

	<p align="center"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p align="center"><b>CHILDREN AND EDUCATION POLICY AND ACCOUNTABILITY COMMITTEE</b></p> <p align="center"><b>10 FEBRUARY 2015</b></p>
<p><b>UPDATE ON THE 2 YEAR OLD PROGRAMME – FEBRUARY 2015</b></p>	
<p><b>Report of the Executive Director of Children’s Services</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification – For Review &amp; Comment</b></p>	
<p><b>Key Decision: No</b></p>	
<p><b>Wards Affected: All</b></p>	
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**1. EXECUTIVE SUMMARY**

- 1.1. This report updates the Committee on the Two Year Old Programme as requested at a previous meeting.

**2. RECOMMENDATIONS**

- 2.1. That members of the Policy and Accountability Committee review and comment on this report.

**3. BACKGROUND**

- 3.1 The two year old programme forms part of a wider strategy of early intervention and prevention for young children, targeting services where they are needed the most in order to improve outcomes for disadvantaged families. The specific aims of the offer are:
- To give targeted two year olds an extra boost in all areas of their learning and development through access to good quality integrated care and education

- To ensure targeted two year olds can access the universal 3&4 year entitlement in the term following their 3<sup>rd</sup> birthday
- To aid school readiness

3.2 Free early education became a statutory entitlement for eligible two year olds from 1 September 2013, with the local authority having a duty to secure provision for those families who met the 20% eligibility criteria (see appendix 1 for full eligibility criteria). The entitlement matches what is currently provided to universal 3 and 4 year olds, so eligible 2 year olds can receive up to 570 hours of free education in the term following their 2<sup>nd</sup> birthday. The programme extended in September 2014 to include more low income families so that 40% of families nationally became eligible. There are currently 654 eligible families in Hammersmith and Fulham, which represents 28% of the borough's total 2 year old population. Of these eligible families, 63% (411) meet the 20% entitlement which is equivalent to free school meals criteria and 37% (243) meet the 40% entitlement so are low income families in receipt of working tax credit/universal credit.

3.3 All places are spot-purchased, at a rate of £6.07 an hour, as part of the brokerage process that the Early Years Team manages and providers are paid on a termly basis. Each local authority has been given a funding allocation within the Dedicated School Grant (DSG) based on the projected number of eligible families but funding will be based on participation from April 2015.

#### 4. CURRENT POSITION

4.1 The DfE has advised local authorities that they should initially plan for an 80% take up of places from eligible families as a target when building capacity. Once this target is reached local authorities are encouraged to expand capacity further if demand continues to increase. Table 1 shows the current number of families who meet the eligibility criteria in LBHF and the number of places required to support 80% of families taking up the entitlement. The table also shows the shortfall against current capacity.

Table 1: Current Capacity against Potential Demand

DWP list of eligible families for Spring 15	No. of Places Required (80%)	Current No. of Places (within borough)	Projected Shortfall (to achieve 80% capacity)
654	523	394	129

4.2 Table 2 shows current take up against capacity and the number of vacancies. Appendix 2 breaks this down by ward and locality as well as the potential demand from eligible families based on the current DWP list. Applications are coming in on a daily basis and take up is increasing therefore the number of vacancies is likely to reduce as the term progresses. Of the 126 vacancies, 66 are in the College Park and Old Oak Ward with a provider who is located on the border with Brent so

increased take up might come from parents outside of the borough. This still benefits LBHF as the borough would receive the DSG funding due to the provider's location and therefore aids this provider's sustainability to benefit local families, however more places will be needed as such vacancies will not always meet demand from parents in other parts of the borough. There may also be eligible children occupying places in schools as rising 3s that will further increase take up but this data will not be available until later in the term.

Table 2: Current Capacity against Take Up

Current No. of Places	Current Take Up (Inc. out of borough)	No. of Vacancies	% of take up against DWP List (Spring 2015)
394	278	126	43%

- 4.3 There has been a reduction in the take up of 2 year old places this term even though new places have become available. This is due to 78 children who accessed a place in the Autumn term but have now turned 3. A minority may move to a maintained school place this term but the majority are likely to stay with their current provider until Autumn 2015.

Even if all the current vacancies are filled the maximum take up against the DWP list is 62%, therefore a significant amount of capacity building is still required and this is outlined in section 6.

## 5. SCRUTINY FROM THE DFE

- 5.1. Each term the DfE carries out a national survey to measure the take up of the 2 year old offer. The DfE wrote to the borough's Chief Executive in November 2014, highlighting the borough's take up of 31.8% following the September 2014 survey return, and which was below the national average of 55.2%. The letter also included a breakdown of take up across all London boroughs. A full breakdown is provided in Appendix 3 of take up across the London Boroughs as at the end of September 2014 and only eight London Boroughs achieved above the national average. The survey was carried out again in December 2014 and the take up figures are expected to be published later this term.
- 5.2. The DfE have been informed that the take-up rate has recently increased to 42% by December 2014. This was partly due to an increase in applications but was also due to the inclusion of places taken up in schools with regards to eligible rising 3s and eligible children in CIN places, data which was not available at the time of the survey. The response also included details on future capacity building and marketing to increase take up, which are detailed in sections 6 and 7 of this report.

However, this figure does not yet reflect the children who have subsequently turned 3 and no longer meet the criteria. These figures will be reflected in future data.

