

‘Quality and Access for all Young Children’ – Allocation of Early Years Capital Grant

Summary

1. This paper seeks decision on applications from early years and childcare providers in the Private, Voluntary and Independent (PVI) sector from the local authority’s allocation of the ‘Quality and Access for All Young Children Capital Grant’. The applications have been reviewed by a consultative panel established for this purpose. This paper captures the panel’s recommendations.

Background

2. In November 2007 the Department for Children Schools and Families (DCSF) announced the **‘Quality and Access for all Young Children – Early Years Capital grant’**. This grant has three aims:
 - a) 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.
 - b) To ensure all children, including disabled children, are able to access provision.
 - c) To enable PVI providers to deliver the extension to the free offer for three and four year olds and to do so flexibly.
3. While the Maintained sector was not precluded, the DCSF has emphasised that the majority of this capital grant should be used for the private, voluntary and independent (PVI) early years and childcare settings.
4. This 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 or any proportion as appropriate.

5. On the 17th July 2008, the Executive Member and Advisory Panel (EMAP) approved a process for inviting all eligible providers to bid into the fund. Three dates were announced as closing dates for batches of bids to be considered. Two further dates were announced at Decision Session – Executive Member for Children and Young People’s Services on 9th June 2009. The current paper reports on the third tranche of bids, the closing date for which was 27th May 2009. A copy of the letter sent to providers announcing the grant is attached at **Annex A**.
6. At the Decision Session on 9th June 2009, approval was given for 46 bids in the second tranche. 41 bids were approved in the first tranche – at EMAP of 19 January 2009.
7. Applicants have to sign a contract if their bids are approved. In general, on return of the contract, the project is allocated 50% of the amount approved. Final payment is made on receipt of final invoice after the project is complete. (A copy of the contract is attached as **Annex B**.) So far 28 projects from the first tranche and one from the second tranche have been completed.
8. Successful applications for large sums of funding (£50,000 or more) may be treated differently from the above. For such projects a payment scheme is recommended which more closely matches the expected expenditure profile of each project. The payment scheme will be agreed with the applicants if their applications are approved. This will be part of the contract signed with them. Sums over £50,000 will also have to be approved by the full Executive before any such detail can be agreed with applicants.
9. Further progress reports have now been received on first wave projects, on the basis of a detailed monitoring form 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. A copy of the monitoring form is at **Annex C**.
10. Since the DCSF announcement in November 2007, members of the Early Years and Childcare Partnership, as well as other stakeholders, have been supporting the Early Years and Children’s Centre Service in promoting the fund to early years and childcare providers in the city. This has resulted in applications from a large number of providers, many of which have applied more than once. A total 218 applications have been received so far (96 applications were decided upon within the first two tranches).
11. A total of £730k has been allocated to applications of tranches 1 and 2. Most of the funding has been for outdoor play equipment – 52%. Building

works received 13%, another 13% went for IT equipment and 11% for canopies. The rest was for resources, furniture, etc.

12. Providers from areas across the city have been awarded grants from the fund. **Annex D** gives a breakdown of amounts from tranches 1 and 2 allocated to settings by Ward areas of the city.

Consultation

13. The criteria for application into the funding stream emphasises the need for applicants to provide clear evidence of consultation with key partners, particularly through their 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.
14. 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 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 Children's Centre Service. All bids were assessed against a set of agreed criteria.

Options

15. The Executive Member has the option of approving or rejecting the recommendations in this paper on applications from the Private, Voluntary and Independent sector. Certain bids over £50,000 will need to go to the full Executive; in these cases, the Executive Member is being invited to agree that these schemes should be passed on to her colleagues for approval.

