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|-------------------------|--|-----------------------------------|
| Report To: | Education and Communities Committee | Date: 19 June 2018 |
| Report By: | Ruth Binks, Head of Education | Report No: EDUCOM/69/18/RB |
| Contact Officer: | Linda Wilkie Quality Improvement Officer | Contact No: 01475 712812 |
| Subject: | Revised Financial Submission to Increase Early Learning and Childcare to 1140 hours | |

1.0 PURPOSE

1.1 The purpose of this report is to advise members of the revised plan for the increase of early learning and childcare from 600 to 1140 hours.

2.0 SUMMARY

2.1 The Scottish Government has announced a plan to increase the entitlement of early learning and childcare from 600 hours to 1140 hours by 2020.

2.2 Inverclyde Council submitted its expansion plan and financial template in September 2017. All Local Authorities had to submit revised financial templates to Scottish Government by 2nd March 2018.

2.3 The initial submissions from all 32 local authorities required more capital and revenue funding than the Scottish Government anticipated.

2.4 New guidance has been issued in relation to the expansion programme and this has influenced the revised submission.

2.5 Inverclyde Council's early phase projects have changed to ensure costs are contained within the allocated revenue budget for 2018 / 19.

2.6 Inverclyde Council has received sufficient revenue and capital allocations from the Scottish Government that will allow the revised plan to be implemented.

3.0 RECOMMENDATIONS

3.1 It is recommended that Committee:

- Agrees that the revised plan is implemented in line with funding allocations.
- Notes the changes in the early phase projects for 2018 / 19.
- Agrees that regular updates are provided to the Committee throughout the implementation of the plan

Ruth Binks
Head of Education

4.0 BACKGROUND

- 4.1 The Scottish Government is committed to increasing the entitlement to Early Learning and Childcare (ELC) from 600 hours to 1140 hours by 2020.
- 4.2 The increase to 1140 hours is a universal entitlement for all children aged 3 and 4 years and an entitlement for 25% of 2 year olds.
- 4.3 Inverclyde Council submitted its expansion plan to Scottish Government on 29th September 2017. The plan provided details of current services and the developments required to deliver 1140 hours.
- 4.4 The plan was based on an assumption that it would be fully funded by the Scottish Government.
- 4.5 All 32 Local Authorities were asked to resubmit a revised financial template by 2nd March 2018. This date was extended to 7th March 2018 due to the adverse weather.

5.0 REVIEW OF INITIAL SUBMISSION

- 5.1 Inverclyde Council submitted its expansion plan to the Scottish Government on 29th September 2017.
- 5.2 Following the submission there has been a series of local and national engagement events and guidance. Key messages from these events were:
 - It is clear from the plans that considerable effort and energy have characterised their preparation. It is also clear that local authorities and their partners share a collective ambition to delivery high quality early learning and childcare.
 - Dialogue between Local Authorities and the Scottish Government has allowed the collective identification of opportunities to maximise the efficiency and effectiveness of the transformative investment in ELC and provides a positive platform from which to progress the development and delivery of the programme.
 - The Scottish Government's review process focused on how local authorities responded to the ELC Expansion Planning Guidance, each authority's vision and how each authority intends to deliver the ELC Expansion Blueprint principles. The review sought to understand the robustness of underpinning cost estimates by exploring the linkages between anticipated demand and supply and the approach being taken to the use, buy, build planning principle.
 - Common themes related to each authority's vision for service change and the plan to realise those visions emerged:

Emphasising the importance of understanding and demonstrating the link between anticipated demand and supply;

Addressing capacity challenges by making best use of what we have, buying where possible, through supporting a wide range of partners including childminders and third sector partners, and finally building where needed.

- 5.3 Within Inverclyde Council's plan the specific areas to be reviewed were:
 - Supply and demand - make better use of what we have by, for example, increasing shared places.
 - The Scottish Government acknowledged the desire to increase Partnership places but needed reassurance that this was achievable.
 - Decrease the overall financial and capital costs.
 - Ensure that training and development requirements are realistic as costs identified are very low.
 - Review uptake of school meals as based on 100%.

