

Item No.	Classification: Open	Date: 26 July 2010	Decision taker: Cabinet Member for Children's Services
Report title:		Sure Start Early Years Capital Grant Programme Round 3	
Ward(s) or groups affected:		All	
From:		Mike Smith – Assistant Director 0-5 Services and Community	

RECOMMENDATIONS

1. That the Cabinet Member in principle approves round 3 of the 2008-11 Sure Start Early Years Capital Grant funding programme and to award funding to the applicants recommended for approval by the project groups' assessment panel as set out in appendix 1.
2. The Cabinet Member notes that this decision can only be made in principle at this time - and is contingent on firm confirmation of the continuation of grant funding for 2010-11 from the Department for Education. Should the grant funding be confirmed by the Department for Education the applicants will be awarded as detailed in this document. Should the grant funding be withdrawn by the Department for Education the awards recommended in this document cannot and will not be made.

BACKGROUND INFORMATION

3. The Sure Start Early Years Capital Grant (SSEYCG) is a specific grant to Local Authorities to support the delivery of the 10 year Childcare Strategy and the duties outlined in the Childcare Act 2006. The Childcare Act 2006 gives local Authorities duties to improve the well being of children under five through the provision of integrated services and by improving the quality of the learning environment within early year's provision.
4. Southwark Council was allocated capital funding totaling £5,046,621 (£1,682,207 per year over 3 years), for 2008 - 2011 from the Department for Children, Schools and Families (DCSF), to extend the government programme of providing free early education entitlement to all 3 and 4 year olds. The capital grant has been allocated based on the number of children under five and the number of private, voluntary and independent (PVI) sector early years settings. The DCSF in its letter dated 30 November 2007 outlined the three main aims of the grant:
 - a. To improve the quality of the learning environment in early years settings to support the delivery of the Early Years Foundation Stage (EYFS), with a particular emphasis on improving play and physical activities; and ICT resources.

- b. To ensure all children, including disabled children, are able to access provision.
 - c. To enable private, voluntary and independent (PVI) providers to deliver the extension to the free entitlement for 3 and 4 year olds, including increasing the flexibility for take up of the offer by meeting needs for additional space or facilities.
5. The expectation is that the majority of the Sure Start capital grant is used to improve the quality of the environment in 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. It is also intended that the capital grant will:
 - Improve outcomes for children and young people
 - Ensure quality of provision and safeguarding of children
 - Develop environments that can cater flexibly for the integrated delivery of children services within community focused local delivery sites.
6. It is important to emphasise that spending on the maintained sector has not been precluded from the programme.
7. In September 2009, the former Executive member approved the Sure Start Early Capital Grant Programme for 2008-2011, and the round 1, stage 1 Allocations. The Executive member also approved the carrying over of any unspent capital funds from 2008-9 into 2009-10 and 2010-11. Further reports in November 2009 approved Round 1, stage 2 grant allocations and in March 2010 approved Round 2 (all stages) allocations.

KEY ISSUES FOR CONSIDERATION

8. The proposed grant set out in this report is recommended in accordance with the Council's agreed grant to voluntary organisations policies and procedures.
9. This grant will allow Southwark to invest strategically to ensure that the PVI sector is able to deliver high quality learning and development for all children. It is recognised that this can only be achieved by creating the right built environment and providing adequate and appropriate resources alongside adopting the best of professional practice for working with young children. This means providing enough space for larger group sizes which can also be used flexibly, up-to-date facilities and equipment to support learning and development. In addition the grant will support Southwark to meet its childcare sufficiency duty to ensure as far as is reasonably practicable that all children of working parents are able to access provision.
10. Minor amendments have been made with respect to previous allocations; this has been due to some childcare applicants being unable to take up their funding award. As a result a total of £1,709,723 was available for allocation in this round; an overwhelming number of applications were received and grants totaling £1,709,723 are recommended for approval.

Policy Implications

11. In accordance with Part 3D: Matters reserved to individual cabinet members for decision (Southwark Constitution) only individual cabinet members can consider decisions on the following.
 - Approving Grants to Voluntary Organisations over £2,500, apart from those under the Community Support Programme.

Consultation

12. Consultation and discussion took place with the PVI and maintained sector prior to the launching of the programme. All agreed that this funding offered an excellent opportunity for the sector(s) to provide a quality, more inclusive and effective service. In addition, this would also enable the council to fill the gaps between demand and supply as identified in its childcare sufficiency assessment.
13. All providers were offered an opportunity to attend a further information session at which the bidding process was explained. The recommendations in this report follow from the bids made by providers.

