



DERBY CITY COUNCIL

COUNCIL CABINET
16 MARCH 2004

Report of the Director of Education

Sure Start Sustainability Funding

RECOMMENDATION

- 1.1 To agree the conditions for awarding SureStart Sustainability Funding as recommended by the Early Years Development and Childcare Partnership.

REASONS FOR RECOMMENDATION

- 2.1 The Council is the accountable body for the Early Years Development and Childcare Partnership.
- 2.2 The Council has been awarded the grant from the SureStart Unit to sustain established neighbourhood nursery places, out of school places and individual childminders in areas of disadvantage (including pockets of disadvantage) and for the ongoing support of childminder networks in all areas of the City.
- 2.3 The Early Years Development and Childcare Partnership must recommend appropriate guidance and criteria for allocation of the grant funding for Cabinet approval, as the accountable body.

SUPPORTING INFORMATION

- 3.1 Affordable and accessible childcare is a cornerstone of the Government's target to reduce child poverty. SureStart Sustainability Funding is ring fenced within the General SureStart grant and cannot be used other than to sustain existing childcare provision, as outlined in the SureStart guidance.
- 3.2 The primary purpose of the sustainability schemes is to provide short-term support during occasional periods of threatened business viability after start up funding has expired.
- 3.3 Eligible provision includes all of the following when sited in disadvantaged areas or pockets of deprivation:
 - Out of School Clubs
 - Neighbourhood Nurseries
 - Day nurseries providing full daycare
 - Childminders
- 3.4 Support will be made available to voluntary, private and maintained settings (to include schools setting up their own provision) that make the above provision.

NB Sessional care which includes pre-schools and playgroups operating less than 4 hours is not covered by the sustainability funding.

- 3.5 SureStart guidance recognises that direct financial assistance might not always be the most appropriate way to ensure long term sustainability of a provision. The Early Years Development and Childcare Team will ensure training and support is offered in marketing, business training and financial planning.
- 3.6 The Early Years Development and Childcare Partnership has recommended the grant be broken down into the following areas:

Resource/activity	2004-2005	2005-2006
Childminder Network Co-Ordinator	£28557	£29414
Childcare Sustainability Officer (25 hours)	£14000	£14500
Survival Fund Grants<£500	£10000	£10000
Sustainability Grant >£500	£60000	£60000
Childminder Sustainability Grant	£5000	£6000
Training & Consultancy	£10000	£10868
Total	£127557	£130782

- 3.7 The Childminder Network Co-Coordinator post already exists within the EYDCP Partnership team funded currently by the Childcare Grant. The existing post will continue to be funded by this allocation.
- 3.8 The Childcare Sustainability Officer (0.6 FTE) will be a new post created to develop business health checks with providers, identify providers' business training needs and support providers to identify and bid for additional funding opportunities that will support sustainability. Childcare Grant funding for these posts is only assured until 31 March 2006. A review of the effectiveness of these posts will be undertaken in the autumn of 2005. If childcare in Derby is proving to be sustainable in the long-term the nature of these posts may change. Future funding for these posts, if they are to be maintained in the long-term, will be considered when the arrangements for paying Childcare Grant for 2006/08 are clear.
- 3.9 A maximum of £10,000 will be allocated per year for the development of training programmes to include the 'buying in' of specialist consultancy/training in certain key areas affecting business sustainability.
- 3.10 The Early Years Development and Childcare Partnership will establish the three different grants detailed in the above which providers will be able to access depending on their type of provision and the amount of funding they require. The different criteria for these are detailed in appendix 4. These comply with the guidelines suggested in Annexe 8 of the SureStart guidance 2004/2006 (see appendix 3).

- 3.11 The proposed process for agreement of the grants by the Early Years Development and Childcare Partnership is detailed in Appendix 2, together with the proposed monitoring and audit procedures to be followed. All grants over £1,000 will be referred to Council Cabinet for approval having been endorsed by the Early Years Development and Childcare Partnership Finance and Funding Subgroup.

OTHER OPTIONS CONSIDERED

4. The Council could have turned down the sustainability funding but this could result in loss of childcare places in the city against a climate of expansion of childcare opportunities.

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Background papers:

List of appendices:

Appendix 1 – Implications

Appendix 2- Process for agreement & monitoring of grants.

