

**Title of meeting:** Schools Forum

**Date of meeting:** 26 February 2014

**Subject:** Two Year Old Funding

**Report from:** Julian Wooster, Director of Children’s and Adults Services

**Report by:** Catherine Kickham - Early Support Commissioning Manager

**Wards affected:** All Wards

**Key decision:** No

**Full Council decision:** No

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**1. Purpose of report**

1.1. This report updates Schools Forum on the use of the new funding stream for 2 year olds, contained within the Dedicated Schools Grant, and the proposals for 2014-15.

**2. Recommendations**

- 2.1. It is recommended that the Schools Forum:
- a. Note the successful progress within the report in respect of the increase in 2 year old place provision.
  - b. Agree the budget allocation in 2014-15 of 2,910,800 for 2 year old places and £359,600 for related trajectory funding.
  - c. Agree that £79,000 is continued to be held centrally to provide resources to target settings with regard to capacity and quality improvement
  - d. Agree that any underspend in the Trajectory funding in 2013-14 is carried forward and allocated to the Trajectory budget in 2014-15 to support the continued investment in the market growth and infrastructure

**3. Background**

- 3.1. During 2012-13 Portsmouth provided 240 free early education places for the most economically deprived 2 year olds, meeting the Department for Education target of 240 places by 31 March 2013.
- 3.2. From 1 April 2013, 2 year old funding formed part of the Dedicated Schools Grant (DSG). Portsmouth was allocated the following for 2013-14:

Places	Trajectory
£1,783,665	£700,219

3.3. The places funding of £1,783,665 was intended to fund the DfE target of 617 places by March 2014, whilst the trajectory funding of £700,219 was to support market growth and infrastructure.

#### 4. Progress to date

4.1. The 'Childcare Sufficiency Advisory Group' has overseen the allocation of grant funding and strategic decisions about the development of the 2 year old funding programme. The group includes the Early Support Commissioning Manager, School Places Planning Officer, Group Accountant (Education and Schools), private, voluntary and independent sector representatives and a representative from PCC Planning department.

4.2. During the Autumn term 2013 a total of 570 places were allocated to eligible children. This represents 92% of the target set by the DfE; we are confident that the full target of 617 will be realised by March 2014. The vast majority of families access their preferred setting, however families in Eastney / Craneswater are not always able to access places of their choice and although there are sufficient places in the Buckland area, approximately 6 families have opted to wait for a place at Flying Bull which is due to open to 2 year olds in April 2014.

4.3. In 2013/14 the full year allocation for places was not realised; with a local predicted underspend in the region of £380,000. This is a result of the challenges with implementing such a large increase in places and is similar to the national picture and was fully anticipated by the DfE when allocating LA's the full year's funding. The DfE has clarified that funding allocated for places can be used for local priorities within the context of the programme. To make full use of this funding for vulnerable families Portsmouth has brought forward the September 2014 criteria to January 2014. The early implementation of 2014 criteria benefits families in Portsmouth, is within the allocated places budget and will help the council to test our systems for this increase in number. We have done this successfully in previous years.

4.4. In 2013/14 Schools Forum approved proposals to allocate the trajectory funding to the following areas:

a) **Workforce development:** The budget allocation of £30,000 is now in line to be fully spent on the agreed priorities of:

• New to child minding programme	£10,000
• Existing providers programme	£10,000
• CPD programme	<u>£10,000</u>
	<b><u>£30,000</u></b>

b) **Market development:** The small grants programme (£80,000) has been used to create 170 new places to the end of January 2014.

The large grants programme (total £550,000) has been allocated to the Brambles Nursery (£200,000) to substantially extend their capacity. In addition, feasibility studies are underway to extend capacity at Beacons View Primary Academy and at the Community run provision at Manor Infant School. A lease is shortly to be agreed for a new provision at Canoe Lake in the Craneswater / Eastney area and work to secure accommodation in both Stamshaw and Baffins continues.

The 'parents awareness raising programme' (£40,000) is in line to be fully spent.

It is proposed any underspend in the Trajectory funding in 2013-14 is carried forward and allocated to the Trajectory budget in 2014-15 to support the continued investment in the market growth and infrastructure.

## 5. Proposals for 2014-15 spend

5.1. From 1 April 2014, the 2 year old funding allocation to DSG will be:

Places	Trajectory
£2,989,800	£359,600

5.2. The places funding is intended to fund an increased DfE target rising from 240 in 2011, 617 in April 2014 to 1,202 in March 2015. The trajectory funding will continue to support market growth and infrastructure.

5.3. In order to achieve the increased targets, the council will need to support and challenge delivery and infrastructure. It is therefore proposed that £79,000 is used to ensure the programme delivers sufficient places of the highest quality. This will pay for the resources to target settings both with regard to capacity and quality improvement.

5.4. The DfE has confirmed that eligibility criteria from September 2014 will include (in addition to the current criteria):

- Children in families eligible for working tax credit and a family income below £16,190 per year
- Children with a statement of SEN or Education, Health and Care Plan
- Children eligible for Disability Living Allowance
- They have left care through special guardianship or an adoption or residence order.

5.5. A second year of trajectory funding has been allocated to local authorities to enable them to meet the target for growth in numbers in their area. The DfE has not outlined detailed expectations for spend but clarified that local authorities must ensure it is used to meet the target growth in numbers required for 2014-15.

5.6. Following the success of the current action plan it is proposed that the spend profile for 2014-15 is in line with the 2013/14 plan and proposed profile is:

- a) **Workforce development (£15,000):** a reduced programme that will focus both on the quality of practice for 2yr olds and the increasing demands of effectively supporting children with learning difficulties and disabilities.
- b) **Market development (£344,600):** a reduced programme that will continue to focus on both raising parent’s awareness raising and capital investment in accommodation. This will be profiled in the following way:

Small grants programme	£60,000
Communications Strategy	£14,600
Capital programme*	£270,000
	<b>£344,600</b>

**6. Reasons for recommendations**

The proposals set out within this report meet the requirements of the DfE for the delivery of an increase in the number of funded 2 year olds during 2014-15.

**7. Equality impact assessment (EIA)**

This report does not require an Equality impact Assessment as the proposal does not have any impact upon a particular equalities group.

**8. Legal comments**

Legal comments have been included within the body of this report

**9. Head of Finance’s comments**

Financial comments have been included within the body of this report.

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Signed by:

**Appendices:**

**Background list of documents:**

<b>Title of document</b>	<b>Location</b>
'2 year old funding' budget estimates and monitoring records	Education Department and Education Finance
DfE - Dedicated Schools Grant allocations 2014-15 and supporting information	<a href="http://www.education.gov.uk">www.education.gov.uk</a>

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

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 Signed by: