

**THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA****SCHOOLS' FORUM – 17 MARCH 2016****REPORT BY THE HEAD OF FINANCE****FUNDING FOR TWO YEAR OLD GROWTH**

Funding for improving engagement of disadvantaged families with children who qualify for the two year old programme.

**FOR DECISION**

**1. BACKGROUND**

- 1.1 The DfE has made it a priority for local authorities to engage with parents who qualify for free provision of 2 year old targeted places.
- 1.2 In recent statistics published by DfE, London has struggled to achieve the gains in 2 year old engagement required by the DfE strategy with nine of England's ten worst performing councils being in the capital.
- 1.3 The DfE has advised local authorities of a proposed target of 80% of eligible families enabled to take up their entitlement.
- 1.4 Last March the Schools' Forum agreed to allocate 150k of DSG towards increasing 2 Year Old take-up. This was made up of a one-off contribution of 50k for set-up costs and 100k budget for Rising 3's Transitional Support.

**2. MONITORING**

- 2.1 There has been an increase in the take up of 2 year old places between December 2014 to December 2015 from 57% (196 out of 341 eligible families) to 68% (225 out of 330 eligible families).
- 2.2 Projected 2016/17 Out-turn position:

	<b>Budget</b>	<b>2015-16 Projection</b>	<b>Variance</b>
2 YO Project	50,000	7,500	(42,500)
Transitional Support	100,000	25,000	(75,000)
<b>TOTAL</b>	<b>150,000</b>	<b>57,500</b>	<b>92,500</b>

- 2.3 To date, expenditure on the 2 Year Old Project has been low. This is due to the delay in recruitment of a project manager, who has now been engaged from January to improve the functionality of the public facing FIS. The remaining allocation will be spent between now and September as the new IT solution is implemented at a cost of £25K, and new places are created through new providers.
- 2.4 Costs relating to Transitional Support for Rising 3's, has been lower than anticipated. Officers are looking into the reasons for this; however, since this is funded based on Census data there is a lag in information and therefore expenditure. Expenditure is anticipated to increase, especially as the universal offer of 30 hours begins to be developed across the borough.

### **3. PROPOSAL**

- 3.1 Feedback from providers suggests that the Rising 3's Transitional Support has been well received, achieving its goal of increasing flexibility and sustainability of provision in Early Years.
- 3.2 In 2015/16 allocations of this Transitional Funding were based on the following:
- A supplement retaining the funding rate at the 2 year old rate to providers following their 3<sup>rd</sup> birthday for one term (currently an additional £2.42 per hour in the PVI sector),
  - Funding to be allocated only to providers where the child remains at the setting during the term following their 3<sup>rd</sup> birthday.
- 3.3 It is proposed that we continue Transitional Support for 2016/2017 funding children following their 3<sup>rd</sup> birthday until the end of the academic year. This is to provide continuity of early education for the targeted children, but will be contained within the indicative 100k budget for Transitional Support.
- 3.4 Due to funding uncertainties caused by this summer's DSG consultation we propose reviewing this again in March 2017.

### **4. RECOMMENDATIONS**

- 4.1 That Schools' Forum notes the projected expenditure position on the 2 Year Old Project.
- 4.2 That Schools' Forum approves the allocation of a further 100k of budget to continue Transitional Support for Rising 3's.

**Andrew Tagg**  
**Head of Resources**

**Andrew Christie**  
**Tri-Borough Executive Director – Children’s Services**

**Background papers:**

<http://www.standard.co.uk/news/london/london-councils-named-and-shamed-for-failing-parents-on-free-child-care-10053615.html>

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