

## **“Quality and Access for all Young Children” – Allocation of Early Years Capital Grant**

### **Summary**

1. This paper seeks approval of bids from the Private, Voluntary and Independent (PVI) sector against the local authority's allocation of the “Quality and Access for All Young Children Capital Grant”. These bids have been recommended by a panel established for this purpose.

### **Background**

2. In November 2007 the government announced this new **Early Years Capital grant : Quality and Access**. This funding is in addition to the capital funding announced specifically for the development of children's centres and the capital funding for extended schools announced as part of the School Capital Settlement.
3. This new grant has three aims:
  1. To improve the quality of the learning environment in early years settings to support delivery of the Early Years Foundation Stage, with a particular emphasis on improving play and physical activities; and Information, Communications and Technology resources.
  2. To ensure all children, including disabled children, are able to access provision.
  3. To enable PVI providers to deliver the extension to the free offer for three and four year olds and to do so flexibly.
4. The government's expectation is that the majority of this capital grant is used to improve the quality of the environment in private, voluntary and independent (PVI) early years and childcare settings, both to support higher quality experiences for young children, and to ensure that all children can access services and benefit fully from them.

5. This new capital grant must be used for the three broad purposes set out above but it is for the Local Authority to decide how best to deploy the grant for maximum impact and value for money. For example, the grant can be used to fund 100% of the cost of work/equipment for those providers which have little or no resource of their own; for others with more resources, the grant can be provided on a matched funding basis.
6. In a paper to Executive Member and Advisory Panel (EMAP) on the 17 July 2008, we recommended a process for inviting all eligible providers to bid into the fund in three batches. Initially it was anticipated that 3 tranches would be sufficient, however on further consideration we believe it is appropriate to make 2 further tranches available, to ensure equitable access to the grant. The current paper reports on the outcome of the second tranche of bids, the closing date for which was 25<sup>th</sup> February 2009. A copy of the letter sent to providers is at **Annex D**.
7. Approval was given for 41 bids in the first tranche at EMAP on 19<sup>th</sup> January 2009. 34 contracts have as a result been issued to all bids over £2,500. On return of the contract the project is allocated 50% of the total applied for. Final payment is made on receipt of final invoice and completion of the project. Work on all projects has begun, 8 are completed.
8. A small number of settings failed to account for VAT within their project, similarly a number have been completed at less than the estimated cost. Expenditure to date remains within the budget allocated.
9. The following gives a breakdown from the first tranche of spending within the different categories. IT £42,336, Outdoor Equipment/Installations £186,644, Canopies £31,281, Building Alterations £21,171, and Resources £20,855.
10. Progress reports have been received on first wave projects, a more detailed monitoring form will also be issued 6 months after the completion of the project. This monitoring form specifically challenges the provider to assess the impact of the project against the 4 Themes and Principles of the Early Years Foundation Stage.
11. The proposed closing dates for tranches 3, 4 and 5 are 27<sup>th</sup> May 2009, 2nd October 2009 tranche 4 and 29th January 2010 for tranche 5.

## **Consultation**

12. The criteria for application into the funding stream emphasises the need for applicants to provide clear evidence of consultation with key partners, particularly through Shared Foundation Partnerships. The bids approved must also be consistent with the local Child Care Sufficiency Assessment for the authority, a document produced in York following major consultation activity with all stakeholders including users of childcare services.
13. The assessment panel convened to consider the bids was drawn from membership of the "places sub-group" which is part of the Early Years and

Extended Schools Partnership. Members of the panel included Peggy Sleight (Chair of the Early Years and Extended Schools Partnership), the Pre-School Learning Alliance, the National Childminding Association, the National Day Nurseries association, as well as representatives from Education Planning, Finance, the Training and Development Unit and the Early Years and Extended Schools Service. All bids were assessed against a set of agreed criteria.

14. A meeting of the DMT for Learning Culture and Children's Services considered a paper on 27th April 2009 and supported the recommendations contained in this report.

## **Options**

15. Executive Member has the option of approving or rejecting the bids from the Private, Voluntary and Independent sector to use the new "Quality and Access Early Years Capital Grant Allocation", as recommended by the panel.

## **Analysis**

16. Research shows that children will only benefit fully from early education and care if it is of high quality: a high quality setting also needs the right built environment and adequate and appropriate resources. This means providing enough space for larger group sizes which can also be used flexibly and up-to-date facilities and equipment to support children's learning and development. This new Quality and Access grant will allow Local Authorities to invest strategically to ensure that the PVI sector is able to deliver high quality learning and development for all children. This is particularly important for York given that most of our three and four year olds are in the non-maintained sector, which had not previously been able to access similar types or levels of funding.
17. Expenditure eligible for grants under the fund includes:
  - equipment to ensure that practitioners can effectively observe and capture children's progress – digital cameras, scanners and video recorders, laptop and desktop PCs;
  - information and communication technology – laptop and desktop PCs, digital cameras, video and sound recorders, hi-fi equipment;
  - provision of stimulating and accessible outdoor play space and equipment – this includes the purchase of land to be developed for this purpose;
  - development of adequate indoor space for age-appropriate play activities and suitable rest areas;
  - replenishing and replacing toy stocks and purchasing other learning and development materials and resources to support the EYFS;
  - resources to encourage a rich and stimulating language environment in line with Letters and Sounds – musical instruments, tape recorders, CDs as well as books, rhymes and signs.

