

# Children, Sports & Leisure Policy and Scrutiny Committee

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<b>Classification:</b>	General Release
<b>Title:</b>	Implementation of the Targeted Early Learning Offer for 2 Year Olds
<b>Report of:</b>	Head of Commissioning (Early Intervention)
<b>Cabinet Member Portfolio</b>	Children's Services
<b>Wards Involved:</b>	All
<b>Policy Context:</b>	Better City Better Lives Priority
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## 1. Executive Summary

- 1.1 The targeted early learning offer for 2 year olds 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.

1.2 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&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 799 eligible families in WCC (Spring 15), which represents 32% of the borough's total 2 year old population. Of these eligible families, 61% (487) meet the 20% entitlement which is equivalent to free school meals criteria and 39% (312) meet the 40% entitlement so are low income families in receipt of working tax credit/universal credit. There are 783 eligible families for the Summer 15 term.

1.3 This paper summarises the progress made in implementing this statutory requirement and the strategies in place to increase capacity building and take up from eligible families.

## **2. Key Matters for the Committee's Consideration**

2.1 This report is primarily for information, but Members may like to consider the following when perusing the paper:

- What other steps could be considered to drive take up from eligible families?
- Can take up of the 2 year old offer support the sustainability of school nursery classes?
- Will accessing the targeted offer, combined with childcare support already available as part of Universal Credit or the forthcoming tax free childcare entitlement (worth up to £2k per annum per child), support families to access work opportunities?

## **3. Background**

3.1 A targeted offer to 2 year olds was first introduced as a pilot for all local authorities to implement in 2009, concentrating on the 15% most disadvantaged families. The benefits of accessing good quality early education will also improve the life chances for these targeted children through the two year old offer and research backs this up:

- A child’s development score at just 22 months can serve as an accurate predictor of educational outcomes at 26 years<sup>1</sup>
- A child’s ability to use language, with 24 months recognised as the ‘critical period’ for the acquisition and expression of key language skills”<sup>2</sup>

The offer aims to improve disadvantaged children’s social and cognitive outcomes so that by the age of five they are as ready as their more advantaged peers to start and fully benefit from school

3.2 In respect of the evaluative work carried out on the two year old offer (which is largely based on the pilots rather than the current programme) there are a number of factors that influence good outcomes for two years olds:

*“We have found overwhelming evidence that children’s life chances are most heavily predicated on their development in the first five years of life. It is family background, parental education, good parenting and the opportunities for learning and development in those crucial years that together matter more to children than money, in determining whether their potential is realised in adult life”<sup>3</sup>*

The key influencers can therefore be summarised as:

- a good early years home learning environment;
- a good quality pre-school
- a more effective primary school<sup>4</sup>.

#### 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 WCC 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)
799	639	444	195

4.2 The majority of places are currently delivered through the private and voluntary early years providers, including childminders, although three of the maintained

<sup>1</sup> HM Government (2011) Early Intervention: The Next Steps: An Independent Report to Her Majesty’s Government Graham Allen MP, page xiii

<sup>2</sup> National Leadership College (2013), *Being and becoming: under threes in focus*

<sup>3</sup> Department for Education (2013) Early Years Evidence Pack

<sup>4</sup> Ibid

nursery schools also deliver places. Table 2 on the following page shows current take up against capacity and the number of vacancies.

- 4.3 There are currently 481 places of which 444 are available for children who are currently aged two and 360 of these are currently occupied. Applications are coming in on a daily basis and take up is increasing therefore the number of vacancies (84) is likely to reduce as the term progresses. There are currently 37 places occupied by eligible children who turned 3 by the end of December 14. These places are unlikely to be accessed by new 2 year olds until September 15 when these children move into school nursery provision. So although Table 1 shows a shortfall of 195 places to meet demand from 80% of eligible families this figure would reduce in Autumn 15 once these occupied places became available.

