

REPORT TO: Executive Board

DATE: 12 December 2013

REPORTING OFFICER: Strategic Director – Children & Enterprise

PORTFOLIO: Children, Young People and Families

SUBJECT: Capital Grant – Two year old Free Entitlement

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

- 1.1 To seek Executive Board approval to commence with the capital works detailed in this report and delegation of approval to the Capital Grant Funding Panel for any future bids received
- 1.2 To inform of the membership of the Capital Grant Funding Panel
- 1.3 To provide details on next steps and timescales with regard to the expansion of 2 Year Old Provision in Halton.

2.0 RECOMMENDATION: That Executive Board

- 1) approve the capital expenditure detailed in this report to assist with the expansion of the 2 Year Old Early Years entitlement in Halton; and**
- 2) agree to delegate the approval of any further bids received for 2 Year Old capital funding to the Capital Funding Panel comprising appropriate members of the Children & Enterprise Directorate and Council's Finance Department, in consultation with the Portfolio holder for Children, Young People and Families, (As detailed in paragraph 3.3 below).**

3.0 SUPPORTING INFORMATION

3.1 2 Year Old Place Expansion

From April 2009 all local authorities in England have received funding from the Department of Education (DfE) to provide a targeted free entitlement to the most vulnerable two year olds that met strict criteria. Halton was allocated place funding sufficient for 70 two year olds for 10 hours per week for 38 weeks per year.

This free entitlement increased and in 2011 two year olds meeting the eligibility criteria could access up to 15 hours per week. In 2011-12 the DfE announced an expansion of the Two Year Old Free

Entitlement Programme. It was announced that Halton would receive sufficient funding to deliver a free entitlement to up-to 493 eligible 2 year olds from September 2013, increasing to 800 two year olds in September 2014.

3.2 Department for Education 2 Year Old Capital Allocations

To support the necessary expansion of place capacity in areas of greatest demand needed to accommodate the increase in the 2 year old entitlement, the Department for Education allocated Capital Funding to all local authorities. Halton was allocated £355,915 and details of this were reported to the Executive Board on 28th March 2013 in the “Capital Programme 2013/14” report submitted by the Strategic Director – Children and Enterprise, where the Executive Board approved the proposal for the 2 Year Old Capital programme.

3.3 Capital Grant Allocation Process

Capital application forms were sent to all Early Years and Childcare providers in the Private, Voluntary and Maintained sectors, ten completed applications were received by the deadline (12th July 2013), the total value of these allocations was £313,467 (including VAT), which are estimated to create an additional 186 places for 2 year olds.

A Capital Funding Panel was established to assess the bids against the DfE Guidance and determined criteria, (Appendix 1). The Panel consisted of:

Mark Conway (Child Place Planning Lead)
Belinda Yen (2 year old Project Officer)
Jacki Durr (Early Years & FIS Support Officer)
Julia Calcasola (Early Years & FIS Support Officer)
Janet Harvey (Early Years & FIS Support Officer)
Jill Farrell (Early Years Schools & Settings Improvement Officer)
Phil Dove (Capital Development Officer)
Naheem Shafiq (Principal Finance Officer)
Emma Taylor (Divisional Manager- TAF Services)

3.4 Capital Grants Received and approved in principle by the Capital Grants Funding Panel

The Capital Grants Funding Panel met on 1st October 2013 to consider the applications received against the determined criteria and approved, in principle, the following applications:

3.4.1 Brookvale Neighbourhood Nursery

The original application was submitted by the Pre-school Learning Alliance (PLA) for two elements of funding, capital build and resources. It was the view of the panel that the proposed

expenditure met the DfE capital criteria and would create an additional 63 places in the area of highest demand. The application for £157,104 (inc. VAT) was approved in principle. However, as the PLA run nursery is a tenant of Halton Borough Council in the Brookvale Children's Centre, it was considered more appropriate for the council to submit the bid for the capital build element, and both parties resubmitted their applications accordingly.

3.4.2 Early Learners Day Nursery

The application was reviewed and it was agreed that the funding required was to carry out capital work within the nursery and as such met the capital criteria in the DfE Guidance document. The project, when complete would create an additional 18 places for funded 2 year olds. The application for £29,819 (inc. VAT) was approved in principle.

3.4.3 Palace Fields Day Care

The application was reviewed and it was agreed that the funding required was to provide age-appropriate resources to furnish an additional room. As the resources have a lifespan of more than one financial year this is eligible capital expenditure. The project, when complete would create an additional 26 places for funded 2 year olds. The application for £14,080 (inc. VAT) was approved in principle.

3.4.4 Acorn Community Nursery

The application was reviewed and it was agreed that the funding required was to provide age-appropriate resources to re-configure and furnish the Hall area, which would allow the nursery to provide an additional 20 places for funded 2 year olds. If the resources have a lifespan of more than one financial year this is eligible capital expenditure. The Panel determined that the eligibility and need for all of the resources included in the application was not warranted, and proposed that the amount of funding approved should be capped at £12,000.

3.4.5 Sunshines Under Fives Pre-School

The application was reviewed and it was agreed that the funding required was to carry capital work within the Pre-school and as such met the capital criteria in the DfE Guidance document. The project, when complete would create an additional 10 places for funded 2 year olds. The application for £45,350 (inc. VAT) was approved in principle.

