

Report to: Schools Forum

Subject: 2 year old funding update

Date of meeting: 17 July 2013

Report by: Director of Children's Services

Written by: Early Support Commissioning Manager,
Childcare Development Manager, Early Support Service

1. Purpose of report

- 1.1. This report updates Schools Forum with the local authority plans for meeting the childcare sufficiency duty relating to funded 2 year olds.

2. Recommendations

- 2.1. It is recommended that the Schools Forum note the processes and proposals.

3. Background

- 3.1. At the meeting on 13 February, Schools Forum agreed arrangements for funding an increased number of 2 year olds during 2013-14 and the proposed use of trajectory funding (£700,219). This will support the local authority in meeting the new statutory duty to fund up to 1200 places by Sept 2014.
- 3.2. In order to meet the challenging increase in places, a proposal was presented that allocated the following funding towards 'market development'. This will consist of an £80,000 small grants scheme to support capacity building through incentivising growth and £550,000 to support capital investment in expanding accommodation in target areas of the City. As previously reported, the remaining £70,000 has been allocated to capacity building resources including training and a parental communications strategy.
- 3.3. In addition, a nominal allocation has been made by the Department for Education to the local authorities central capital programme grant (section 30) to support local infrastructure. This will support the expansion of local authority premises where additional capacity for 2 year old places is identified (e.g. maintained nursery classes and community run settings on school sites). The grant was not ring-fenced for two year olds and at the time of receipt was too late to be included in bids to cabinet for this funding stream. Officers will be working closely across departments

to identify appropriate projects and to seek to secure funding from this programme from the 2014-15 budgets.

4. Smaller grant arrangements

4.1. The small grants programme (£80,000) is designed to allow registered settings to apply for a grant that assists them in making small adjustments to increase capacity. Applications will be welcomed from all providers, using a standard application form. Funding will be allocated, in priority order, to settings that are able to demonstrate that:

- They have a request of less than £8,000
- They will provide additional places for 2, 3 and 4 year old children that meet the requirements to deliver a minimum of 15 hours for 38 weeks per year
- They are in our priority areas of the City; Eastney and Craneswater, Buckland, Stamshaw and Paulsgrove
- They are judged by Ofsted as 'good or outstanding'
- The proposal is financially viable and sustainable long-term

4.2. The Childcare Development Team is currently working with a number of providers to extend their existing capacity and develop sustainable business proposals and the resultant applications for funding. This includes Flying Bull Primary School which is looking to extend their nursery class provision.

5. Larger grant arrangements

5.1. Funding to support large projects (£550,000) will be targeted in priority areas and existing providers approached to work closely with the council to achieve growth. Officers will identify settings who are able to meet the needs identified through data planning. It is anticipated that there will be no more than half a dozen large projects, all serving families from Paulsgrove, Stamshaw, Buckland and Eastney & Craneswater. Settings that are targeted are likely to be a mixture of school, private, voluntary and independent providers.

5.2. Current work in these target areas includes:

- On-going work with a number of childcare providers in Eastney & Craneswater and Stamshaw to establish new provision
- Initial scoping work with Beacons View Primary Academy with a view to extending their nursery provisions
- Initial scope with the Royal Navy to appraise options for MOD land in both Stamshaw and Eastney

6. Audit and assurance

- 6.1. Recommendations will be made by the Early Support Leadership Team against the established criteria, in consultation with the School Pupil Places Planning Group. Decisions will be agreed by the task and finish 'childcare sufficiency advisory group' that has been established to oversee the project's progress. The group members are:
- Catherine Kickham - Early Support Commissioning Manager
 - Anthony Harper - Childcare Development Manager
 - Chris Williams - Pupil Place Planning & Capital Strategy Officer
 - Alison Egerton - Senior Accountant
 - Carol Damper - Schools Forum Early Years Representative
 - Vicky Piper - Planning Policy Team Leader
- 6.2. The group will sign-off decisions and agree payments according to the robust application and decision making process. This will form part of the robust, agreed internal process which has been endorsed by Education Finance and is in-line with local authority standing orders.
- 6.3. All funding will be subject to standard terms and conditions with a 'claw-back' clause to secure long-term benefits of the investment. Appendix A outlines the standard terms and conditions that are in place.
- 6.4. Revenue grant payments will be made to organisations, allowing them to commission and manage works directly. This will include where a school site needs to be extended to accommodate increasing numbers of pre-school aged children.
- 6.5. Budget monitoring will be overseen by the Advisory Group and form part of the monthly budget monitoring process between the Education Finance Team and Early Support Leadership Team.

7. Early Education Funding review

- 7.1. In the paper to Schools Forum in February 2013 there was a commitment to reviewing the existing 'Early Education Funding Formula'. The initial project outline is detailed below:
- Commenced in May 2013 and is being taken forward by the Early Support Team
 - Consultation with all providers will be undertaken during July and August
 - In conjunction with Education Finance colleagues, financial modelling will be completed to identify the financial impact of any recommendations
 - Report outlining recommendations to Schools Forum in October 2013

- Consultation with schools and PVI sector providers on the final decisions of Schools Forum during November
- Final Schools Forum approval for changes will be requested in December 2013
- Publication of the revised formula January 2014.

7.2. The review plan includes wide-ranging consultation with childcare providers and school nursery class provision. The review is considering a number of key areas:

- Whether the current formula is 'fit for purpose'
- Whether there have been substantial changes to the cost base of childcare providers since the formulas introduction in 2009
- How we continue to ensure quality provision in light of Government Policy on the changing role of LA's

8. Conclusion

8.1. Arrangements for planning and funding the extension of early years places is robust and complies with both Government direction and Schools Forum guidance. The proposed programme will support the local authority in meeting its duty to secure sufficient places for the long-term.