Table 2: Current Capacity against Take Up

Current No. of Places for 2 year olds	Current Take Up	No. of Vacancies	% of take up against DWP List (Spring 2015)	Places occupied by targeted children who have now turned 3
444	360	84	45%	37

- 4.4 Building capacity to meet the expanded criteria has been a challenge and one shared with many other London boroughs. Appendix 2 shows the results across London of the February 2015 survey carried out each term by the DfE. At the time the national average take-up was 62% and London was the region with the lowest overall take-up (50%), with only five of the London boroughs exceeding the national average.
- 4.5 Take-up has marginally increased this term since the December 2014 survey. However, at present, even if all vacant places were filled the borough could only achieve a take up rate of 56%. Delivering places through children’s centres (see paragraph 4.2) will be a step change in delivering the targeted entitlement in Westminster. Section 5 below outlines how the City Council will build further capacity to enable greater take up by eligible families.

## 5. Strategies to Increase Capacity

- 5.1 As outlined in section 4, there is a projected shortfall of 195 places in order to achieve an 80% take up from eligible families (80% of 799 families i.e. 639 families). The strategies for reducing this shortfall are provided below:
- 5.2 **Developing targeted 2 year old places as part of the re-shaping of Children’s Centre Services** – As part of the re-shaping of children’s centre services, there is a focus on rigorous targeting of children and families with additional needs and vulnerabilities. Developing early education places for 2 year olds in children’s centres will provide additional support to families as part

of this service offer. The places will be delivered at the following four children's centre/school sites:

- Bayswater Children's Centre (delivered in collaboration with Dorothy Gardner Centre)
- Harrow Road Children's Centre (delivered by Essendine School)
- Queens Park Children's Centre<sup>5</sup> (delivered in collaboration with Dorothy Gardner Centre)
- Paddington Green Children's Centre (delivered in collaboration with Portman Early Childhood Centre)
- Micky Star Children's Centre (delivered by London Early Years Foundation)

Initially 100 places will be delivered from September 15 across these four sites with a further 40 places created in the following terms but there is still capacity to provide more places as demand grows. The borough has the support of a Family and Childcare Trust (FCT) consultant who is working with schools and key partners to develop the offer and identify capital requirements.

**5.3 Building Capacity with Current Providers** – Although 30 private, voluntary and independent (PVI) providers deliver 2 year old places @ £6.07 per hour, this rate drops in the term after eligible children turn three under the current funding formula. This is not matched by significantly reduced costs (staff ratios remain high) and therefore creates a problem where parents do not contribute income to nurseries from other sources. These children may need to stay with their PVI provider for up to two terms until they can access a maintained school nursery place, most likely in the September after their third birthday. Of the current participating providers only three receive £6 an hour or more for three year olds and this has been viewed as a barrier for PVI providers to offer additional places. The recommendation to keep the funding rate at £6.07 per hour for these targeted children was approved by the WCC Schools Forum in March 15 and the Early Years Team will be contacting all participating providers to inform them of this change to current funding arrangements and to assess whether additional places will be offered.

**5.4 Engaging Schools to participate** – At present there are three nursery schools participating and Essendine School will be collaborating in delivery of new places from September 15. A further ten schools have been approached to deliver places as they are situated in areas of potential high demand and have a high proportion of children meeting free school meals criteria. It is hoped that some of these schools will participate and having these early adopters will

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<sup>5</sup> In appendix C of the report on Service Proposals for Early Help (February 2015), it was proposed that 2 year old places could be delivered at Westbourne Children's Centre. A subsequent evaluation of the premises concluded that the allocated space would not be suitable for delivering childcare, mainly due to difficulties in accessing outdoor play space. However, these places can now be accommodated at Queens Park Children Centre without disrupting other scheduled services.

encourage more schools to engage, 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. Marketing Strategy to Improve Take Up**

6.1 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 has promoted 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 has also worked closely with other professional teams who could directly market the entitlement to families they work with, such as Health Visiting and Troubled Families.

6.2 An intensive marketing campaign is currently being planned to generate demand from eligible families so that they are able to take up new places as soon as they become available. The campaign will include the following:

- Birthday cards promoting the offer to families with children who are approaching their second birthday
- Information postcards sent to eligible families with one or two remaining terms of eligibility. These postcards will also be on display at key sites such as children's centres and libraries, along with posters
- Targeted outreach to families identified through the DWP list who have not yet taken up a place or submitted an application form
- Engage Parent Champions to market the places to local families
- Work with partners/departments to market the offer including JCP, SEN and LAC teams
- Refreshing webpage information on the council website and investigate other forms of social media to promote the offer

6.3 There is also an IT project in development that would allow parents to check their eligibility on-line through the three council websites and 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.

