

DFE School Nursery Capital Fund (SNCF) - Pear Tree Infant School

SUMMARY

- 1.1 In July 2018, the Department for Education (DfE) announced a proposed capital bidding round of £30 million to create new high-quality school-based nursery places aimed at closing the disadvantaged gap in the early years and to boost social mobility. All Local Authorities have now been invited to bid for this capital funding. The purpose of the DfE capital funding is to create free early education entitlement (FEEE) places for eligible two, three and four year olds in the most disadvantaged areas to access.
- 1.2 The DfE provided further details of the bidding process on 8 September 2018, including outline of the bid criteria. Full details of the application process were issued by the DfE on 24 September 2018. Full applications have to be submitted by 22 November 2018, leaving a very short timescale to compile the range of information required for the capital bid, in line with specific DfE criteria. Bids need to include detailed building costings and project timelines to ensure capital work would be completed by the end of March 2020.
- 1.3 The DfE have confirmed only Infant or Primary schools, either with or without existing nursery provision (but not maintained nursery schools), are eligible to bid for the School Nursery Capital Fund (SNCF). All bids have to be approved and submitted by the Local Authority, who must make sure any bids submitted meet the Stage 1 assessment process.
- 1.4 The Council has written to all eligible schools and received an expression of interest, from Pear Tree Infant School, for the bid. Pear Tree Infant School, who has no current nursery provision, has requested to proceed with developing a bid in partnership with the Council, as required by the DfE. The school meets all of the DfE Stage 1 criteria. An expression of interest was also received from St Giles Special School, which unfortunately could not be taken forward, as all the stage 1 DfE bid criteria could not be met. No other expressions of interest were received by the deadline communicated to schools.
- 1.5 The proposal is to submit one funding bid for Pear Tree Infant School to create a 26 place early years unit. This will be able to deliver a minimum of 52 universal 15 hour FEEE sessions. The proposal is for a modular construction new build to replace an existing temporary building on the school site. Feasibility works are underway to support the bid and the overall budget cost of this project is estimated to be up to a maximum of £503,000. Feasibility works are being completed ahead of the bid submission deadline, with the final bid to reflect final feasibility costings. The DfE bid will be for capital funding for this full amount as no matched funding is available due to

pressures on the Council's overall Schools Capital Programme. The Council will be expected to cover any costs incurred in excess of that agreed by the DfE; however, the clear aim is to ensure that the project is delivered within the funding secured. Successful bids are due to be announced by the DfE by March 2019.

RECOMMENDATION

- 2.1 To approve submission of a school nursery funding bid for capital funding of up to a maximum of £503,000 for a project at Pear Tree Infant School.
- 2.2 If the Council is successful in the bidding process:
 - 2.2.1 to approve the acceptance of the SNCF monies;
 - 2.2.2 to approve the addition of the monies to the current capital programme; and
 - 2.2.3 to delegate authority to the Director of Commissioning and the Director of Resources to finalise all necessary documentation to accept the SNCF monies and to undertake the proposed project at Pear Tree Infant School.
 - 2.2.4 to note that the Council will be liable to cover any expenditure above the funding approved by the DfE.

REASONS FOR RECOMMENDATION

- 3.1 By submitting the bid for capital funding to create new FEEE early years places this would, if successful, support the Council's ability to meet its statutory duty to secure sufficient FEEE childcare.
- 3.2 If successful, the creation of these early year's places will help to increase the Council's three and four year old FEEE take up by disadvantaged children. Pear Tree Infant School is located in an area where three and four year old take up is significantly lower than in other areas of the city. Evidence has shown this is because parents are not able to access a FEEE place in a school provision due to limited capacity, and preferring to miss out on invaluable early year's provision of 1 or 2 terms until a place at the school becomes available.
- 3.3 In line with the Council's finance procedures, Cabinet approval is required prior to submitting a bid for external funding and for accepting a bid for external funding.

