

Subject:	Free Childcare for Two Year Olds: Capital Plans		
Date of Meeting:	Children and Young People Committee 18th November 2013		
Report of:	Executive Director of Children's Services		
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The report sets out capital expenditure plans which aim to increase supply of free childcare places for eligible two year olds across the city. A free childcare place has been a statutory entitlement for all eligible two year olds from September 2013, and a change in eligibility will come into effect from September 2014 which will increase the likely number of children eligible for a free childcare place in Brighton & Hove to 1,300. The government has provided capital to local authorities to ensure that there are sufficient places available, and this report sets out details of proposed expenditure.

2. RECOMMENDATIONS:

- 2.1 That the committee approves capital spend as set out in this report.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Since September 2013 a free childcare place has been a statutory entitlement for all two year olds in families who meet the eligibility criteria also used for free school meals, or are looked after by the local authority. In addition the council also provides free childcare for two year olds with a child protection plan if their family does not meet the income eligibility criteria. There are currently 451 children in the city accessing this entitlement which amounts to 87 per cent of children for whom there is funding; it is anticipated that this number will increase further as the scheme progresses.
- 3.2 From September 2014 eligibility will expand to include families in receipt of working tax credit and have a low income, as well as disabled children and those who have left care through adoption or special guardianship. An estimated 1,300 two year old children in Brighton & Hove will take up this entitlement.
- 3.3 Latest data indicates that eligible children live in most areas of the city, with some clusters in lower income areas. At present there appears to be sufficient provision for eligible two year olds, but there may be a shortage of places in September 2014.
- 3.4 The addresses of the next tranche of eligible families will not be made available to local authorities until summer 2014.

- 3.5 The government has provided a capital allocation of £421,653 to develop childcare places and Brighton & Hove has allocated an additional amount of “trajectory funding” of £350,000, approved by the DfE, from the two year old childcare allocation in the Dedicated Schools Grant, making a total capital budget of £771,653.
- 3.6 Government guidance suggests that all options for childcare place expansion should be explored, including local authorities developing provision themselves, and working with schools and the private and voluntary sectors, including with childminders. Working with nursery schools and school nursery classes to take two year olds also contributes to their sustainability through earlier admission of young children.
- 3.7 Only providers rated “good” or “outstanding” by Ofsted are able to offer free childcare for two year olds without further conditions being placed upon them and therefore capital spend must focus on the highest quality providers in the city.
- 3.8 Most parents rightly expect to have a choice of childcare and many will access provision outside the area in which they live for reasons of travel, work and other family commitments. Therefore the capital strategy aims to expand and develop childcare provision for eligible two year olds throughout the city, while prioritising areas of likely highest demand.
- 3.9 In order to meet anticipated demand in East Brighton, capital funds were used to develop and expand childcare at the Valley Social Centre and this has now opened as Sun Valley nursery, working in partnership with Roundabout nursery.
- 3.10 The following capital projects are proposed which will expand places in central Brighton through:
- Development of space for two year olds unit at Royal Spa nursery school
 - Expansion of provision for two year olds at Turnerland nursery school
 - Internal alterations at voluntary sector provision to create additional places
 - Exploring the feasibility of including two year olds in school nursery classes
- 3.11 In the west of the city there is likely to be a shortage of places in Hangleton and so it is proposed to develop a council-owned building to be let to a private or voluntary sector provider to run childcare, as well as looking at school-run provision for two year olds.
- 3.12 There is likely to be increased demand in Woodingdean and so the feasibility of a capital development in order to include two year olds in a school nursery class is being explored.
- 3.13 In North Brighton increasing provision in Moulsecoomb and Hollingbury is being considered through developing school nursery classes and Jump Start nursery.
- 3.14 In addition bids will be sought from private and voluntary sector providers, (including childminders and childcare providers on domestic premises) for capital projects of up to £25,000 throughout the city which expand places for eligible two year olds. Priority for grants will be given to providers located in the 30 per cent

most disadvantaged areas of the city¹, and where there is least current provision for funded two year olds.

- 3.15 Capital grants of up to £5,000 will also be offered to existing childcare providers located in the 30 per cent most disadvantaged areas of the city in order to purchase large items of equipment which improve provision for two year olds.
- 3.16 Any remaining funds will be retained and used for future projects to expand provision for two year olds where most needed in the city.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Some potential capital projects have been explored and discounted on the grounds of cost, as the aim is to obtain best value for money in terms of cost per place created.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Childcare providers in the voluntary, private and maintained sectors in the relevant areas of the city have been or will be contacted regarding the possibility of expanding their provision.
- 5.2 A marketing strategy is in place to inform parents of their entitlement to free childcare.

6. CONCLUSION

- 6.1 The reason for these proposals is to use capital funds to expand free childcare provision for eligible two year olds with the highest quality providers in areas of the city where it is most likely to be needed.
- 6.2 It is also to retain flexibility in capital spend to expand provision as there becomes clearer picture of where eligible children live.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The developments outlined will be funded via the capital allocation detailed in paragraph 3.5. It appears that a number of these projects will not be completed until 2014/15 and, as such, it will be necessary to carry forward funding at the end of the financial year. Any underspend on the £350,000 held within the DSG for this purpose will be carried forward as part of an overall DSG carryforward, and it will be necessary to identify and earmark this resource so that it can be allocated against the capital expenditure in 2014/15. The second element of capital funding (£421,653) is held corporately and the Local Authority has received confirmation that this grant is not time bound and consequently can also be carried forward and used in 2014/15.
- 7.2 The expansions in provision are likely to result in increased revenue costs in the longer term, but the expectation is that settings will receive additional revenue grant funding through increasing capacity, to offset any extra costs.

¹ According to the Income Deprivation Affecting Children Index (2010)

Finance Officer Consulted: Steve Williams

Date: 21/10/13

Legal Implications:

- 7.3 The local authority has a statutory duty to provide a free childcare place to all eligible two year olds for 15 hours a week, 38 weeks per year under the Childcare Act 2006 as set out in statutory guidance published in September 2013. New statutory guidance will come into effect in September 2014 extending the entitlement to approximately 40 per cent of two year old children.

Lawyer Consulted:

Natasha Watson

Date: 05/11/13

Equalities Implications:

- 7.4 An Equality Impact Assessment was completed for free childcare for two year olds in November 2012 and no adverse impacts were found

Sustainability Implications:

- 7.5 Any capital works will be completed in accordance with the council's One Planet principles and sustainability policies

Any Other Significant Implications:

SUPPORTING DOCUMENTATION

Appendices:

- 1.
- 2.

Documents in Members' Rooms

- 1.
- 2.

Background Documents

- 1.
- 2.

Crime & Disorder Implications:

- 1.1 None.

Risk and Opportunity Management Implications:

- 1.2 The key opportunity is to improve outcomes for children on Free School Meals. The risks associated with capital developments will be considered as part of each project.

Public Health Implications:

- 1.2 The Marmott Review of health inequalities made improving experiences in the early years the priority objective for reducing health and other inequalities.

Corporate / Citywide Implications:

- 1.3 Early years childcare supports the corporate priority of reducing inequality and ensuring children and young people have the best start in life.

