

## **REPORT TO THE SCHOOLS FUNDING FORUM 12 MARCH 2015**

### **REQUEST TO CAPITALISE 2 YEAR OLD EARLY EDUCATION ENTITLEMENT FUNDING FROM THE DEDICATED SCHOOLS GRANT**

#### **Introduction**

An application has been made via the Department for Education (DfE) to the Secretary of State to disapply the regulations to allow this Local Authority to increase its centrally-retained capital funding from revenue account within DSG.

The amount applied for capitalisation is for up to £1million from the 2 year old Early Education Entitlement (EEE) Funding allocation within the Early Years Block. The request was made in order to support the establishment of new nursery provisions and the expansion of existing nurseries on school sites, including where schools are also being proposed for expansion as a result of the rising numbers of Primary aged pupils. Should this application be successful it is very likely that a condition of this approval will be that the funding would support nursery provision for 2, 3 and 4 year olds and that provision would be available from 8 am to 6 pm.

The availability of funding for this application arises from an estimated under spend in 2014/15 on the budget for 2 year old EEE funding. The Government's funding for the implementation of the 2 year old entitlement has been generous, including allocation based on the anticipated number of qualifying 2 year olds taking up the full entitlement, plus trajectory funding to implement the expanded qualification criteria prior to September 2014 and to support settings in preparing to deliver the entitlement.

The DfE's estimate of qualifying 2 year old children from April 2014 was 716 and 1,128 from September 2014. In practice, whilst over these numbers have actually taken up an EEE Place or have qualified for one, not all children take up the full entitlement, some take it up late in the term in which they qualified and some do not take up the entitlement. The Local Authority has provided financial support to settings, including a number of schools, to prepare for and implement the 2 year old entitlement and the December 2014 meeting of the Forum also agreed additional transitional funding to support the reduction in the funding rate from £6.00 per hour in 2014/15 to £5.28 in 2015/16. From 2015/16 funding for the 2 year old entitlement will be wholly based on participation from figures obtained from the annual DfE Census, albeit there will be a one-off second voluntary census in the Autumn Term 2015. This is therefore likely to be the final opportunity to seek capitalisation of surplus funding.

It was necessary for the application to be sent to the DfE by 27<sup>th</sup> February in order for this to be included in the last list to be sent to the relevant Minister before the start of "Purdah". As this was before the meeting of the Forum, consultation took place with the Forum's Chair and Vice-Chair.

## **Use of Capital Funding**

Should this application be successful, a criteria will be developed and agreed through the Rising Rolls Steering Group for the prioritisation of this funding. These criteria will be reported to the Schools Funding Forum and the Forum will also be updated on progress.

Capital funding from DSG will be in addition to the £422,000 previously allocated by the DfE to support the implementation of the 2 year old entitlement. This funding has been allocated to support the development of nursery provision at schools included in Phase 1 of the Priority Schools Building Programme (Hacton Primary; Suttons Primary and The Mawney Foundation School).

## **Providing Early Education and Childcare from 8 am to 6 pm**

### **Providing Early Education Entitlement for 2 Year Olds**

A condition of the capital funding, if approved by the relevant Minister, is likely to be that provisions benefiting from the funding should be available from 8 am to 6 pm and providing Early Education and Childcare for 2, 3 and 4 year olds. These are a current Government priority and in London the DfE is running and supporting a number of 8 am to 6 pm pilot schemes and Havering has three maintained schools taking part. Currently these are undertaking business planning, including demand assessment, costing and options for delivery. Officers from Early Years are also supporting this and it is intended to cascade the outcomes to other Havering schools.

The 8 am to 6 pm provision does not have to be just nursery provision but can include other facilities such as Breakfast and After School Clubs. Schools do not necessarily need to deliver all these provisions themselves but may commission a PVI Provider or Childminder. The DfE has prepared a number of Case Studies based on schools delivering 8 am to 6 pm and copies of these are attached. The Small Business, Enterprise and Employment Bill, currently before Parliament, contains provision for Childminders to work on non-domestic properties and to enable Early Years Providers to complete one Ofsted Registration for multiple sites. This is expected to be implemented by September 2015.

A number of schools are currently providing or considering the provision of EEE for 2 year olds – “Rising 3s” at this stage. The Small Business, Enterprise and Employment Bill also contains provision to enable schools to deliver this provision for younger 2 year olds, without the need to obtain separate Ofsted Registration. This is also expected to be implemented by September 2015.

Early Years Officers will also support schools and PVI Settings/Childminders considering the delivery of EEE for 2 year olds, including options for delivery and costings. On-going costs of providing the 2 year old entitlement will, as for the 3 and 4 year old entitlement, be funded through the DSG and the Early Years Single Funding Formula. The annual DfE Census now includes 2 year olds.

## **Recommendations**

The Schools Funding Forum is Recommended to:

- (1) Endorse the application to the Secretary of State to disapply the regulations to allow this Local Authority to increase its centrally-retained capital funding by up to £1 million from revenue account within DSG, in order to support the establishment of new nursery provisions and the expansion of existing nurseries on school sites, including where schools are also being proposed for expansion as a result of the rising numbers of Primary aged pupils;
- (2) Note that if this application is successful, detailed criteria for prioritising the use of this funding will be developed and reported to the Forum and that the Forum will be updated on progress;
- (3) Note that the Small Business, Enterprise and Employment Bill contains provision to enable schools to provide Early Education and Childcare for all 2 year olds without the need to obtain separate Ofsted Registration; to enable Childminders to work on non-domestic premises and to enable Early Years Providers to obtain Ofsted Registration for multiple sites;
- (4) Note that Officers will support schools and PVI Settings/Childminders in feasibility of delivering Early Education and Childcare for 2 year olds and for delivery from 8 am to 6 pm.