SUPPORTING INFORMATION

4.1 **Background:**

In July 2018, the Department for Education (DfE) announced a proposed capital bidding round of £30 million to create new high-quality school-based nursery places aimed at closing the disadvantage gap in the early years and to boost social mobility. All Local Authorities have now been invited to bid for this capital funding. The purpose of the DfE capital funding is to create free early education entitlement (FEEE) places for eligible two, three and four year olds in the most disadvantaged areas to access.

4.2 It is recognised that the first few years of a child's life are critical to shaping their future development, so this funding will support the Government's ambition to provide equality of opportunity for every child, regardless of background or where they live, because evidence has proven that good early year's education is the cornerstone of social mobility.

4.3 The DfE provided further details of the bidding round to all Local Authorities on 8 September 2018, including an outline of the bid criteria. Full details of the application process were then released by the DfE on 24 September 2018. Full applications have to be submitted by 22 November 2018, leaving a very short timescale to compile the range of information required for the capital bid in accordance with the specific DfE criteria. Bids need to include detailed building costings and project timelines to ensure capital work would be completed by the end of March 2020.

4.4 The DfE have confirmed only Infant or Primary schools, either with or without existing nursery provision (but not maintained nursery schools), are eligible to bid for the School Nursery Capital Fund (SNCF). All bids have to be submitted by the Local Authority who should make sure that they meet the Stage 1 process, as detailed in paragraph 4.6 below.

4.5 DfE are looking for Local Authorities, schools, multi-academy trusts, and any other interested organisation to work together to develop high quality applications which are succinct, evidence based, meet the defined criteria to allocate funding in the most disadvantaged areas.

Capital Funding Criteria and Assessment for SNCF funding bid:

4.6 The DfE is making £30 million available nationally, but expects bids for this to be heavily oversubscribed. The assessment process will be subject to a two stage project assessment process:

Stage 1: will assess individual projects against a set of six pass or fail qualifying tests based on:

1. Project being directly linked to a school, and governed by that school or MAT;
2. School must deliver early year entitlements;
3. School must have 20% of pupils registered at the school eligible for Free School Meals in their census data for January 2018;
4. School must have a good or outstanding rating with Ofsted;
5. Project must offer wraparound and holiday care, or make the nursery available to other early year's providers to offer this;

6. Project must confirm the Local Authority is content that the project outputs will deliver new early years funded places for disadvantaged children, without detriment to existing good quality early years provision.

Stage 2: will assess individual projects that were successful at Stage 1 on the following criteria: deliverability and sustainability (15%); testing and evaluation approaches aimed at closing the disadvantage gap (25%); level of deprivation (10%); value for money (50%).

- 4.7 As part of the application process, it is necessary for Local Authorities to submit detailed information, including costings and timescales. Successful bids will be required to demonstrate:
 - Clear evidence that the project can be completed by the end of March 2020, following anticipated bid approval in March 2019;
 - A clear scope of works setting out how the proposal meets mandatory area standards and delivery methodology; including project plans with key milestones;
 - Thorough and well evidenced tenders/quotes proportionate to the size of the project;
 - Tenders / quotes that are sufficiently developed and evidenced to allow works to commence immediately on project approval;
 - Costed option appraisals and a Project Risk Register;
 - Reasonable costs per place.
- 4.8 The deadline for Local Authorities to submit the full funding bids is 22 November 2018, and Local Authorities will be notified in March 2019 if bids have been successful. This is, of course, an extremely tight deadline to submit bids. This means the Council may need to continue with capital feasibility, planning applications or costing work to achieve the project completion date of the end of March 2020, should the Local Authority be successful.
- 4.9 The DfE application guidance states bids with matched funding will receive a higher score as part of the scoring process used by the DfE and may support the chances of the bid being more successful. In view of pressures on the Council's overall Schools Capital Programme, and reduction to funding, it is not possible for a match funding contribution to the project. Most Local Authorities will be in a similar position in relation to matched funding. However, Derby's bid will focus on the success the Local Authority has had on delivering similar projects.
- 4.10 The detailed DfE bid applications are now being developed and completed so that the Council is able to meet the DfE submission deadline of 22 November 2018. Initial feasibility scoping work has also been completed to calculate likely level of capital funding required for this project.