- Review staffing models to ensure model reflects supply and demand.

6.0 REVISED FINANCIAL TEMPLATE

6.1 The revised financial template has been completed taking account of the areas for development identified at 5.3 of this report.

6.2 The main changes within the revised submission are:

| Area | Change / Impact |
|-----------------------------|---|
| Outdoor learning places | 72 additional places created |
| Partnership places | Increased by 43% (8% in 2017 to 14% in 2020) |
| Wraparound places | Reduced from 15% to 10% in 52 week establishments and from 10% to 0% in term time establishments. |
| 52 week provision | Reduced the number of proposed 52 week services from 13 to 8. |
| Shared places | Increased from 10% to 30% |
| Infrastructure | Reduction in new build projects, extension projects. Increase in refurbishment projects and outdoor learning developments. |
| Management / Staffing model | Significant adjustments to management and staffing models. |

6.3 The infrastructure required to provide the increased places has changed in light of the changes identified at 6.2 of this report:

| | Initial Submission | Revised Submission | Detail |
|-------------------------------|--------------------|--------------------|--|
| Refurbishment Projects | 3 | 5 | The 3 projects in the initial submission plan are: <ul style="list-style-type: none"> • St Josephs's Nursery Class • Blairmore Nursery Nursery Class • St Francis Nursery Class 2 additional projects are included in the revised submission: <ul style="list-style-type: none"> • Craigmarloch Nursery Class • Gourock YAC |
| Extension Projects | 3 | 0 | The 3 projects in the original submission that have been removed from the revised submission are: <ul style="list-style-type: none"> • Grieve Road Community Centre • Larkfield Children's Centre • Weymss Bay Community Centre |
| New Build Projects | 5 | 3 | The 5 projects in the original submission were: <ul style="list-style-type: none"> • St Ninian's Nursery Class • Crawfordsburn Community Centre • Dempster St New Build • Park Farm Community Centre • Glenpark Early Learning Centre 3 projects have been removed from the revised submission which are: |

| | | | |
|--------------------------------------|---|---|--|
| | | | <ul style="list-style-type: none"> • St Ninian's Nursery Class • Crawfurdsburn Community Centre • Dempster St New Build 1 additional project has been added to the revised submission: <ul style="list-style-type: none"> • Larkfield Children's Centre |
| Outdoor Learning Developments | 4 | 6 | The 4 projects in the original submission were: <ul style="list-style-type: none"> • Binnie St. Children's Centre • Blairmore Nursery School • Kilmacolm Nursery Class • Rainbow Family Centre The 2 additional projects in the revised submission are: <ul style="list-style-type: none"> • Gibshill Children's Centre • Weymss Bay Nursery Class |

6.4 An All Members' Briefing was held in May 2018 to explain the changes detailed in 6.2 and 6.3 above. This presentation is attached as Appendix 1.

7.0 FINANCIAL INFORMATION

7.1 The Scottish Government initially announced Revenue funding of £410m and Capital funding of £430m. After the submission of the revised financial templates, this has now been increased to £567m Revenue funding and £476m Capital Funding.

Inverclyde Council's revised expansion plan is estimated to cost:

| | |
|----------------|----------------|
| Capital | Revenue |
| 5,921,100 | 15,493,000 |

The existing Early Years budget is £7.3million and therefore an increase of revenue funding of £8,193,000 is required by 2021/22.

7.2 Inverclyde Council received notification of its allocation from Scottish Government on 1st May 2018.

The capital allocation is:

| Year | Amount |
|--------------|-------------------|
| 2017 / 18 | £398,000 |
| 2018 / 19 | £1,900,000 |
| 2019 / 20 | £2,200,000 |
| 2020 / 21 | £1,500,000 |
| Total | £5,980,000 |

The revenue allocation is:

| Year | Amount |
|-----------|------------|
| 2017 / 18 | £269,000 |
| 2018 / 19 | £1,007,805 |
| 2019 / 20 | £4,885,000 |
| 2020 / 21 | £8,084,000 |
| 2021 / 22 | £9,017,000 |

The overall increase in revenue funding is due to the Scottish Government adding inflation to the submitted figures and adjusting to NRS 2014 population projections.