## 6. STRATEGY TO INCREASE CAPACITY

- 6.1 As outlined in section 4, there is a projected shortfall of 135 places in Hammersmith and Fulham in order to achieve an 80% take up from eligible families (80% of 654 families i.e. 523 families). The strategy for reducing this shortfall is provided on the following page:
- a) **Completion of pending capital projects** - There are three PVI capital projects that have been approved and are expected to yield 60 places (48 in the north locality and 12 in the south locality). There is also a capital project at Randolph Beresford that is currently being reviewed by Corporate Property which will yield another 20 places.
  - b) **New providers entering the market** - London Early Years Foundation (LEYF) is expected to open their new nursery on the Townmead estate in March 2015. In addition plans are in progress to expand the provision of childcare at 49 Brook Green where it is anticipated that a minimum of 30 two year old places could be delivered.
  - c) **Creating places within children's centres** - Further opportunities for delivery of two year old places at children's centres are currently being explored. 16 places have been confirmed at two children's centres in the North Locality (Old Oak Community & Children's Centre and Shepherds Bush Families Project and Children's Centre) and discussions currently on-going with Fulham Central Children's Centre to deliver places at two of its sites.
  - d) **Engaging Schools to participate** – The Early Years team is currently engaging with schools to ensure there are sufficient places in the areas of potential high demand. The borough has the support of a Family and Childcare Trust (FCT) consultant to work with schools to develop the offer and three schools (Vanessa, Kenmont and Wendell Park) are currently receiving this consultancy support to explore ways of developing flexible early years provision. It is hoped that having early adopters will encourage more schools to participate, especially once the entitlement embeds, and demand reaches beyond 80%. From September 2015 schools will be able to deliver early education for 2 year olds without needing a separate registration for childcare.
- 6.2 Appendix 4 breaks down these new places against the current shortfall. Initially, once the capital projects are completed, there will be sufficient places in the North locality but further capacity building will be required in the South locality. This will focus on creating places at the two children's

centres mentioned above as well as identifying capacity within local schools.

## **7. MARKETING STRATEGY TO IMPROVE TAKE UP**

- 7.1. A range of marketing initiatives have been deployed to increase take up as capacity grows. As well as the DfE's national use of electronic bill boards and promotion through supermarkets, the borough promotes the entitlement through the council website, children's centres and the Family Information Service. The DWP list is now filtered down to each children's centre reach area and shared with the relevant maintained children's centres to inform their outreach work. The Early Years Team is also working closely with other professional teams who could directly market the entitlement to families they work with, such as Health Visiting and Troubled Families.
- 7.2. An intensive marketing campaign across the three boroughs is currently being planned to generate demand from eligible families and that they are able to take up new places as soon as they become available.
- 7.3. One of the more immediate local campaigns will start in mid-January 2015 when the 2 year old programme will be promoted as part of a week-long community roadshow, taking place in the Kings Mall shopping centre. Along with the distribution of leaflets the focal point of the road show will be a multi-screen Video wall which will broadcast a live-action commercial to raise awareness of the targeted entitlement to local parents. Although the campaign will promote places across the borough the 48 new places at Mace Montessori, due to be available in February 2015, are situated near the shopping centre and the roadshow presents an ideal platform to promote these places to local parents. The Early Years Team is also in discussion with a company who can broadcast the entitlement in 40 health centres, GP and dental surgeries across the borough.
- 7.4. An important element of reaching families is to encourage take-up and to understand why some eligible families do not wish to take up the offer. This will form part of the children's centres remit in marketing the offer to parents using their services and relayed back to the Early Years Team. Evidence from other areas (such as Brent) suggests some eligible families are not interested in taking up a place and one of the reasons identified is that some families prefer to use their own family network to provide childcare or prefer to take up a place when their child is older.
- 7.5. There is an IT project in development that would allow parents to check their eligibility on-line through the three council websites. The DfE is keen that this is developed quickly as this has proven to be an effective marketing tool in other boroughs. This project is also assessing whether the supply of places can be linked so that parents can check their eligibility and claim a place with a provider at the same time, thereby reducing the customer journey and the amount of brokerage currently undertaken by each Early Years Team.

## **8. GOVERNANCE OF THE 2 YEAR OLD PROGRAMME**

- 8.1 To lead action to meet the statutory duty to provide targeted places, a steering group has been set up in Autumn 2012 and comprised of officers from commissioning, finance, early years, school improvement and localities. The steering group is supported by two working groups with responsibility for the following delegated tasks:
- Capacity and Quality – supporting the expansion of place capacity through all early years providers and schools, supporting settings to maintain good and outstanding judgements as well as measuring outcomes
  - Finance and Administration – incorporating 2 year old funding across all sectors as well as 3 and 4 year old funding across PVI providers and childminders. The Group's work also includes delivery of marketing the offer to parents and assessing required upgrades to the Tribal system to streamline brokerage, administration and finance responsibilities.
- 8.2 The group meets on a monthly basis and an implementation plan focused on building capacity and take up is in place. The working groups continue to deliver their delegated responsibilities and a new marketing working group has been set up which is currently developing a marketing strategy, informed by best practice developed in other London boroughs. A status report is produced termly for senior managers and officers. A monthly update report on progress in building capacity and increasing take-up is also presented to the lead member for Children's Services in LBHF.

## **9. CONCLUSION**

- 9.1 Strategies are in place to meet this statutory duty and increase capacity and subsequent take up. 80% of families are expected to access their entitlement by September 2015 and work will continue with early years providers, childminders and schools, to ensure capacity building beyond this target continues as parental demand grows.

## **10. LEGAL IMPLICATIONS**

- 10.1. As this report is for information only, there are no legal implications to be considered.

## **11. FINANCIAL AND RESOURCES IMPLICATIONS**

- 11.1. As this report is for information only, there are no financial implications to be considered.

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	None.		

**LIST OF APPENDICES**

Appendix 1 - Eligibility Criteria

Appendix 2 - Current Supply and Demand of Places for Spring 15

Appendix 3 - DfE Voluntary Survey on Take up of 2 Year Old Places in London – September 2014

Appendix 4 – Meeting the Shortfall of Places