Project Group

14. A project group headed by the Assistant Director, 0-5 Services and Community has been established to steer the development of the SSEYCG programme and act in an advisory capacity to oversee its implementation in accordance with the eligibility criteria. All applications are assessed against criteria and key priorities. Critically, the project group assesses value for money and monitors to ensure the process is fair and transparent. Once an award has been agreed, settings will be required to enter into a contractual agreement with the council to ensure that funds are appropriately used.
15. Two types of projects are managed through the grant process:
 - Projects with a value of £5,000 and under (which have a single stage application process), and
 - Projects with a value in excess of £5,000 (which have a two stage process).
16. The Project Group met on 28 May 2010 and 14 June 2010, to consider applications submitted for funding in the 2010-11 third round. A total of 95 (including 24 from childminders) applications were received. 81 applications are recommended for approval. These recommendations are detailed in appendix 1.

Monitoring

17. All settings supported under the Sure Start Early Years Capital Grant Programme will be required to submit monitoring reports and complete periodic checks. Settings will also be required to provide additional information on e.g. the impact the programme is having on its service, the number of new places created/secured, and what assets have been purchased and works carried out.

18. Financial monitoring will ensure that organisations utilise their funding allocation in line with the guidelines and contractual conditions. This process will also ensure that greater accountability and transparency is maintained.
19. Approval is now being sought to award the grants as outlined in appendix 1.

Resource implications

20. The Sure Start Early Years Grant 2008-11 is profiled over a three year period as follows:

2008/9	£1,682,207
2009/10	£1,682,207
2010/11	£1,682,207
Total	£5,046,621

The DCSF have confirmed that capital funding may be carried forward from 2008-09 into 2009-10 and 2010-11. It is important to note that £991,324 (from the 2008-09 allocation) has been earmarked for SureStart Children centres (Gumboots) phase 3 programme to ensure the Council meets its obligations in respect of the creation of 21 Children’s Centres.

Community Impact Statement

21. The grant requirements also state that local authorities should invest to provide key facilities wherever they are required and work with as many PVI settings as possible to ensure that their environment and facilities are welcoming and inclusive.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director for Communities, Law & Governance:

22. The Strategic Director for Communities Law & Governance (acting through the Contracts Section) notes the content of this report and, in particular the recommendations contained within paragraphs 1 to 3. Paragraph 10 confirms the Constitutional power reserved to the Cabinet Member. The report confirms the extent and sources of the grant funding and the providers that will benefit from grant allocation during the current financial year (subject to any possible withdrawal or “clawback” of funding by the DfE as explained within paragraph 25). The distribution of this funding is consistent with both national and corporate policy and objectives. The Strategic Director notes the content of paragraph 17 relating to the proposed management and monitoring of the organisations that are to receive funding under this scheme and will advise officers as necessary in connection with the conditions of contract governing both the external funding and the service delivery.

Finance Director

23. As set out above the proposed allocations detailed in the Appendix to this report will

be funded from capital resources provided to the Council through the Sure Start programme.

24. Total Sure start resources of £5,046,621 have been made available to fund capital works in PVI settings over a 3 year period (2008-11). The use of these resources re set out in the table below:

Funding available			£5,046,621
Previous allocations agreed:	Less than £5k	Greater than £5k	Total
20/08/2010 Round 1	£128,563		£128,563
20/11/2009 Round 1, stage 2		£650,308	£650,308
18/03/2010 Round 2, stage 1 and 2	£167,845	£1,524,158	£1,692,003
Gumboots			£991,324
Total committed:			£3,462,198
Less allocations previously agreed but not drawn down			£125,300
Remainder to allocate:			£1,709,723
Round 3, stage 1 and 2 allocations	£206,351	£1,503,372	£1,709,723

25. The proposals set out in this report total £1,709,723. Resources will therefore be fully committed, subject to the full take up of the allocations and the final build costs of Gumboots.

26. These allocations have been made in good faith, based on assurances that unspent allocations can be carried forward from 2008-9 to 2009-10 and from 2009-10 to 2010-11. No commitment has been made to agree any carry over beyond 31st March 2011. However, subsequent to the Panel, on 9 July 2010, the DfE announced due to the unprecedented in-year cuts that any Surestart capital grant that has not been contractually committed is potentially at risk of claw back. Although LA officers will be working hard to ensure that these allocations are honored, there is a significant risk that the DfE will cut this grant. If this is the case there will be no option but to withdraw the Round 3 stage 1 and 2 allocations.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Department for Children, Schools and families letter dated 30 November 2007	Children's Services Department Tooley Street SE1 2TZ	Jennifer Jackson 0207 525 5314
Department for Children, Schools and Families Letter dated 14 th February 2008		
Department for Children, Schools and Families letter dated 30 th November 2008		
SSEYCG application pack – including information and guidance notes		

APPENDICES

No.	Title
Table 1	List of grant allocations requiring approval

AUDIT TRAIL

Lead Officer	Mike Smith, Assistant Director, 0-5 Services and Community	
Report Author	Jennifer Jackson, Head of Communities, Extended Services & Partnerships	
Version	Final	
Dated	26 July 2010	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director for Communities Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Officer		26 July 2010