7.3 The Scottish Government has committed to fully funding the expansion programme and therefore Inverclyde Council will not contribute any additional funding.

8.0 EARLY PHASING

8.1 Inverclyde Council was advised of the revenue funding allocation for 2018/19 on 22nd February 2018 and Capital Funding on 1st May 2018.

| ELC expansion capacity and capability building | | | | | | | | | |
|--|-----------|-------------|-----------|---------|-----------|----------------------|---------|-----------|-----------|
| 3 and 4 year olds | | 2 year olds | | Lunches | | Additional Graduates | Total | | |
| New | Recurring | New | Recurring | New | Recurring | New | New | Recurring | Total |
| 383,453 | 246,777 | 42,452 | 27,686 | 29,532 | 57,217 | 220,690 | 676,126 | 331,680 | 1,007,805 |

8.2 A summary of this allocation is:

- £700,368 for capacity and capability building (existing and new early phase projects)
- £86,749 lunches
- £220,690 additional graduates

8.3 Due to the allocation of funding, the following changes to the early phasing plan 2018 / 19 have been made:

| | Initial Submission | Revised Submission |
|--|--|--|
| St. Joseph's Nursery Class | 56 places for 3 – 5 year olds 15 places for 2 – 3 year olds | 24 places for 3 – 5 year olds 15 places for 2 – 3 year olds |
| St. Francis' Nursery Class | 24 places for 3 – 5 year olds 15 places for 2 – 3 year olds | 24 places for 3 – 5 year olds 15 places for 2 – 3 year olds |
| Craigmarloch Nursery Class (ASN) | 6 places for 2 – 5 year olds | No provision |
| Blairmore Nursery School (2yr old places) | 15 places for 2 – 3 year olds | No provision |
| Childminders | 3 places for 3 – 5 year olds | 6 places for 3 – 5 year olds |

8.4 The changes to the early phasing plan will increase challenges in relation to:

- staff recruitment – fewer staff recruited this year means a higher number required next year; raised expectations – refurbishments / new builds not able to operate or operate at reduced capacity.

9.0 CONCLUSIONS

9.1 It is evident that the 1140 hours expansion programme has many challenges; however it has the potential to give Inverclyde's children the best start in life and to close attainment and inequality gaps.

9.2 Planning for the expansion continues to be challenging given the timing and robustness of the guidance from the Scottish Government. This has been acknowledged by Audit Scotland in their February 2018 report on the expansion programme. A separate report has been submitted to the Committee on this.

10.0 IMPLICATIONS

10.1 Finance

Financial Implications

The revised financial template is included as **Appendix 1**

One off Costs

| Cost Centre | Budget Heading | Budget Year | Proposed Spend Report £000's | this | Virement From | Other Comments |
|-------------|----------------|-------------|------------------------------|------|---------------|--|
| Various | Early Years | 2017/21 | 5,980 | | | Total Capital costs will be contained within this funding. |

Annually Recurring Costs/ (Savings)

| Cost Centre | Budget Heading | With Effect from | Annual Net Impact £000's | Virement From (if applicable) | Other Comments |
|-------------|----------------|----------------------------------|----------------------------------|-------------------------------|--|
| Various | Early Years | 18/19 19/20 20/21 21/22 | 1,008 4,885 8,084 9,017 | | Actual spend will be phased to reflect funding allocation. |

10.2 Legal

Inverclyde Council has a duty to ensure that there is provision of Early Learning and Childcare available to entitled children.

10.3 Human Resources

There are significant Human Resources implications in the expansion programme. The availability of the workforce is a significant challenge. The reduction in early phase projects increases this challenge.

Supporting Inverclyde's submission is a local Workforce Plan designed to "get the right people, with the right skills, in the right place at the right time". Further details of this are included in the All Members' Briefing presentation in Appendix 1.