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 Quality and Access grant is allowing City of York Council 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 the city's three and four year old children 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 within 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. 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 Quality and Access grant creates opportunities for us to further progress this agenda, particularly where it can be combined with other funding streams.
19. Settings from the PVI sector were invited to access support from the Extended Schools Remodeling Consultant (ESRC) team prior to completing their bids. Bids received covered childminders (34), private day nurseries (49), independent schools (2), pre-school playgroups (34), Shared Foundation Partnerships (1) and Out of School Clubs (1). This involvement has resulted in an indication in each tranche of the anticipated application values that would be submitted. Currently, indicators from the team have shown there to be a lack of demand from providers.
20. A total of 125 bids have been received from the above providers to the value of £1.5 million in the third tranche. Of these, 42 bids totaling £329k are recommended for full approval (**Annex E**). 61 bids totaling £338k are recommended for approval in principle subject to certain conditions being met (**Annex F**). 12 bids totaling £214k are recommended for deferred approval for 2010-11 (**Annex G**); these are projects that will take longer to get going. 4 applications for large sums (£50,000 or more) totaling £417k are included as **Annex H**. These will require full Executive approval. **Confidential Annex I** refers to bids that are not recommended for approval as they do not meet the criteria. We believe it is appropriate to

maintain confidentiality in the case of unsuccessful bids for reasons of commercial sensitivity.

21. If the above recommendations are approved, the total amount that will be committed for the applications in this third tranche will be £667k for the current financial year (2009-10). This will also commit £631k of financial year 2010-11. As £730k was approved at the first two tranches, the total amount committed will be £2,028k. York's allocation for the three year period is £706k per year – a total of £2,118k. This would leave a sum of £90k unallocated for 2010-11.
22. We recommend that this £90k is set aside as a contingency fund – based on experience of a small number of unforeseen events in some of the projects that were supported within tranches 1 and 2, as well as advice from Planning & Resources and the consultant firm Atkins.
23. If the Executive Member agrees with these recommendations, we will have committed almost all of the available funding rather sooner than we had at one time anticipated. This should be regarded as a sign of success – and we have been encouraged by DCSF contacts to commit as much of the funding as possible, given that some of the projects will take a while to get off the ground, particularly if they involve planning permission. We had originally envisaged two further tranches of bids in the Autumn of 2009 and early next year; these are no longer needed. However, to ensure that there is no possibility that someone is waiting for a future opportunity to bid, we will keep open the possibility of a final small scale bidding round in the New Year, using the contingency monies if they are unspent, plus any other funds that may have become available, eg because a project falls through or is underspending. That said, our contacts with the local PVI sector suggest that everyone who has had a project in their minds has in fact made a bid into the current tranche, which is why it has been so heavily subscribed.

Corporate Objectives

24. 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

25. The DCSF has allocated York £706k for each of the three years 2008-09, 2009-10 and 2010/11. The following table explains the **financial implications**:

	2008/09 £k	2009/10 £k	2010/11 £k	Total £k
Quality & Access Capital Grant Allocation	706	706	706	2,118
Brought Fwd Available in Year		404	15	
Phase 1	302			302
Phase 2		428		428
Phase 3				
Annex E		329		329
Annex F		338		338
Annex G			214	214
Annex H			417	417
Contingency			90	90
Total	302	1,095	721	2,118
Carry Fwd	404	15	0	

- **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

26. 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 Children's Centre Service.

Recommendations

27. That the Executive Member should:

- a) Accept the recommendations for the third tranche of bids for the Quality and Access Early Years Capital Grant Allocation as set out in the annexes as follows:
 - i. annex E: approved
 - ii. annex F: accepted in principle but require additional information, to be submitted to officers for final approval
 - iii. annex G: approved for 2010-11
 - iv. annex H: approved for referral to the Executive, being schemes over £50,000
 - v. Confidential annex I: do not meet the criteria of the fund and should be declined at this stage

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

- b) Approve that the Early Years and Children's Centre Service should bulk purchase certain items under £2,500 and distribute them directly to settings (similar to the decision on 9th June 2009).

Reason: to obtain economies of scale.

- c) Agree that the two further full-scale bidding rounds originally envisaged are no longer needed, but that a further small round may be run in the New Year to use up any unspent contingency monies and any other funds that may become available.

Reason: to manage the fund within the available budgets for the three financial years 2008-09, 2009-2010, and 2010-2011.

Contact Details

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Report Approved

Date 29 September 2009

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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: Letter to Providers

Annex B: Copy of Contract

Annex C: Monitoring Form

Annex D: Table showing allocations from Tranches 1 & 2 by Ward area

Annex E: applications recommended for approval

Annex F: applications recommended in principle, subject to the provision of additional information

Annex G: applications recommended for approval for 2010-11

Annex H: applications for large sums (£50,000 or more) that require full Executive approval

Annex I: applications that should be declined at this stage (**Confidential**)