Appendix 3 - Criteria for Survival/Sustainability Grants

IMPLICATIONS

Financial

- 1.1 The SureStart Unit has allocated the Council £258,339 for the financial years 2004-2006 for the sustainability of childcare. The funding forms part of the General SureStart Grant and is payable in four equal payments at the end of May, August, November and February of each year.
- 1.2 The Early Years Development and Childcare Partnership has recommended this funding be used to continue the employment of a Childminder Network Coordinator and to fund business and finance training, business consultancy costs and to appoint an additional part-time childcare sustainability officer to carry out business health checks with all providers. The majority of the sustainability grant will be used to implement a sustainability/survival grant to support provisions in difficulties whilst formulating an action plan.
- 1.3 Childcare Grant funding for is only assured until 31 March 2006. A review of the effectiveness of these posts will be undertaken in the autumn of 2005. If childcare in Derby is proving to be sustainable in the long-term the nature of these posts may change. Future funding for these posts, if they are to be maintained in the long-term, will be considered when the arrangements for paying Childcare Grant for 2006/08 are clear.

Legal

2. A service level agreement approved by Derby City Council's legal department will be put in place before any provider can draw down any sustainability funds.

Personnel

3. A Childminder Network Coordinator post will be retained within the Early Years Development and Childcare team and the creation of an additional part-time post to undertake business health checks and business support for all provision within the disadvantaged areas.

Corporate Objectives and Priorities for Change

- 4.1 Affordable childcare provision allows parents to return to training and to the job market and thus contributes to the corporate objectives of **job opportunities, strong and positive neighbourhoods, education and integrated, cost effective services.**
- 4.2 Ensuring long term sustainable childcare provision for all children will have an impact on the Council's priority to minimise increases in Council Tax and increase value for money from Council services.

Process for Agreeing, & Monitoring Sustainability Grants

- All applicants for sustainability/survival funding will have their application endorsed by an appropriate member of the Early Years Development and Childcare Partnership (EYDCP) team and the Business Support Officer (BSO).
- Request for grants up to £1000, which will include all requests under the Childminders' Sustainability Grant, will be endorsed by the Early Years Partnership Manager and approved by the Director of Education/Assistant Director of Lifelong Learning and Community.
- Requests for grants over £1000 will be endorsed by the EYDCP Finance & Funding Sub - group before being submitted to Cabinet for approval.
- Private sector providers may receive the grant but must meet all the agreed criteria. This includes provision of a balance sheet showing they do not have reasonable funds in reserve to meet the position and income/expenditure statements to show that:
 - a) the setting is running temporarily at a loss and faces the real possibility of closure
 - b) the grant funding will not result in them making a profit beyond reasonable wage costs
- Payments agreed under the Survival Grant will be paid in one amount but will not exceed £500.
- Payments agreed under the Childminder Sustainability Grant will be a maximum of £70 per week for up to five weeks.
- Payments agreed under the Sustainability Grant (over £500) will be paid in line with the cash flow forecast agreed and endorsed by the EYDCP team member and Business Support Officer. Staggered payments will be made subject to the provider undertaking agreed actions/activities.
- The EYDCP Business Support Officer/Development Worker will undertake formal reviews of activities and financial budgets compared to those detailed within agreed action/business plans. Frequency will depend on the provider but will be at least quarterly. Payments may be withheld by the EYDCP if agreed actions have not been undertaken.
- The agreement signed by the provider will specify that receipts/invoices paid using grant monies must be available on request to the Council and must be retained for at least 24 months.



SUSTAINABILITY GRANT CRITERIA FOR CHILDMINDERS WORKING IN AREAS OF DISADVANTAGE 2004/5

The grant is available to registered childminders who comply with the following criteria. Please read them carefully.

- 1 A childminder who is registered to look after one or more children under the age of eight to whom they are not related, on domestic premises for reward and for a total of more than two hours in any day.
- 2 A childminder who has been registered with OFSTED and operating for more than 12 months.
- 3 The childminder service must be located in an area of relative deprivation (including pockets) as contained in the list held by the Early Years Development and Childcare Partnership and approved by the Department for Education and Skills.
- 4 The provider must have supplied full details of their provision to the Children's Information Service, including notification of long term/short term vacancies and keep this updated.

Childminders meeting these criteria should

1. Apply, clearly demonstrating that they have a vacancy by enclosing current and future attendance records of children and an income & expenditure statement.
2. Submit an action plan drawn up in conjunction with a Childminder Network Co-ordinator or Business Support Officer demonstrating the corrective action necessary to maintain long term sustainability.
3. Attend training as identified on the action plan.