10.4 Equalities

There are no equality issues within this report.

Has an Equality Impact Assessment been carried out?

| | |
|---|---|
| | YES (see attached appendix) |
| ✓ | NO – This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required. |

10.5 Repopulation

The regeneration works outlined in this report should contribute to retaining and increasing the population within the area. There are no repopulation issues.

11.0 BACKGROUND PAPERS

- 11.1 A blueprint for 2020: The expansion of early learning and childcare in Scotland – Early Learning and Childcare expansion planning guidance for Local Authorities. Scottish Government March 2017.

A blueprint for 2020: The expansion of early learning and childcare in Scotland – 2017-18 action plan. Scottish Government, March 2017.

Early Learning and Childcare

Increase in Early Learning
and Childcare to 1140 hours

Content

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| 1. | Background / Current Provision / Revised Submission | Linda Wilkie |
| 2. | Financial Information | Craig Given |
| 3. | Infrastructure | Eddie Montgomery |
| 4. | Workforce | Allan Wilson |

Background

Scottish Government has announced its commitment to increase entitlement to early learning and childcare from 600 hours to 1140 hours for all 3 and 4 year olds and some 2 year olds by 2020.

A business plan detailing Inverclyde Council's full expansion programme was submitted to Scottish Government on 29th September 2017.

The initial submissions from all 32 local authorities required more capital and revenue funding than Scottish Government anticipated.

All Local Authorities had to submit revised financial templates to Scottish Government by 2nd March 2018.

The revised business plan required significant adjustment.

Current Provision

Port Glasgow / Kilmacolm Cluster

| | 2 year olds | 3 and 4 year olds |
|--------------------------------------|-------------|-------------------|
| Additional number of places required | 15 | 136 |

| | |
|-----------------------|---|
| Existing LA provision | Kilmacolm Nursery Class (Kilmacolm) Rainbow Family Centre (Port Glasgow) Newark Nursery School (Port Glasgow) St John's Nursery Class (Port Glasgow) |
| Partner Providers | - |
| Other Providers | Duchal Nursery (Kilmacolm) Kilmacolm Playgroup and Toddlers (Kilmacolm) St Columba's Nursery Class (Kilmacolm) 5 Childminders (Kilmacolm) 4 Childminders (Port Glasgow) |

East End Cluster

| | 2 year olds | 3 and 4 year olds |
|--------------------------------------|-------------|-------------------|
| Additional number of places required | 35 | 136 |

| | |
|-----------------------|---|
| Existing LA provision | Blairmore Nursery School Glenbrae Children's Centre Gibshill Children's Centre Hillend Children's Centre King's Oak Nursery Class |
| Partner Providers | Enchanted Forest (Greenock) |
| Other Providers | 2 Childminders |

West Central Cluster

| | 2 year olds | 3 and 4 year olds |
|--------------------------------------|-------------|-------------------|
| Additional number of places required | 0 | 104 |

| | |
|-----------------------|---|
| Existing LA provision | Kelly St. Children's Centre Wellpark Children's Centre Whinhill Nursery Classes |
| Partner Providers | Wellington Pre 5 Centre Madera Private Nursery |
| Other Providers | Kidology Nursery Enterprise Childcare Pre 3 Centre West College Scotland 10 Childminders |

South West Cluster

| | 2 year olds | 3 and 4 year olds |
|--------------------------------------|-------------|-------------------|
| Additional number of places required | 30 | 130 |

| | |
|-----------------------|--|
| Existing LA provision | Aileymill Nursery Class Bluebird Family Centre Lady Alice Nursery Class Larkfield Children's Centre |
| Partner Providers | - |
| Other Providers | 12 childminders |

Gourock Cluster

| | 2 year olds | 3 and 4 year olds |
|--------------------------------------|-------------|-------------------|
| Additional number of places required | 15 | 78 |

| | |
|-----------------------|---|
| Existing LA provision | Binnie St. Children's Centre Moorfoot Nursery Class |
| Partner Providers | - |
| Other Providers | Battery Park Nursery (also serves South West Cluster) 6 Childminders |

