

Agenda Item No: 8(I)

DERBYSHIRE COUNTY COUNCIL

CABINET

22 November 2016

Report of the Strategic Director for Children's Services

**EARLY YEARS PLACES BID TO THE DEPARTMENT FOR EDUCATION
AND EARLY YEARS CAPITAL FUNDING ALLOCATIONS – CHILDREN'S
SERVICES**

1. Purpose of Report

To seek Cabinet approval to confirm a bid to the Department for Education (DfE) for funding to provide additional Early Years places.

2. Information and Analysis

On 21 June 2016, the DfE issued bidding guidance for the Early Years Capital Fund. The key dates were as follows:

- By 31 August 2016 - local authorities submit applications
- By December 2016 - successful bids announced
- By August 2017 - projects complete.

The fund is relatively small. £40 million is available nationally (Derbyshire pro-rata would get around £400,000). The DfE expects to fund 100-200 projects nationally (pro-rata – 1 or 2 projects for Derbyshire). The Authority has to consider bids from the private sector as well as maintained schools with nurseries.

The DfE announced a two stage assessment process:-

- Stage 1 – pass / fail on the following criteria: Ofsted record, ability to complete by August 2017, total cost below £1 million, minimum 25% of project cost funded from other sources.
- Stage 2 – evidence of need, project outcomes, value for money.

The preparation of a bid involved significant investigation work, both to ensure a project could be delivered within a very tight timescale (8 months from approval to completion) and to analyse potential bids to identify which ones best met the DfE criteria. It was not possible to complete this

within the timescales that were allowed for the preparation of bids and then to secure Cabinet approval (there was no Cabinet meeting in August). As a consequence, it was agreed with the Children's Services Cabinet Member that the bid would be submitted and reported to Cabinet.

DfE Criteria for bids

Bids were required for areas where there is an undersupply in relation to the 30 hours' free entitlement offer, cost less than £1,000,000 and have a minimum of a 25% financial contribution from another source. Information about the scheme was sent to all nursery, infant and primary schools, Private, Voluntary and Independent (PVI) day nurseries and pre-schools.

Three applications were received from PVI providers – one from Kinderview Day Nursery, Glossop and two from Darcy Bunnie Day Nursery, Hilton (one for a modular building and one for a loft conversion).

The timing of this initiative so close to the end of term and the tight deadlines resulted in the Council receiving no applications from schools. As a consequence, an exercise was undertaken to identify potential projects in schools that would meet the funding criteria. Three school projects were identified based on the following criteria:

- in an area of greatest undersupply
- located on a site large enough to take a modular building

Given that projects are required to be complete and ready for children by 31 August 2017, there is insufficient time to design and build a bespoke project from scratch. However, the Authority has recently developed a design for a modular early years' classroom in conjunction with the scheme to extend provision for two year-olds. It was established that using a modular building to this design would result in the Authority being able to make a proposal that could be delivered within the timeframe set by the DfE.

The sites which were identified which matched these criteria were:
Larklands Infant - Ilkeston
Simmondley Primary - Glossop
St John's CE Primary – Belper

Costs of Projects and Local Authority LA/PVI contribution

The schemes that have been included in the bid are listed below. Whilst the minimum contribution is 25%, it is judged that the local authority bids would have a greater chance of success if a contribution higher than the minimum were proposed. As a consequence, the bid has included a contribution of 40%. The totals are set out in the table. It is proposed that

these contributions be drawn from the unallocated early years funding set out in the Financial Considerations.

	Local authority bids			PVI bids		
	Larklands Infant	Simmondley Primary	St John's CE Primary	Darcy Bunnie Modular	Darcy Bunnie Loft Conversion	Kinderview Modular
Full Cost	£390,000	£380,000	£400,000	£260,190	£104,032	£378,500
DFE	£234,000	£228,000	240,000	£182,133	£52,016	£283,875
LA/PVI Provider contribution	£156,000 (40%)	£152,000 (40%)	£160,000 (40%)	£78,057 (30%)	£52,016 (50%)	£94,625 (25%)

In order to meet the required timescale for development, i.e. January – August 2017, it is necessary to undertake some preliminary design work at a cost of £40,000 per scheme. If the three LA projects are approved, this cost would be included in the overall project total. If the bid were not successful, this work would enable the project to be reactivated at short notice in the future when further bids or funding for places becomes available.

Capital Funding Allocation - Children Centre reconversion

A number of buildings previously used for Children's Centres are now available for use for provision of Early Years places, often because they are located on school sites. However, a number of these buildings require some investment so that they can meet Ofsted requirements for the delivery of early years places. It is proposed that £250,000 be allocated from the early years capital funding as set out in the Financial Considerations to enable 10-15 Children's Centres to be brought into use providing early years places. The individual project allocations will be subject to approval by the Cabinet Member for Children's Services.

3. Financial Considerations

On the 12 July 2016, Cabinet received a report entitled "Capital Funding to Support the Provision of Free Entitlement Early Years Places for Eligible Two Year-olds." This paper detailed the cancellation of some previously approved schemes resulting in an unallocated amount of £2,330,727. The

following allocations are proposed in this paper:

• Larklands Infant,	£156,000,
• Simmondley Primary	£152,000
• St John's CE Primary, Belper,	£160,000
• Children's Centre reconversion fund	£250,000
• Total	£718,000

If all approved, these allocations will result in £1,612,000 remaining unallocated and this will be the subject of a future report.

4. Social Value Considerations

It is proposed that these works will be delivered by County Property and will not, therefore, be subject to an external procurement. This approach to project delivery has taken into account the Authority's Social Value Strategy. The choice of County Property to deliver these projects reflects the strong social value that it represents. County Property is developing its social value reporting, and the benefits include contributions to Outcome 1 (strong local economy) and Outcome 2 (a skilled and confident workforce). Particular values in these areas relate to: workforce development through apprenticeships, payment of the living wage and spend with suppliers within the local economy. The social value created by this and other projects delivered by County Property will be reported separately to Cabinet.

5. Other Considerations

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

6. Key Decision No

7. Call In

Is it necessary for the call-in period to be waived in respect of the decisions being proposed in the report? No

8. Background Papers

These are held on file in the Children's Services Development Section.

9. Officer Recommendation

That Cabinet approves:

- The details included in the bid to the Department for Education for funding for early years places as set out in this report
- That contributions to these projects be approved, subject to the bids being successful of: Larklands Infant, £156,000; Simmondley Primary, £152,000; and St John's CE Primary, Belper, £160,000.
- That initial design work on the three schemes totalling £120,000 be approved.
- That £250,000 be allocated to support the conversion of a number of Children's Centres, with individual projects being subject to approval by the Cabinet Member for Children's Services.

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