

2014/15 2 Year Old Early Education Places

Committee: Schools' Forum

Date: 8th July 2014

Author:	Head of Economy and Skills
Wards Affected:	All
Locality Affected:	All
Parishes Affected:	All
Settings Affected:	Maintained nurseries, Private and Voluntary Pre-Schools and Nurseries and Childminders are specifically affected. As the Dedicated Schools Grant is ring-fenced specific funding provided by the Department for Education to meet the educational needs of early years, school age and all 0 to 25 year old high needs pupils, any decisions on how the grant is utilised indirectly affects all settings.

1. Purpose and Reasons

- 1.1 To update Schools Forum on the plans to meet the DfE 2014/15 target of achieving participation in nursery education by the 40% most disadvantaged 2 year olds across the Borough by March 2015.

2. Recommendations

- 2.1 To agree the use of £9k to increase marketing in 2014-15, as defined in paragraphs 3.7 to 3.11 in order to further promote additional places and raise participation towards the DfE 2014/15 target.
- 2.2 To seek agreement to spend up to £470k on capital projects as defined in Table 1 in the main report by March 2015 in order to meet the DfE targets for provision for 2 year olds in 2014/15.

3. Detail

Progress update

- 3.1 DfE expects LAs to fund places in all early years settings that are rated "good" or "outstanding" by Ofsted and we can also fund places in "satisfactory/requires improvement" settings by placing funding conditions to address concerns raised by Ofsted.
- 3.2 For 2013/14 the DfE set a target that 20% of all 2 year olds should be accessing a funded education place which equates to approximately 600 children. A total of 596 children accessed the service during 2013/14 although many took up less than their full entitlement. It is relevant to note that a substantial amount of the 2013/14 2 year old funding was diverted to meet projected post 16 high need cost pressures in 2013/14 although this did not impede the LA in its actions to increase capacity.

Further information on the subject of this report can be obtained from Gareth Cheal, 01793 46 5802, gcheal@swindon.gov.uk.

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- 3.3 For 2014/15, the LA has been set a 40% target to fund 957 children and to meet this target require applications from approximately an additional 400 children through promotion of the offer and development of capacity for places.
- 3.4 At the 11th March 2014 Schools' Forum, members agreed that the full value of the Disadvantaged 2 year old DSG funding provided to Swindon in 2014/15 of £2.628m should be fully allocated to the service without any funds being diverted to other areas. Although formula based at present, the level of Disadvantaged 2 year old DSG was likely to be based on participation from 2015/16 onwards and it is therefore important that steps to maximise capacity expansion across the sector are taken whilst the DfE is providing a trajectory building fund. The Schools' Forum also agreed that funding of £0.176m provisionally earmarked to provide a 40p per hour supplement to providers in March 2015 should not be paid and that this funding should also be targeted on capacity building.
- 3.5 The initial spending forecast agreed in March was that an average of 773 children would access the service for 570 hours per year (i.e. at their full entitlement of 15 hrs over 38 weeks) at a cost of £2.180m. Evidence from 2013/14 has shown that the reality is that places are accessed mid-way through the term and some only take the minimum entitlement of 6 hours per week.
- 3.6 Following a review of the 2013/14 2 year old place funding the indication is now that approximately 95% of the maximum entitlement is fulfilled, therefore, the revised spend forecast for 2014/15 is £2.071m (95% of £2.180m). The LA still expects approximately 773 children (32%) to access existing provision but not necessarily on a full entitlement basis.

Proposals to grow places: marketing strategy and proposed capital expenditure on expansion during 2014/15

- 3.7 The LA is taking steps to ensure maximum participation from eligible families, who are identified in large part through postcode analysis. Extensive marketing was undertaken to ensure the entitlement is widely recognised and easily accessible. Joint multi-agency working with a range of professionals has made this project viable and ensures the best possible outcomes for families and their children. The eligibility criteria were widened in April 2014 to effectively double the number of eligible children and are already in line with the DfE guidance for a September 2014 implementation.
- 3.8 The 2 year old offer has been marketed successfully to provide the current level of provision which meets our growth plans. However, further work is required to take place throughout 2014 and 2015 to ensure the entitlement is widely advertised throughout the Borough and processes and systems are streamlined to ensure that participation is maximised in order to meet the new target for 2014-15 and to sustain take up beyond 2015.

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- 3.9 The proposed marketing strategy includes direct mail shots, media advertising, social media and celebrity endorsement. It is proposed to set aside £9K of 2 year old funding for the additional promotional activities planned for 2014/15.
- 3.10 In addition, the LA will set up registration events for parents to assist with the increased volume of applications.
- 3.11 The marketing strategy needs to link with a proposed capital programme to increase above the target the number of places available in 2014-15 and beyond.
- 3.12 All providers of education for 2 year olds and 3 and 4 year olds have been contacted and asked about their interest in expansion. Only settings rated good or outstanding can make provision for 2 year olds. However, a new provider can set up and take 2 year olds before an initial inspection. Thereafter, the inspection outcome determines future provision.
- 3.13 In addition to existing providers, schemes have been identified through on going work with commercial agents in Swindon to identify commercial property that would easily convert to D1 planning (nursery provision) e.g. offices, warehouse. This has included brokerage and building relationships between potential applicants and the agents.
- 3.14 There has been an assessment of vacant buildings in the Borough to identify "quick wins" including former nursery buildings that due to a number of reasons have become vacant and are due to be advertised to the market
- 3.15 Based on the previous capital match funding scheme to grow 2 year old provision used by the LA in 2013-14, the estimated costs in Table 1 below start at a maximum of £2K per 2 year old place created.