Wemyss Bay / Inverkip Cluster

| | 2 year olds | 3 and 4 year olds |
|--------------------------------------|-------------|-------------------|
| Additional number of places required | 0 | 38 |

| | |
|-----------------------|--|
| Existing LA provision | Inverkip Nursery Class Wemyss Bay Nursery Class |
| Partner Providers | Enchanted Forest (Inverkip) |
| Other Providers | 9 Childminders (Inverkip) 4 Childminders (Wemyss Bay) |

Revised Submission

Revised Submission: Key Messages for All Councils

Following the submission there has been a series of local and national engagement events and guidance. Key messages from these events were:

- It is clear from the plans that considerable effort and energy has characterised their preparation. It is also clear that local authorities and their partners share a collective ambition to delivery high quality early learning and childcare.
- Dialogue between LAs and Scottish Government has allowed the identification of opportunities to maximise the efficiency and effectiveness of the transformative investment in ELC.
- Scottish Government's review process focused on how local authorities responded to the ELC Expansion Planning Guidance; each authority's vision and how each authority intends to deliver the ELC Expansion Blueprint principles.
- Common themes related to each authority's vision for service change and the plan to realise those visions emerged:

Emphasising the importance of understanding and demonstrating the link between anticipated demand and supply;

Addressing capacity challenges by making best use of what we have, buying where possible, through supporting a wide range of partners including childminders and third sector partners, and finally building where needed.

Revised Submission: Key Messages for Inverclyde Council

Within Inverclyde Council's plan the specific areas to be reviewed were:

- Supply and demand - make better use of what we have by, for example, increasing shared places.
- Scottish Government acknowledged the desire to increase Partnership places but needed reassurance that this was achievable.
- Decrease the overall financial and capital costs.
- Ensure that training and development requirements are realistic as costs identified are very low.
- Review uptake of school meals as based on 100%.
- Review staffing models to ensure model reflects supply and demand

Revised Submission: Key Changes

| Area | Change / Impact by 2020 |
|---|--|
| Outdoor learning places | 72 additional places created |
| Partnership places (additional capacity in new / existing private nurseries and childminders) | Increased by 43% (8% in 2017 to 14% in 2020) |
| Wraparound places | Reduced from 15% to 10% in 52 week establishments and from 10% to 0% in term time establishments. |
| 52 week provision | Reduced the number of proposed 52 week services from 13 to 8. |
| Shared places | Increased from 10% to 30% |
| Infrastructure | Reduction in new build projects, extension projects. Increase in refurbishment projects and outdoor learning developments. |
| Workforce | Significant adjustments to management and staffing models. |

FINANCIAL INFORMATION

Scottish Government Allocation

- ✓ Inverclyde Council received notification of its allocation from Scottish Government on 1st May 2018.
- ✓ Scottish Government have committed to fully funding the expansion programme and therefore Inverclyde Council will not contribute any additional funding.

Capital Funding Allocation

| Year | Amount |
|---------|------------|
| 2017/18 | £380,000 |
| 2018/19 | £1,900,000 |
| 2019/20 | £2,200,000 |
| 2020/21 | £1,500,000 |
| Total | £5,980,000 |

Revenue Funding Allocation

| Year | Amount |
|---------|------------|
| 2017/18 | £269,000 |
| 2018/19 | £1,007,805 |
| 2019/20 | £4,885,000 |
| 2020/21 | £8,084,000 |
| 2021/22 | £9,017,000 |

Infrastructure

Port Glasgow / Kilmacolm Cluster

| | |
|------------------------------|---|
| Initial Submission proposals | <p>Partnership arrangements with other providers</p> <p>Blended approach with Childminders</p> <p>Shared places</p> <p>Demolish Park Farm Community Centre – New Build</p> <p>New St. Francis Nursery PS Nursery Class – Refurbishment</p> <p>Outdoor learning places at Rainbow Family Centre</p> <p>Outdoor learning places at Kilmacolm Primary School</p> |
| Revised Submission proposals | <p>Blended approach with Childminders</p> <p>Shared places</p> <p>Demolish Park Farm Community Centre – New Build</p> <p>New St. Francis PS Nursery Class – Refurbishment</p> <p>Craigmarloch Nursery – Minor Alterations</p> <p>Outdoor learning places at Rainbow Family Centre</p> <p>Outdoor classroom at Kilmacolm Primary School</p> |