The process:

1. The grant may be paid after the childminder has had an unfilled vacancy for one month, but only in respect of one child even if there are two or more vacancies.
2. Up to two blocks of five weeks can be paid in any one calendar year. It is possible to claim the two five week periods consecutively.
3. If the childminder has a vacancy of more than 16 hours per week the grant is for £70 per week. If the vacancy is for 16 hours per week or less the grant is for £35 per week.
4. Childminders who are paid the grant but cease to provide a childminding service within six months of the date on which the grant is paid will be required to repay the entire amount awarded.

I confirm that I comply with the above criteria and all information supplied is accurate.

Signed: Name:

Name of Childminder:

SUSTAINABILITY GRANT CRITERIA FOR PROVIDERS WORKING IN AREAS OF DISADVANTAGE 2004/5 – over £500

The grant is available to properly constituted groups who comply with the following criteria. Please read them carefully.

- 1 The group must have been registered with OfSTED Early Years Division and been operating for a period of at least 12 months.
- 2 The setting must provide a childcare place as defined by the DfES. This means
 - a place that is for four hours or more
 - OR a place that is linked to a school or preschool education place that is four hours in total
 - OR before or after school care
 - OR holiday care
- 3 At least three sessions as defined above must be provided per week.
- 4 The group's service must be located in an area of relative deprivation as defined by the EYDCP, i.e. any of the key wards identified by the Department for Education and Skills (DfES) as such or any postcode which the DfES has allowed the Partnership to add to the official list of areas of relative deprivation.
- 5 The provider must have supplied full details of their provision and current occupancy levels to the Children's Information Service and keep this updated on a monthly basis.

Groups meeting these criteria should

- 1 Apply, ensuring it is endorsed by both an EYDCP Development Worker and Business Support Officer with approval from their Quality Assurance Co-ordinator.
- 2 A copy of the registration certificate must be provided with the application.
- 3 The following supporting evidence should be submitted with each application:
 - a A covering letter setting out details of the difficulties that led the group to apply for the grant, how much funding is required and how it will be used.
 - b A copy of the Constitution of the Group (Articles and Memorandum of Association if the Group is a corporate being).
 - c The latest set of audited accounts for the setting (no more than 12 months old).
 - d Bank statements for all accounts held by the setting (no more than one month old).
 - e A business plan for a minimum of the next 12 months.
 - f A cash flow forecast from the date of the last current account statement forward for a period of at least 12 months, showing how much funding is necessary to prevent the group from closing.
- 4 The provider must be willing to accept a quality visit from the Early Years Advisory Team with a view to registering on a Quality Assurance scheme.

N.B. The grant is to subsidise running costs and/or activities to sustain the provision as identified on the business/action plan drawn up in conjunction with an EYDCP Development Worker.

I confirm that we comply with all the above criteria and information supplied is accurate

Signed..... Name:

Name of Group.....

SUSTAINABILITY GRANT CRITERIA FOR PROVIDERS WORKING IN AREAS OF DISADVANTAGE 2004/5 – under £500

The grant is available to properly constituted groups who comply with the following criteria. Please read them carefully.

- 1 The group must have been registered with OfSTED Early Years Division and been operating for a period of at least 12 months.
- 2 The setting must provide a childcare place as defined by the DfES. This means
 - a place that is for four hours or more
 - OR a place that is linked to a school or preschool education place that is four hours in total
 - OR before or after school care
 - OR holiday care
- 3 At least three sessions as defined above must be provided per week.
- 4 The group's service must be located in an area of relative deprivation as defined by the EYDCP, i.e. any of the key wards identified by the Department for Education and Skills (DfES) as such or any postcode which the DfES has allowed the Partnership to add to the official list of areas of relative deprivation.
- 5 The provider must have supplied full details of their provision and current occupancy levels to the Children's Information Service and keep this updated on a monthly basis.

Groups meeting these criteria should

- 1 Apply, ensuring it is endorsed by a member of the EYDCP Team and the Business Support Officer.
- 2 A copy of the registration certificate must be provided with the application.
- 3 The following supporting evidence should be submitted with each application:
 - a A an action/business plan to prove ability to achieve long-term sustainability.
 - b A copy of the Constitution of the Group (Articles and Memorandum of Association if the Group is a corporate being).
 - c The latest set of audited accounts for the setting (no more than 12 months old).
 - d Bank statements for all accounts held by the setting (no more than one month old).
 - e Income and expenditure statement to satisfy the EYDCP that the provider does not have its own reserves.

N.B. The grant is to subsidise immediate running costs and/or undertake immediate activity or training to prevent closure.

I confirm that we comply with all the above criteria and information supplied is accurate

Signed..... Name:

Name of Group.....