

## **Cabinet – 13 March 2013**

### **Early Education Capital Funding: Two Year Old Allocation**

<b>Portfolio:</b>	Councillor Rachel Andrew, Children's Services
<b>Service:</b>	All Children's Service Areas - working in partnership
<b>Wards:</b>	All
<b>Key decision:</b>	Yes
<b>Forward plan:</b>	Yes

#### **1. Summary**

The Report sets out the background to the targeted offer of free childcare for disadvantaged two years and the requirement on local authorities to provide free early years places for two year olds from families on low incomes and any 2 year old who is looked after by the Local Authority.

#### **2. Recommendations**

- 2.1 That Cabinet approves the allocation of the non ring fenced capital funding of £667,160 to the Early Years Capital Programme for two year olds
- 2.2 That Cabinet approves the priority areas indicated at 3.6
- 2.3 That Cabinet delegates to the Executive Director for Children's Services in consultation with the relevant Portfolio holder authority to award contracts (including authorising execution/signature of the contract and ancillary documents) to the most suitable contractors having regard to Best Value for the works/services as set out.
- 2.4 That Cabinet approves the option to use an appropriate form of procurement and contracting arrangements determined by the Head of Property Services to provide the most efficient and value for money means of delivering the projects. This shall include consideration of traditional procurement and EU compliant frameworks available to local authorities.

### **3. Report detail**

- 3.1 A targeted offer of free childcare for disadvantaged two year olds has been funded by the Department for Education since September 2009.

From September 2013 local authorities will be required to provide free early years places for two year olds from families on low incomes and any 2 year old who is looked after by the Local Authority. From September 2014 around 40 per cent of two-year-olds will be entitled to a place because the eligibility criteria will be extended to more low-income families.

The entitlement is equivalent to 570 hours from the start of the term after the child is two years old. For the majority of children this provision will be delivered through an agreed number of sessions over 48 weeks.

- 3.2 Providers include childminders, day nurseries, playgroups and Childrens Centres. Providers must hold an Ofsted registration for the age group and be judged as good or better by either Ofsted or the local authority's Early Years Improvement Team. Longitudinal research demonstrates that two-year-olds in good and outstanding settings see real developmental benefits. Two-year-olds in poorer quality settings see no such benefits and their development are are no different than those who stay at home. All the evidence suggests that staff quality is the key determinant of improved outcomes.

Maintained schools may wish to deliver places for two years olds but will be required to obtain the appropriate registration and be able to offer the provision during school holidays.

- 3.3 In November 2012, the Department for Education announced revenue and capital funding allocations for local authorities to secure early education places for two-year-olds from lower income households.

£667,160 has been allocated for capital activity in 2013-14; this funding is not ring-fenced. This additional funding may be used for any capital purpose, but it is intended to support implementation of early education for two year olds from lower income families

Revenue for 2013-14 forms part of the Dedicated Schools Grant (DSG) in the Early Years Block and is subject of a report to Schools Forum.

Local authorities are expected to pass all available revenue funding to providers and not retain any centrally, and to do so using a flat rate with no supplements so that all providers receive the same rate.

- 3.4 The Department for Education has estimated the number of eligible children using free school meal data from the School Census for four to six year olds as a proxy, multiplied against population estimates for the number of two year olds in each local authority in September 2013.

This estimate is of the number of children likely to take up provision, rather than the estimate of the number eligible to do so, reflecting that not all parents of eligible children will wish to take up places.

Funding has been allocated within the Early Years Block of the Dedicated School Grant for 943 places from September 2013. Work so far has established an estimated 721 places for two year olds in good and outstanding providers already available across Walsall leaving a significant shortfall.

This new statutory duty presents a challenge in terms of ensuring sufficient quality places are available in the high need areas as not all the existing places are located within easy reach of the eligible families.

An analysis of the likely demand and current supply of childcare places by Children's Centre area has identified where there is a requirement for additional places to be created.

- 3.5 In meeting the challenge of developing the additional high quality places required, focused work will continue to improve the quality of provision of all settings. In some areas good and outstanding providers can increase the number of places they offer by reconfiguring existing provision and/or delivering on additional sites. Work is already underway to identify where this is possible.

The Early Years Improvement Team will continue to work in partnership with settings that are judged satisfactory in order to help improve the quality of provision thus increasing place availability.

- 3.6 There are 7 areas where there will still be a significant shortfall of places and it is recommended that these areas are considered as priorities for allocation of capital funding in order to secure additional high quality childcare places for two year olds.

<b>Children's Centre area</b>	<b>Places available in good and outstanding providers</b>	<b>Places available in satisfactory providers</b>	<b>Estimated number of eligible children</b>	<b>Minimum number of new places required to meet estimated eligibility</b>
Alumwell/ Pleck	44	4	120	72
Blakenall	37	3	101	61
Palfrey	51	42	144	51
Edgar Stammers	17	17	64	30
Birchills & North Walsall	85	2	113	26
Darlaston	59	4	101	38
Hatherton	50	0	78	28

Early discussions with providers indicates that the developments required are likely to be relatively small scale projects to existing buildings to enable delivery in a number of different areas of town rather than significant remodelling or new build.

#### **4. Council priorities**

The schemes will contribute to an improved learning environment for the most disadvantaged Walsall children, their families and the wider community.

#### **5. Risk management**

5.1 If capital is not allocated and prioritised there is a significant risk of non-delivery of the targeted offer of free childcare for disadvantaged two year olds and those who are looked after by the local authority.

5.2 Construction programmes are at risk of delays that might affect the timescales and cost of projects and these may require adjustments to the programme. These risks will be managed as far as is practicable on an ongoing basis.

#### **6. Financial implications**

Capital funding of £667,160 has been allocated for 2013-14 to support development of additional places enabling delivery of free early years places for two year olds from families on low incomes and any 2 year old who is looked after by the Local Authority. This funding is not ring-fenced for the early years programme.

#### **7. Legal implications**

7.1 Local Authorities are required to ensure the delivery of free early years places for two year olds from families on low incomes and any 2 year old who is looked after by the Local Authority from September 2013. The number of two years olds eligible for these places is set to rise in September 2014.

7.2 Any schemes subsequently identified will be managed through Walsall Council Property Services and they will ensure that all statutory obligations in relation to the schemes are adhered to. These issues include building regulations, planning approvals, Disability Discrimination Act (DDA) and Construction Design and Management Regulations (CDM). This is in addition to ensuring compliance with Walsall Council Financial and Contract Rules and compliance with the European regime and regulations covering the procurement of goods, services and contracts of work.

#### **8. Staffing implications**

There are no direct implications as a result of this report.

## 9. Equality implications

The delivery of high quality Early Years provision promotes equality of opportunity for children, parents and carers. Good quality childcare gives children a head start even before they walk through the school gates for the first time. The intention of the targeted offer for free places for two year olds is to address access inequalities cause by circumstances of birth.

## 10. Consultation

Relevant stakeholders including voluntary, independent and private providers, schools, Diocesan Authorities and Foundation representatives, as appropriate; Walsall Council: Property Services and Children's Services Finance.

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The image shows two handwritten signatures in black ink. The signature on the left is 'Rose Collinson' and the signature on the right is 'Denise Faulconbridge'.

Signed:  
Interim Executive Director:  
Rose Collinson  
Date: 4 March 2013

Signed:  
Managing Director , Walsall Children's  
Services – Serco:  
Denise Faulconbridge  
Date: 4 March 2013

The image shows a handwritten signature in black ink that reads 'Rachel Andrew'.

Signed:  
Portfolio Holder: Councillor Rachel Andrew  
Date: 4 March 2013