East End Cluster

| | |
|------------------------------|---|
| Initial Submission proposals | <p>Partnership arrangements with other providers</p> <p>Blended approach with Childminders</p> <p>Shared places</p> <p>Demolish Crawfordsburn Community Centre – New Build</p> <p>Blairmore Nursery 2-3's – EYLC Conversion</p> <p>Outdoor learning places at Blairmore Nursery</p> |
| Revised Submission proposals | <p>Blended approach with Childminders</p> <p>Shared places</p> <p>Blairmore Nursery 2-3's – EYLC Conversion</p> <p>Outdoor learning places at Blairmore Nursery</p> <p>Outdoor learning places at Gibshill Children's Centre</p> |

West Central Cluster

| | |
|------------------------------|--|
| Initial Submission proposals | Partnership arrangements with other providers Blended approach with Childminders Shared places Glenpark Early Learning Centre – New Build Dempster Street (Cowdenknowes) – New Build |
| Revised Submission proposals | Partnership arrangements with other providers Blended approach with Childminders Shared places Glenpark Early Learning Centre – New Build |

South West Cluster

| | |
|------------------------------|---|
| Initial Submission proposals | Blended approach with Childminders Shared places Larkfield Children's Centre expansion - Extension Grieve Road Community Hall - Extension New St. Joseph's PS Nursery Class - Refurbishment |
| Revised Submission proposals | Blended approach with Childminders Shared places Larkfield Children's Centre – New Build New St. Joseph's PS Nursery Class - Refurbishment |

Gourock Cluster

| | |
|------------------------------|--|
| Initial Submission proposals | Partnership arrangements with other providers Blended approach with Childminders Shared places Former St. Ninian's PS Site – New Build Outdoor learning places at Binnie St. Children's Centre |
| Revised Submission proposals | Partnership arrangement with other Provider Blended approach with Childminders Shared places Increase provision with Partner Provider Gourock YAC - Refurbishment Outdoor learning places at Binnie St. Children's Centre |

Weymss Bay / Inverkip Cluster

| | |
|------------------------------|--|
| Initial Submission proposals | <p>Partnership arrangements with other providers</p> <p>Blended approach with Childminders</p> <p>Shared places</p> <p>Increase provision with Partner Provider</p> <p>Wemyss Bay Community Centre - Extension</p> |
| Revised Submission proposals | <p>Blended approach with Childminders</p> <p>Shared places</p> <p>Increase provision with Partner Provider</p> <p>Outdoor classroom at Wemyss Bay Primary School</p> |

Infrastructure Summary

| New Builds | |
|--------------------------------|-------------|
| Glenpark Early Learning Centre | June 2018 |
| Larkfield Children's Centre | August 2020 |
| Park Farm Community Centre | August 2020 |

New Builds – In Progress

Glenpark



New Builds - Feasibility

Park Farm / Larkfield



Refurbishments

| | |
|--|--------------|
| Blairmore Nursery School (2- 3 year places) | August 2018 |
| St. Joseph Primary School | October 2018 |
| St. Francis Primary School | October 2018 |
| Craigmarloch Nursery Class | August 2019 |
| Gourock YAC | August 2019 |

Refurbishments

Blairmore



St Francis



St Joseph's



Outdoor Projects

| | |
|------------------------------|-------------|
| Binnie St. Children's Centre | Operational |
| Blairmore Nursery School | August 2018 |
| Kilmacolm Nursery Class | August 2019 |
| Rainbow Family Centre | August 2019 |
| Gibshill Children's Centre | August 2019 |
| Wemyss Bay Nursery Class | August 2019 |

