



Schools Forum
10 December 2014

**Report from the Operational Director,
Early Help and Education**

For decision

Update on the implementation of the entitlement for 15 hours free early education for eligible two year olds

1.0 Summary and Background

- 1.1 This report provides an update on the implementation of the entitlement, including spend to date.
- 1.2 The two year old offer (15 hours of free early education) became a statutory entitlement for eligible two year olds in September 2013. Eligibility criteria for the first tranche was Free School Meals criteria and the target number given to us by the DfE was 1,057. These criteria were widened in September 2014 to include low income families (income of up to £16,190) in receipt of Working Tax Credit. The government target given to us of eligible children for September 2014 was originally 2,345, but this has subsequently been amended to 2,220.
- 1.3 The eligibility criteria for the entitlement are as follows:
- income support or income based Job Seekers Allowance (JSA)
 - income-related Employment and Support Allowance (ESA)
 - support under part 6 of the Immigration and Asylum Act 1999
 - Child Tax Credit and have an annual income not over £16,190
 - Working Tax Credits and earn no more than £16,190 a year
 - the Working Tax Credit four-week run on (the payment you get when you stop qualifying for Working Tax Credit)
 - the child has a current statement of special educational needs (SEN) or an education, health and care plan
 - the child receives Disability Living Allowance
 - the child is looked after or in care
 - they've left care under a special guardianship order, child arrangements order or residence order
- 1.4 The targeting of provision to tackle disadvantage through early support and intervention is in line with the Council's Children and Young People's Plan as well as the One Council Working with Families project and the government's Troubled Families initiative. Funding for 2YO is part of the Dedicated Schools Grant (DSG) allocation.

2 Progress to date:

2.1 Ensuring supply of 2 year places

Much work has been carried out with our childcare providers to develop sufficient two year places to meet the anticipated demand. The offer has been widely promoted among providers and through the year, development of further childcare places has taken place through the following:

- 1) Approval by panel of new NEG2 providers.
- 2) Purchasing of NEG2 places in advance through the place led funding process advocated by the government. Providers have advised us of the number of two year old places that they can offer and we have purchased a percentage of these in advance.
- 3) Disbursement of funding through capital grant funding rounds. Capital Grant Funding Round 4 has just been completed. This has been an evolutionary process with a number of learning points and we have had to adapt processes following feedback from providers and other issues that arose in Round 1, particularly around making the process more user friendly and ensuring that the risk of fraud was minimised. After each funding review, the process has been reviewed and adapted for the next round based on lessons learned.

To date 900 new 2 year places have been created.

2.2 Number of NEG2 approved providers

We now have 126 approved NEG2 providers across the borough:

64 childminders
61 PVI settings
1 primary school

(Please see Appendix 1 for map of NEG2 provision across the borough)

2.3 Take-up

The target figure for eligible families to be reached given to us by the DfE for September 2014 was 2345. Since June 2013, we have received datasets from the DWP of families eligible for the entitlement in the borough. Although we were originally given the figure of 2345 as the target number of families to reach in our borough, in July the DfE updated this figure to 1,920. Subsequently it has been made clear that this figure will vary based on the numbers of eligible families in each DWP dataset and so a new target of 2,220 was given to us.

All the families whose details were sent by the DfE have been contacted at least twice by letter. In August 2014, a decision was made to offer families face to face sessions with the NEG2 team. These take place on a bi-monthly basis in children's centres and every month in the Civic Centre. Each family receives a gift pack when they attend the session. These sessions were extremely well attended and the next round of sessions took place in November 2014. These are also being aligned with a wider childcare promotion campaign, which includes NEG 3 and 4, that is being planned for December 2014 and March 2015..

Our stats for take up are as follows:

30 June 2014	411 (29 April headcount) 138 (with provider) 154 (approved for summer / autumn)
12 August 2014	577 (10 July headcount) 99 (approved for summer term) 406 (approved for autumn term)
31 October 2014	1025 (24 October headcount) (to be added)

This equates to a percentage take-up in October of 53 per cent of eligible children.

3 DSG Funding Allocations for 2 Year Olds and spend to date

3.1 DSG allocations to date:

2013-14

- £1.308m of additional funding for development work to create places for Sept 2014
- £3.333m (based on 1057) to meet 15 hours of statutory provision (NEG 2)
 - DfE request that all DSG revenue funding is to be passed on to providers with the NEG 2 EYSFF only having a single base rate and no other supplements
- £883k capital allocation from 2012/13 to increase capacity to be carried over to 2013/14

2014-15

- £6,762m (based on 2345) to meet 15 hours of statutory provision (NEG2)
- £308,398 capital allocation

3.2 Spend to date

3.2.1 Staffing

The NEG2 team currently consists of the following members of staff:

1 x NEG2 development officer
 1 x NEG2 project officer
 3 x NEG2 project assistants (fixed term)
 2 x NEG2 inclusion officer
 1 x NEG2 CAF officer

Two inclusion officers have been recruited in response to concerns about the level of need for most eligible two year olds. This has enabled the team to work with the increasing numbers of two year olds identified with emerging additional needs and to support their families with the NEG2 process. The team are now able to provide valuable and intensive support to families who despite their eligibility either are not willing to or able to take this forward to ensure that their child has access to an NEG2 place.