3.4.6 Gorsewood Pre-school

The application was reviewed and it was agreed that the funding

required was to provide age-appropriate resources to furnish and re-configure the existing space. The project, when complete would create an additional 8 places for funded 2 year olds. The application for £6,195 (inc. VAT) was approved in principle.

3.4.7 **Holy Spirit Pre-school**

The application was reviewed and it was agreed that the funding required was to provide age-appropriate resources to furnish the Children's Centre crèche room and also to equip the out-door play area. The setting are currently waiting for the Diocese of Shrewsbury to issue a formal licence in respect of their occupation of Pre-school section of the building in addition the setting will require a sub-licence from Halton Borough Council in respect of the crèche room adjacent to their rooms. The additional accommodation will provide an additional 15 funded 2 year old places. The application for £6,000 (inc. VAT) was approved in principle.

However, the original application was submitted by Halton Borough Council, but as it was for age-appropriate resources it was considered appropriate that the Pre-school should resubmit the application by 28 October 2013, which has now been received.

3.4.8 **Ditton Early Years Centre**

The application was reviewed and it was agreed that the funding required was to carry out capital work within the nursery and as such met the capital criteria in the DfE Guidance document. The project, when complete would create an additional 8 places for funded 2 year olds. The application for £11,346 (inc. VAT) was approved in principle.

3.4.9 **Warrington Road (Bambini Day Nursery)**

The application was reviewed and it was agreed that the funding required was to carry capital work within the nursery and as such met the capital criteria in the DfE Guidance document. The project, when complete would create an additional 4 places for funded 2 year olds. The application for £3,536 (inc. VAT) was approved in principle.

3.4.10 **Beechwood Early Years**

The application was reviewed and it was agreed that the funding required was to carry capital work within the nursery and as such met the capital criteria in the DfE Guidance document. The project, when complete is estimated to create an additional 14 places for funded 2 year olds. The application for £23,692 (inc. VAT) was approved in principle.

3.5 **Timescales**

The Children and Enterprise Directorate's Senior Management Team met on 5th November 2013 to consider, and approve in principle, the applications received. Upon approval from the Executive Board providers will be informed of the decision and issued with a capital grant contract. The contract will detail the payment arrangements, which will be determined by the value of the grant awarded. Grants up to the value of £10,000 will be paid in full on receipt of 3 quotations.

For grants above £10,000, 50% of the value will be paid on receipt of 3 quotations and the balance up to the value of the award will be paid 3 months following first payment.

Following completion of the works the setting will submit paid invoices. If the value of paid invoices is less than the grant awarded, the overpayment will be clawed back.

All capital work will be complete by August 2014.

4.0 **POLICY IMPLICATIONS**

4.1 Securing sufficient childcare is a statutory duty in the Childcare Act 2006.

4.2 The local authority is required to have sufficient capacity for 800 funded 2 year olds by September 2014, the creation of the additional places detailed in this report will make a significant contribution to achieving this target.

5.0 **OTHER IMPLICATIONS**

5.1 None

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 Children & Young People in Halton:

The expansion of the free entitlement for 2 year old from low income families will help to ensure that children have sufficient, high quality childcare provision, giving them the best start in life.

6.2 **Employment, Learning & Skills in Halton**

In ensuring that supply meets demand for childcare provision in Halton, the Childcare Sufficiency Assessment provides parents/carers with the opportunity to work and/or undertake further education/training whilst ensuring that their children are in high

quality and locally available childcare provision.

6.3 **A Healthy Halton**

Joint projects between the Local Authority and the Health Service ensure that childcare providers in Halton are promoting healthy lifestyles to parents and children. As a result of training and qualifications gained by settings they are better able to support parents and children with health issues.

6.4 **A Safer Halton**

It is the responsibility of all adults to be committed to building a culture of safety and Halton's childcare providers have a legal duty under the Early Years Foundation Stage (EYFS) to provide an environment where children feel safe and valued.

6.5 **Halton's Urban Renewal**

The Halton Childcare market is a multi-million pound enterprise with an annual turnover estimated in the region of £11m. In addition to providing childcare for children, allowing parents/carers to undertake further education and/or training, it also provides in excess of 700 direct employment opportunities within the childcare sector in Halton. The expansion of the free entitlement for 2 year olds is having a very positive impact on the sustainability of Early Years and Childcare providers.

7.0 **RISK ANALYSIS**

- 7.1 If the LA did not create the additional capacity for the 2 year old free entitlement it would be failing in its statutory duty

8.0 **EQUALITY AND DIVERSITY ISSUES**

- 8.1 The provision of places for the 2 year old free entitlement ensures that parents/carers from low income families have access to high quality childcare provision at an early stage than is currently possible.

9.0 **REASON(S) FOR DECISION**

The Local Authority is statutorily required to have sufficient provision of 2 year old free entitlement places.

10.0 **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

None.

11.0 **IMPLEMENTATION DATE**

Completion of works by August 2014 will allow for the additional places created to be used from September 2014.

12.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

Document	Place of Inspection	Contact Officer
Children Act 2004	Rutland House	Mark Conway
Childcare Act 2006	Rutland House	Mark Conway