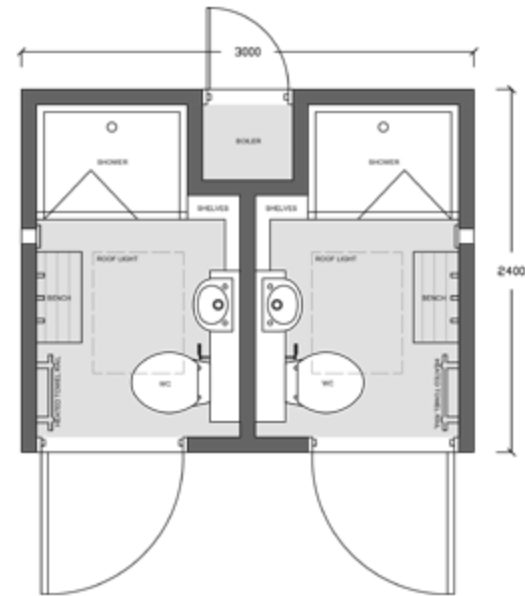
Outdoor Covered Space



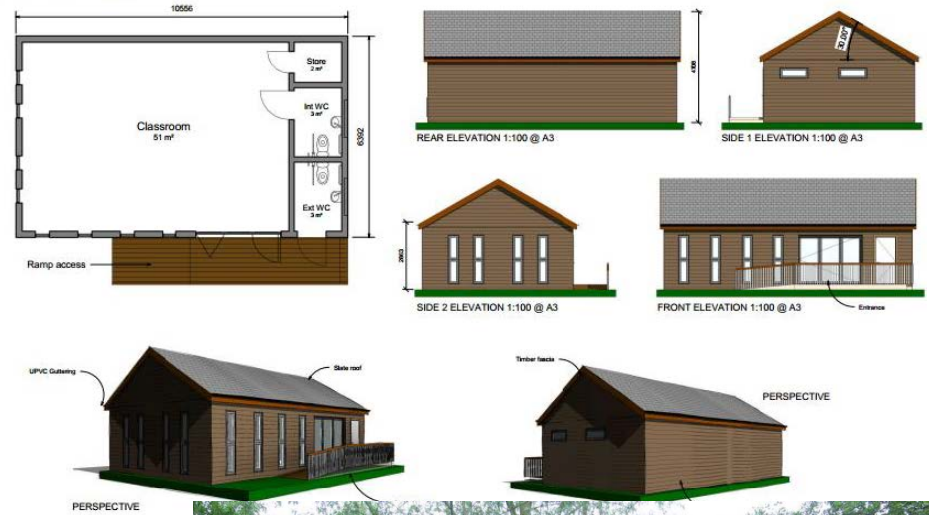
Blairmore

Rainbow

Gibshill



Outdoor Classrooms



Binnie St

Kilmacolm

Wemyss Bay



Capital Funding Allocation

| Year | Funding Allocation | Projected Expenditure |
|---------|--------------------|-----------------------|
| 2017/18 | £380,000 | £311,000 |
| 2018/19 | £1,900,000 | £1,211,000 |
| 2019/20 | £2,200,000 | £4,322,000 |
| 2020/21 | £1,500,000 | £136,000 |
| | £5,980,000 | £5,980,000 |

Workforce Plan

Workforce Plan created:

- Total Current workforce 260 FTE
- Increase by 200 to 460 FTE by 2020/21 (excl. turnover)
- Of this 166 FTE are Early Years Education and Childcare Officers (EYECO)

Work Streams to match demand with supply:

- ✓ West College Scotland (bespoke/normal)
- ✓ Modern Apprentices (10 from next year)
- ✓ General Recruitment
- ✓ Sessional Register/Current Temps
- ✓ Redeployment List

Promotional Activity:

- ✓ Scottish Government
- ✓ Corporate Communications

CONCLUSION

It is evident that the 1140 hours expansion programme has many challenges and risks; however it has the potential to give Inverclyde's children the best start in life and to help close attainment and inequality gaps.