

DERBYSHIRE COUNTY COUNCIL

CABINET

12 July 2016

Report of the Strategic Director for Children's Services

**CAPITAL FUNDING TO SUPPORT THE PROVISION OF FREE
ENTITLEMENT EARLY YEARS PLACES FOR ELIGIBLE TWO YEAR-
OLDS IN SCHOOLS – (CHILDREN'S SERVICES)**

1. Purpose of the Report

To provide an update on the provision of nursery places for two year-olds, and to seek approval to allocate additional funds for one of the previously approved schemes.

2. Information and Analysis

On 3 March 2015, Cabinet received a report detailing a Government programme to provide funded early years places for two year-olds of low income families. The meeting approved capital funding for six projects thereby creating 240 places. On 26 May 2015, Cabinet approved funding for a further three schemes creating 120 additional places.

A fall in birth rate and the creation of additional places in the Private, Voluntary and Independent Sector (PVI) however has resulted in the demand for some places being significantly reduced. In addition, the staffing costs of this school-run provision, because of the impact of single status, has meant that the provision would not be sustainable and would, therefore, have a detrimental impact on school budgets. As a consequence the following schools have chosen not to proceed:

Longmoor Primary
Larklands Infant & Nursery
Mary Swanwick Primary
Speedwell Infant

The nursery at Dallimore Primary has been completed. The Model Village Primary project is on site and the project at Aldercar Infant started on site at the end of May 2016.

The scheme at Creswell Infant is in planning but the estimated cost of the project exceeds the original budget as detailed in Financial Considerations. This is due to the cost of modular buildings increasing significantly over the past year and also a requirement for additional drainage and external works. An additional £145,000 is required for this scheme to proceed.

At Anthony Bek, the school would like to go ahead with the project, but officers in the Early Years team have ascertained that, due to the fall in birth rate and creation of places in the Private, Voluntary and Independent PVI sector, there is insufficient demand in the area to make the running of the nursery viable. It is therefore recommended that this project does not go ahead. The project could however be brought back for consideration if the position with respect to demand for places and financial viability were to change.

3. Financial Considerations

Derbyshire's capital allocation for the creation of places for two year-olds is £1,036,886. In addition, following support from Schools Forum, the Secretary of State for Education has approved that revenue funding of £2,563,134 from 2014-15 Dedicated Schools Grant can be used to support capital projects, giving a total capital budget of £3,600,020.

The table below provides the details of the schemes approved by Cabinet and lists the savings for cancelled schemes and the revised budgets for these projects. The projects at Dallimore and Model Village will be delivered within the original budgets, but additional funds are required at Aldercar Infant of £3,035 and Creswell Infant of £145,000.

Location	Funding Approved	Cabinet Date	Revised Funding Recommended	Nursery Places
Anthony Bek Primary	270,000	3 March 2015	0	0
Creswell Infant School	230,000	3 March 2015	375,000	40
Dallimore Primary	275,000	3 March 2015	274,980	40
Longmoor Primary	300,000	3 March 2015	0	0
Model	275,000	3 March 2015	274,782	40

Village				
Speedwell Infant	275,000	3 March 2015	0	0
Aldercar Infant	290,000	16 June 2015	293,035	40
Mary Swanwick Primary	260,000	16 June 2015	0	0
Larklands Infant	245,000	16 June 2015	0	0
Totals	2,420,000		1,217,797	160

The allocations made by Cabinet on 3 March 2015 and on 26 May 2015 have a total value of £2,420,000 as set out above, leaving a balance of £1,180,020. The cancellation of the four schemes mentioned and the recommendation to cancel the scheme at Anthony Bek, if accepted, reduce the total project allocations to £1,217,797. In addition, this programme has expenditure associated with those schemes that are not now going to be implemented totalling £54,495.71. These projects remain ready for implementation if the position regarding demand for places and viability were to change.

This results in a total commitment of the grant received from the DfE and commitment of £232,406.71 of the funds identified in the DSG. The balance of £2,330,727.29 from the DSG allocation will be the subject of a future report to Cabinet. .

4. Legal Considerations

The Childcare Act 2006 and subsequent strategic guidance, requires local authorities to ensure there are sufficient funded Early Years Places to meet the requirement of working parents of three and four year-olds in their area. In addition, this duty has been amended to include funding places for disadvantaged two year-olds.

5. Other Considerations

In preparing this report the relevance of the following factors has been considered: - prevention of crime & disorder, equality of opportunity, and environmental, health, human rights, human resources, property and transport considerations.

6. Background Papers

File in Schools and Learning Childcare Improvement Service

7. Key Decision

Yes

8. Call-in

Is it required that the call-in period be waived in respect of the decisions being proposed within this report? No.

9. Officer's Recommendation

That Cabinet approves:

- 9.1 The proposal to allocate additional funding to the Creswell Infant School and Aldercar Infant School schemes in order to meet the Local Authority's statutory duty to ensure there are sufficient high quality places for meeting the needs of eligible two year-olds, and that these schemes are added to the 2016-17 Capital Programme.
- 9.2 The cancellation of the nursery scheme at Anthony Bek Primary School, Longmoor Primary School, Speedwell Infant School, Mary Swanwick Primary School and Larklands Infant schools.

Jane Parfrement
Strategic Director for Children's Services