We have also had to expand the team significantly through the year to ensure staff had the capacity to meet the increase in demand, both from members of the public and from other colleagues and partners. The team has to field an average of 2000 calls a month as well seeing face to face customers at the Civic Centre and conducting outreach sessions across the borough's children's centres to register families for the entitlement. This investment has paid dividends as following a slow start in take up rates, the period May 2014 to October 2014 saw Brent having the highest rate of increase (149 per cent) in NEG2 take-up figures across London.

3.2.2 Promotion and marketing

An early promotion campaign was put in place in April 2013 and this has developed on an ongoing basis with some of the campaigns being added subsequently:

- Two articles in the Brent Magazine. This was successful and resulted in a number of enquiries
- Posters across the borough and on buses
- Leaflets distributed to children's centres and given to health visiting teams to give to families at the one year check
- Promotion through CFIS outreach to other council teams and external partners, including Jobcentreplus and CAB
- Advertising through local radio station in Harlesden
- Information on Brent website including NEG2 Q & A document
- Promotion through children's centre newsletters which are sent to every family in the borough with a child under five
- Brent NEG2 message is on Brent Facebook and Twitter
- Ad campaign through till receipts with 99p stores. The first referrals have already come through this campaign.
- Sessions at children's centres and the Civic Centre
- A wider childcare campaign across the borough scheduled for November/December 2014 and March/April 2015

Our children's centre and Civic Centre sessions were extremely successful and contributed to our increase in take up rates and these will be continued on an ongoing basis. Our childcare providers have also been key sources of referrals. The entitlement has been promoted very well to them and they encourage parents to take up the offer

3.2.3 Incentive payments

In order to encourage providers to take on the delivery of two year places, an incentive scheme was put in place where approved providers would receive a payment per place of between £100 - £250 to cover both existing and new/additional places. The payment could be used to fund additional staff to meet the 1:4 higher staff to children ratio.

3.2.4 Headcount payments

Take-up rates were slow in 2013-14, but in 2014-15 we have seen a significant increase and it is anticipated that these higher take-up rates will be maintained in the coming terms as a result of increased promotion and marketing.

3.2.5 Training

Training modules for childminders on the delivery of the free entitlement have been purchased from and delivered by Hempsalls. Conferences for both PVI and

childminder staff have included a specific focus on meeting the needs of two year olds. Further child development training is being put in place in preparation for the integrated two year check that includes a focus on how adults enabling and support learning for this age range.

Spend to date	Budget (£) covering 2013-14 and 2014-15	Spend to date & commitments until March 2015 (£)	Forecast April – September 2015 (£)	Forecast October – March 2016 (£)
Trajectory funding - £1,308,000				
Staffing	225,000	359,680.24	140,292.66	106,554.06
Promotion & marketing	25,000	40,000	7,500	7,500
Incentive payment	760,000	227,200	50,000	50,000
Training	150,000	200,000	50,000	50,000
Small equipment	50,000	50,000		
2YO provision in schools	25,000	0	12,500	12,500
Contingency	65,000	0		
Total	1,300,000	876,880	260,292.66	226,554.06
Overall total trajectory spend				1,363,726.72
Headcount payments				
2013-14	3,333,000	2,370,050.17		
2014-15	6,762,000	3,628,386		
2015-16* (forecast based on existing children in the headcount system and forecast take-up numbers)			1,710,000	342,000
Overall total headcount spend 2013-16	10,095,000			8,050,436.17
Capital grant spend				
	1,192,281	835,619.97	£356,661	

*This forecast covers the costs of the children who are already in the system and will need to be funded through next year and forecast take-up. NEG2 funding for 2015-16 will be allocated according to the numbers of children in the annual early years census in January 2015. As we will be continuing to increase our numbers, funding for children who take up a place after January's census collection will not be provided until a second census which is due in September 2015. It is therefore essential that we ensure funding is available for these children until the next allocation is provided by the DfE in late 2015. It is anticipated that this will have levelled out by March 2016.

This will leave us with an underspend of £1,980,837.11. We are anticipating an overspend on the NEG 3 & 4 and it is proposed that this will be covered from this underspend.

APPENDIX 1:

Map of NEG2 provision in Brent, October 2014

Childcare Locations - October 2014