Table 1 – Summary of indicative options to increase 2 year old capacity				
PROVIDER	LOCATION	ADDITIONAL SPACES	AVAILABLE FROM	GRANT FUNDING ESTIMATE
Swindon Academy	Beech Avenue	40	January 2015	£160k for both projects
Swindon Academy	Alton Road	40	September 2014	
Drove	SN1	20	September 2014	Not required
King William Play Group	SN1	20	Phased Sep 14 to Jan 15	Already received match funding
Abingdon Kindergarten (new provider at	SN1	45 (total capacity 186+ so this would have impact on 3-4	Autumn 2014	Projection of 90k Currently in

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Table 1 – Summary of indicative options to increase 2 year old capacity				
PROVIDER	LOCATION	ADDITIONAL SPACES	AVAILABLE FROM	GRANT FUNDING ESTIMATE
Toad Hall)		year old funding to)		discussion
New provision developing from existing "Raindrops" Pre-School	West Swindon	42	Autumn 2014	Projection of £60k Currently in discussion
West Swindon Family Centre	West Swindon	40	Autumn 2014	Projection of £40k Currently in discussion
4Children	Moredon	48	September 2014	Projection of £60k Currently in discussion
New or existing provider moving into existing premises	West Swindon	45	Autumn 2014	Projection of £10k Currently in discussion
Robert Le Kyng	SN1	40	Autumn 2014	N/A
Croft	SN3	40	Jan 2015	N/A
Debbie Southern Collective – New Nursery	Abbey Meads	40	Autumn 2014	Currently in discussion up to £50k
TOTALS		460		£470k

- 3.16 There is a Steering Group of Early Years' providers and LA officers which oversees this work. It is proposed that the next steps will involve checking the accuracy of estimated capital spend, moving forward those schemes which are secure. The LA will ensure that development of the schemes follows SBC's financial regulations. It is important to keep these schemes progressing, hence the request to seek agreement on a capital budget up to £470k, with update reports planned for the October 2014 and January 2015 Schools' Forum meetings on actual spend and progress on the projects.

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- 3.17 As a result of the details in the report above, Table 2 below is a revised forecast spend and so updates the budget profile presented at the March 2014 Schools' Forum.

Table 2- Disadvantaged 2 year old funding 2014/15		
	March 2014 Forum	Latest Proposals
<u>2014/15 funding</u>	£2.628m	£2.628m
<u>2014/15 spending</u> Provision – assuming a full year average of 773 children access the service) <ul style="list-style-type: none">• Basic funding @ £4.95 per hour• Provision of training• Contribution to Early Years team costs• Marketing proposal• Potential contribution to capital to maximise increased provision	£2.180m (at 570 hrs) £0.008m £0.055m - £0.385m	£2.071m (at 541.5 hrs) £0.008m £0.055m £0.009m £0.485m
<u>Total spending</u>	£2.628m	£2.628m

4. Alternative Options

- 4.1 The LA has a statutory duty to manage and distribute the Dedicated Schools Grant (DSG) in accordance with prevailing grant conditions and the School Finance Regulations. DfE have prescribed the options available to Local Authorities, some of which are mandatory whilst some are discretionary, but in most cases funding values are locally determined. DfE have set statutory take up targets for LAs but have not specified how they could or should be met leaving this for local decision making.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 As this is essentially a financial report the implications are explained throughout the document. It is important to recognise that no setting is financially protected against reduced pupils or student numbers.

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Legal and Human Rights Implications

- 5.2 There are no legal and human rights implications arising from this report.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 The school funding reform programme is causing a degree of volatility in the distribution of DSG funding which may have implications for schools and other providers which are detrimentally affected by this.

Links to One Swindon, Strategic Objectives, Plans and Policies

- 5.4 Utilisation of the DSG has a direct link to two of the Council's five priorities – "Right skills, right jobs in the right place" and "Make the best use of Swindon's resources inside and outside the Council".

Diversity Impact Assessment

- 5.5 The DfE's school funding reform programme is aimed at simplifying fair funding and although funding changes at individual settings are inevitable the DfE believes that the Minimum Funding Level protection scheme for schools will be sufficient to minimise any adverse impacts. The reform programme is clearly aimed at ensuring funding is targeted at disadvantaged pupils and at pupils with low prior attainment and/or special education needs in order to narrow the attainment gap between these and other pupils.

Risk Management

- 5.6 The key risks arising from this report are that local decisions relating to school funding could lead to an overspend on the 2014/15 DSG and/or that the EFA could deem that our funding arrangements do not comply with the school finance regulations requiring budgets to be recalculated. All schools and other education providers need to prepare and maintain annual budgets and medium term financial plans which assess their sustainability.

6. Consultees

- 6.1 The Board Director Resources (Chief Financial and Section 151 Officer), Director of Law and Democratic Services (Monitoring Officer) and Board Director Commissioning (Director of Children Services) are consulted in respect of all reports.

7. Background Papers

- 7.1 Various documents issued by the Department for Education since 4th June 2013 announcing the 2014/15 school funding reform changes and in particular the agenda papers provided to the 11th March Schools Forum.

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8. Appendices

8.1 None

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