## **7. Governance of the 2 Year Old Programme**

7.1 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 – supporting the brokerage service, incorporating 2 year old funding across all sectors as well as 3&4 year old funding across PVI providers and childminders. This group also assesses the required upgrades to the Tribal system to streamline brokerage, administration and finance responsibilities.
- Marketing - Implementing and evaluating the marketing strategy to ensure greater take up and support the sustainability of providers to continue delivering the offer.

7.2 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 monthly update report on progress in building capacity and increasing take-up is also provided, and progress is further monitored through the Best Start in Life Programme Board.

7.3 Performance of the programme has been reported over the last two years through the 'Better City Better Lives' report and this will continue on a termly basis.

## **8. Financial Implications**

8.1 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 Schools Grant (DSG) based on the projected number of eligible families but funding will be based on participation from April 2015.

8.2 The majority of places for nursery provision falls in the Autumn term, so targeted children who turn three in the Autumn or Spring term need to stay with their current provider for up to two terms. Although the hourly rate each early years provider receives is dependent on the value of each supplement they attract under the early years funding formula, the majority of providers receive less for a three year old place than a 2 year old place. Unlike fee paying families who may require additional hours and services that enable each provider to remain sustainable, these targeted families may not require this and therefore the provider continues to deliver the same offer albeit it at a reduced funding rate. In order to reduce this barrier to capacity building, the Schools Forum has recently approved a supplement, to be implemented in the Summer 2015 term, that will ensure providers continue to receive £6.07 per hour in total for targeted children once they turn three.

- 8.3 Part of the consultancy support to schools participating in the offer is to draw up a business plan to ensure delivery of the offer is sustainable. Unlike participating PVI providers who deliver places as part of a wider childcare offer, the offer in schools is for targeted families only, although as part of the Government's drive to support flexible 8am-6pm nursery provision, schools may wish to consider developing a wider offer to support working parents.
- 8.4 All providers receive a resources package of £2.5k to deliver places and there is capital funding to support providers to develop a project that enables a greater number of places to be delivered and/to enhances the environment to support early learning.

## **9. Risks and Mitigations**

- 9.1 There are two main risks with regards to the City Council not meeting this statutory duty; insufficient places to meet demand and poor take-up. These will be mitigated by the following:

### **Insufficient Places**

- Engagement with schools will grow capacity and, where a school is unable to deliver the full 2 year old offer, they can receive funding for eligible rising 3s which may better suit the need of an individual schools as well as some eligible families
- A strategy for delivering places as part of the realigning of children's centres services is in place, with places to be delivered from September 2015.
- The supplement for targeted children when they turn three will release further places in the PVI sector as it provides greater financial sustainability

### **Poor Take Up**

- A comprehensive marketing campaign will be carried out during the Summer 15 term, capitalising on the growth in places anticipated for September 15
- The delivery of places through schools provides a great variety of options for parents
- The on-line eligibility checker will speed up the process for families to access the offer
- The targeted offer, combined with the increase in childcare support through Universal Credit or tax free childcare, supports the affordability of childcare for low-income working families

**If you have any queries about this Report please contact:**

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## Appendix 1 – Eligibility Criteria

Eligibility Criteria since September 13	Eligibility Criteria since September 14
<ul style="list-style-type: none"> <li>▪ Families meet the eligibility criteria also used for Free School Meals</li> <li>▪ Children are looked after by the local authority</li> <li>▪ Any others, at the discretion of the LA</li> </ul>	<ul style="list-style-type: none"> <li>▪ Families meet the eligibility criteria also used for Free School Meals; or Receive Working Tax credits and have annual gross earnings of no more than £16,190; or Receive Universal Credit and have annual gross earnings of no more than £16,190.</li> <li>▪ Children have a current statement of special educational needs/ an Education, Health and Care plan; or They attract Disability Living Allowance (DLA)</li> <li>▪ Children are looked after by the local authority; or Children have left care through special guardianship or an adoption or residence order</li> <li>▪ Any others, at the discretion of the LA (such places will not be included as participation funded places from April 15)</li> </ul>

**Table 2: DfE Voluntary Survey on Take up of 2 Year Old Places in London**

## London region take-up - February 2015

