

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**3 March 2015**

**Report of the Acting Strategic Director for Children &  
Younger Adults**

**CAPITAL FUNDING TO SUPPORT THE PROVISION OF FREE  
ENTITLEMENT OF EARLY YEARS PLACES FOR ELIGIBLE TWO YEAR  
OLDS IN SCHOOLS – (CHILDREN AND YOUNG PEOPLE)**

**1. Purpose of the Report**

To seek approval to allocate a budget for the provision of additional classroom space to accommodate up to 40 eligible two year olds in schools in the areas of greatest under-supply.

To create an earmarked reserve to hold the revenue funds allocated from the Dedicated Schools Grant (DSG) 2014-15 pending their use on capital projects to address the under-supply of places.

**2. Information and Analysis**

In September 2013, the Government introduced a programme to offer up to 15 hours x 38 weeks of funded early years education to two year olds whose families were on those benefits which would make them eligible for free school meals. This equates to approximately 20% of all two year olds. In September 2014, this percentage rose to 40% when the two year olds of low income working families were added to the eligibility criteria. In Derbyshire, this 40% equates to around 3,200 children. The Authority is likely to have an under-supply of approximately 1,000 places.

The Local Authority has two key duties in relation to this programme. One is to ensure that there are sufficient places to meet the needs of all eligible children, and the second is to encourage the take up of this provision. Clearly, there is a link between the two as it is not possible to increase the take up of places in areas where there is insufficient provision to meet demand.

The areas where there is insufficient provision are those where there is the highest level of deprivation. In order to attract providers from the private and voluntary sector, an advertisement was placed in Nursery World, a publication taken by most of the early years and childcare sector. In addition, the local authority offered an incentive payment for each place created in areas of under-supply. Unfortunately, these areas were not attractive from a business perspective and the Local Authority received no expressions of interest from the private and voluntary sectors.

The Government is very keen to encourage schools to expand the age range to include two year olds and in areas of great disadvantage. The expansion of schools is the solution to providing high quality early years provision.

A conference was held for interested head teachers on 10 October 2014 and a number of schools, in the areas of greatest under-supply expressed an interest in this expansion. However, a major obstacle to taking this forward was the need for additional accommodation.

At a review meeting with representatives from the Department of Education, it was suggested that an application be made to Government to convert revenue attached to the provision for two years olds to capital. An application was made and the Local Authority was informed of its success at the end of October 2014.

As a result of the successful conversion of revenue funding to capital, it is now proposed to take forward developments in six of the eleven priority areas. Initial feasibility studies have been undertaken and the installation of a modular building appears to be the most cost effective solution at a number of the venues. The accommodation to be provided is for 20 children, however as the places are used on a half-day basis, the investment provides 40 places in each location so the six schemes will add 240 places. These are listed under Financial Considerations below. A further report will be submitted with details of proposals for the remaining five priority areas.

### **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 budget allocations for the proposed developments are detailed below to a total of £1,625,000. It is proposed that these will be financed from the capital allocation of £1,036,886 plus £588,114 from the

revenue funding allocated from the DSG. This will leave £1,975,020 remaining from the DSG allocation to further explore the five remaining projects.

It is requested that the DSG funding of £2,563,134 is transferred to a CAYA earmarked reserve pending the completion of the projects outlined in this report and the five remaining projects, and that any surplus remaining is used either for other support for two year old provision or is returned to the DSG for Schools Forum to consider and recommend its use.

School	Cost	No of Additional Places
Anthony Bek Primary	£270,000	40
Creswell Infant and Nursery	£230,000	40
Dallimore Primary	£275,000	40
Longmoor Primary	£300,000	40
Model Village Primary	£275,000	40
Speedwell Infant	£275,000	40
<b>TOTAL</b>	<b>£1,625,000</b>	<b>240</b>

#### **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:

the proposal to allocate budgets to six 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 2014-15 Capital Programme.

the creation of an earmarked reserve for the DSG funding as outlined above.

**Ian Johnson**  
**Acting Strategic Director for Children & Younger Adults**