- 4.11 All schools who met the Free School Meals (FSM) and Ofsted rating, Stage 1 criteria were notified of the SNCF bid opportunity on the 14th September and advised to contact the Local Authority if they were considering making an application. Pear Tree Infant School, who have no current nursery provision, have requested to work with the Local Authority to submit a bid. The school meets all of the DfE Stage 1 criteria. An expression of interest was also received from St Giles Special School but this could not be taken forward, as all the DfE stage 1 criteria could not be met. No other expressions of interest were received by the deadline communicated to schools.
- 4.12 Following initial feasibility works, the estimated budget cost of the project at Pear Tree Infant School is estimated to cost up to a maximum of £503,000. Feasibility works are ongoing and this cost may reduce, which will be reflected in the final bid document. However, approval is being sought to bid up to a maximum budget of £503,000. Should further feasibility work indicate the scheme can be delivered for less, the final bid will be lower, in order to achieve a better value for money score.
- 4.13 This bid is to create a 26 place early years unit, able to deliver a minimum of 52 universal 15 hour FEEE sessions and provide wraparound nursery provision, outside of school hours, potentially all year round to meet the needs of working parents. The need for wraparound childcare is one of the criteria set by the DfE.

OTHER OPTIONS CONSIDERED

- 5.1 In view of the need to secure more school-based early years FEEE places in a disadvantaged area to help improve FEEE take up levels where this is significantly lower than other parts of the city, a bid needs to be developed and submitted for capital funding to create additional places.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Emily Feenan, Principal Lawyer Alison Parkin, Head of Finance N/A Phil Derbyshire of Property and Design Services Gurmail Nizzer, Director of Commissioning 01332 642720
For more information contact: Background papers: List of appendices:	Diane Whitehead, Head of Service, School Organisation and Provision 01332 64272 E-mail: diane.whitehead@derby.gov.uk None Appendix 1 – Implications

IMPLICATIONS

Financial and Value for Money

- 1.1 The Local Authority will be expected to cover any costs to deliver the project by the deadline date of March 2020, should costs be incurred in excess of that agreed by the DfE, should the bid be successful. The aim is to ensure the project is delivered within the funding secured, should the bid be successful.
- 1.2 The DfE, as part of their assessment, will be looking closely at value for money with those bids with a sizeable contribution likely to receive higher scores in the value for money section of the application (50% of the scored application). All costs elements need to be reasonable and should not significantly exceed mandatory standards as detailed in the early years Capital Area Guidelines.
- 1.3 A breakdown of the project costs and the cost per place created, is set out below:

School	Total Capital Costs	Minimum number of 15 hour FEEE places	% of Contribution	Funding Bid Total	Cost per Place from Bid Funding
Pear Tree Infant	£503,000	52	100%	£503,000	£10,192

Legal

- 2.1 Legal Services will provide support in respect of the legal documentation necessary to deliver this Project, including any DfE legal documentation and grant conditions, should the bid be successful.
- 2.2 The proposed schemes will require planning permissions should the bid be successful.

Personnel

- 3.1 None arising from this report.

IT

- 4.1 None arising from this report.

Equalities Impact

- 5.1 None arising from this report.

Health and Safety

- 6.1 None arising from this report.

Environmental Sustainability

- 7.1 Should the bid be successful, this will be delivered in line with the latest Building Regulations on environmental performance.

Property and Asset Management

- 8.1 The Council will procure works in line with its required procedures, should the bid be successful.

Risk Management and Safeguarding

- 9.1 Schemes will be development in line with the Council's project and risk management strategies.

Corporate objectives and priorities for change

- 10.1 This contributes towards the 'Raising Achievements and Skills' objective with the Council Plan 2016-2019.