18. The Panel received some applications for similar items that would cost under £2,500 and therefore it is proposed to bulk purchase such items and distribute them (rather than cash) to the applicants. It is proposed that other settings will be able to take advantage of similar bulk purchase arrangements. An example of such items could be ICT equipment e.g. printers, digital cameras etc.
19. Every setting must have an inclusion policy setting out how it will meet the needs of all children, in line with delivery of the Early Years Foundation Stage (EYFS). However, ensuring full access, particularly for disabled children, and providing facilities and equipment for disabled children and children with SEN, can often require adaptations. The allocation of this new Quality and Access grant creates opportunities for us to further progress this agenda, particularly where it can be combined with other funding streams.
20. Settings from the PVI sector were invited to access support from the Extended Schools Remodeling Consultant (ESRC) team prior to completing their bids.
21. **Annex A** refers to bids that the Panel considered met the agreed criteria. **Annex B** refers to bids that the Panel agreed with in principle but that had sections which required additional work. **Annex C** refers to bids that the Panel felt did not meet the criteria and needed substantial additional work; for reasons of possible commercial sensitivity, this annex is confidential.

## **Corporate Objectives**

22. This paper clearly contributes to the Corporate Priority aimed at “we want to make sure that local people have access to world-class education and training facilities and provision. This will help them to develop the skills and aspirations they need to play an active part in society and contribute to the life of the city”

## **Implications**

- **Financial**

23. The DCSF has allocated York £2.1m over the three year period 2008/09-2010/11 to be spent on capital projects under this heading.
24. A total of 52 bids to the value of £495,356 were received in the second tranche. Of these, 29 bids totaling £255,754 are recommended for full approval, with a further 17 bids totaling £171,988 recommended for approval in principle subject to certain conditions being met. Bids received covered childminders (7), private day nurseries (25), independent schools (1) and pre-school playgroups (20).
25. As detailed above, the first tranche of successful bids was approved at EMAP on 19/01/2009, and totaled £284k. The adjustments referred to in paragraph 8 have resulted in a net additional cost from the grant of approximately £18k, increasing the amount allocated from the first tranche of awards to £302k.

26 The approval of the second tranche of bids as summarised in paragraph 24 will result in approvals to date of £730k out of the total available of £2.1m, which must be spent by 31<sup>st</sup> March 2011. This leaves an amount of approximately £1.37m to be allocated. Although the DCSF has an expectation that the majority of the grant will be spent in the PVI sector, the local authority does have flexibility to move funding across the three main capital blocks referred to in paragraph 2.

- **Human Resources (HR)** *There are no HR implications*
- **Equalities** *There are no Equalities implications)*
- **Legal**–*There are no legal implications*
- **Crime and Disorder**– *There are no Crime and Disorder implications*
- **Information Technology (IT)**–*There are no IT implications*
- **Property**– *There are no property implications*
- **Other**

## **Risk Management**

27 Risks are minimised by the application of recommended and clear criteria, by the transparent process of bidding and by the level of consultation undertaken around the use of the capital funding stream. The additional capital work such funding stimulates will carry some risks but they are minimised given the relative scale of the developments, through clear project management and through regular reporting arrangements to Executive Member being in place. It is recognised that working through the PVI sector will require particular support arrangements and these are in place within the Early Years and Extended Schools Service.

## **Recommendations**

28 That the Executive Member be advised:

- 1) To accept the recommendations of the panel for the second tranche of bids for the Quality and Access Early Years Capital Grant Allocation as set out in the annexes as follows:
  - annex (a) approved
  - annex (b) accepted in principle but requires additional information
  - annex (c) requires substantial reworking and should be declined at this stage

Reason: to enable the further development of early years provision in York, in accordance with government guidelines.

2) To approve that Early Years and Extended Schools Service should bulk purchase certain items under £2500 and distribute them directly to settings

Reason: to obtain economies of scale.

## Contact Details

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**Wards Affected:** *List wards or tick box to indicate all*

All

**For further information please contact the author of the report**

**Background Papers:** None

## Annexes

**Annex A:** bids recommended for approval

**Annex B:** bids recommended in principle, subject to the provision of additional information

**Annex C:** bids that should be declined at this stage (**Confidential**)

**Annex D:** Letter to Providers