shows that the current number of eligible families is approximately 70% of the original DfE estimates for all three of the Tri borough Local Authorities.
- 2.8 Hemsells have been asked to clarify whether other London boroughs are reporting a similar discrepancy between estimated number of eligible families and actual families identified on the data release.

3. Identified Risks up to September 2014:

Insufficient Number of Places

- 3.1 Now that the eligibility data release is as comprehensive as possible, analysis will be completed on potential levels of demand within the borough against the supply of places and a monthly update will be maintained.
- 3.2 This work will inform future capacity building, but there is a risk that there could be future high levels of demand in areas where there are not sufficient places and the borough will need to continue engaging current and new PVI providers as well as schools.
- 3.3 Availability of places tends to vary throughout the year. For example 76 children have accessed a new place in September, but this is due to a high number of places being available as three and four years olds move into maintained nursery and reception places.
- 3.4 It will be a challenge to ensure there will be enough available places for the forthcoming Spring and Summer terms if there is limited movement into the maintained sector. Capacity building for families who will meet the expanded eligibility criteria for September 2014 also needs to be considered, but clarity will be required on the projected numbers of families.

Hourly Rate

- 3.5 The current level of funding may not be sufficient to attract new providers to join the programme. It was anticipated that the unit cost exercise, which was commissioned by the DfE, and delivered by the National Day Nursery Association (NDNA) would now be available so that it could inform the funding formula for 2014/15. However there has been a delay due to anomalies in the data sets

which are currently being reviewed and work continues on this piece of analysis.

Spot Purchasing

- 3.6 The borough needs to continue to spot purchase while a pattern of potential demand and actual take up of places emerges over the coming terms. As a result some providers have been reticent in offering more places for the programme, especially if they can be filled by fee paying parents.
- 3.6 However, now that the data release is more comprehensive, officers will be able to target new providers in wards where potential demand outstrips current supply and assure providers that places are likely to be taken up.
- 3.7 A marketing campaign, working in partnership with children's centres, health visitors and other professionals, will be launched to actively market the entitlement to these eligible families in order to maximise uptake. Information is already available on the borough website and through local professionals.

Impact of benefits cap

- 3.8 It is unclear at this stage whether the current level of eligible families have been reduced, as current figures are lower than the original DfE estimates, and whether this downward trend will continue. Again this will be monitored via the monthly updates.

4. Future updates

- 4.1 Officers will return to the Schools Forum in January 2014 with an update on the targeted 2 year old offer including analysis of spend to date and forecasts.

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