

17<sup>th</sup> March 2016**Item 3****TITLE OF REPORT: Use of Early Years Block Revenue Underspend for Capital Purposes**

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**Purpose of the Report**

To request that Schools Forum agree to the use of some of the Early Years Block underspend to create additional two year old funded places.

**Background**

The Council has a statutory duty to provide 15 hours per week of free early education for disadvantaged 2 year olds. This duty came into effect from September 2013 for 20% of all 2 year olds and was extended to include 40% of all 2 year olds from September 2014, estimated by DfE to amount to 1,100 places.

Eligibility for this entitlement is the same as for Free School Meals (FSM), Looked After Children (LAC), some children with Special Educational Needs and Disabilities and those families with a low income through the extension of benefits criteria.

In April 2013 funding for the 2 year old free entitlement came into the Council in the Early Years Block of the Dedicated Schools' Grant (DSG). This was made up of statutory funding for places (£1,407,568) and trajectory (capacity) building funding (£552,573).

In addition to the revenue funding there was a capital allocation of £356,444, to be used to create sufficient places to meet the 40% statutory target in September 2014. All capital funding has been spent. There is now £258,000 left in unspent early years reserves.

Ongoing analysis of take-up of 2 year old free places indicates that there is still a need for additional funding for projects in the Crawcrook and Ryton areas of Gateshead. There is an estimated need for an additional 19 places in Crawcrook and 14 places in Ryton.

**Proposal**Crawcrook

All schools and registered childcare organisations within the Crawcrook area have been contacted to establish whether there is any interest in creating 2 year old places. This consultation gave a result of no interest from St Agnes RC Primary School, St Agnes

Day Nursery and Bright Sparks Nursery. An expression of interest was gained from Emmaville Primary School which already has a foundation stage unit, including a nursery PAN of 39. The school and the early years provision was graded Outstanding by Ofsted in October 2014.

Council Officers from Schools Finance Department and Early Years Childcare Service have met with the School Governors of Emmaville Primary School to assist them in reaching a decision of whether to progress or not with the creation of these places. A decision was reached by the Governing Body to create places for 2 year old children based on the positive benefit for children within the community. A separate space is required to meet the needs of the younger children. There are 2 options to accommodate this provision which have been considered further:

Option 1 - Demountable accommodation of 3 bay unit - (One classroom, circulation & WCs) at a cost of £175,000 including building work and fees.

Option 2 – To build an extension onto the school. This has been costed at £380,000, and therefore exceeds the remaining underspend in reserves.

The school's preferred option for accommodation is to build an extension onto the school. However, this is unaffordable and therefore the recommended option is option 1, the demountable accommodation. In addition, revenue funding of £10 k is requested for the purchase of suitable equipment and resources.

### Ryton

All schools and childcare organisations within the Ryton area have been contacted to establish whether there is an interest in creating additional 2 year old places. This consultation gave a result of no interest from Ryton Infant School and Willow's Montessori Nursery. An expression of interest was gained from Crookhill Early Years Pre-school, supported by Crookhill Primary School, and from Care with Cuddles Day Nursery. These 2 options have been further considered:

Option 1 – Crookhill Early Years is a private independently owned provision accommodated on the Crookhill Primary School site. It is registered with Ofsted on the Early Years Register and was graded as Outstanding at last inspection. It is registered for 26 children and is currently full to capacity, including offering places to 4 funded two year olds.

In order to create new places a demountable building or an extension to the current space would be needed. A full feasibility study has not been carried out as this would incur costs. However, costs of demountable accommodation and of an extension are likely to be similar to those at Emmaville.

Option 2 - Care with Cuddles has two registrations with Ofsted at:-

- 5 Silvermere Drive, Ryton.
- Holy Cross Church Parish Hall, Ryton Village

At the time of its last Ofsted inspection in September 2015 Care with Cuddles provision at 5 Silvermere Drive was judged as Good. The owner of this provision, encouraged by the headteacher of Ryton Infant school, following the closure of Ryton Rangers Out of school Club, has sought additional premises within the Holy Cross Church Parish Hall, Ryton Village. In November 2014 it was registered with Ofsted as childcare on non-domestic premises with the intention of this being predominantly an out-of-school provision. It is yet to be inspected and in line with its registration can offer places for 24 children up to the age of 7 years at any one time. The owner of this provision is looking to offer places to eligible 2 year olds between 9 a.m. and 3 p.m.

There is no capital building works to be undertaken in this case. The request is for a revenue grant of £11k to support the purchasing of equipment for the provision within the church hall, in order that the developmental needs of children are met.

Considering the difference in costs for each of the options, it is recommended that Option 2 is approved, to grant £11k revenue funding to support the creation of places at Care with Cuddles, operating from Holy Cross Church Parish Hall.

### **Recommendations**

Schools Forum approves from the Early Years Block revenue underspend: -

- The proposal to allocate £185,000 to complete the demountable scheme at Emmaville Primary in Crawcrook, including £10 k of revenue start-up funding.
- The proposal of £11 k of revenue funding to support the creation of places by Care with Cuddles in Ryton.

### **For the following reasons:-**

- To ensure the Council meets its statutory duty to provide sufficient places for funded two year olds.
- To enable approval to be sought from the Secretary of State to approve an application for the use of Early Years Block revenue underspend for capital purposes.
- Other options are not affordable.

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CONTACT Gillian Dodds