

Report To:	Education and Communities Committee	Date: 12 March 2019
Report By:	Corporate Director, Education, Communities and Organisational Development	Report No: EDUCOM/26/19/LW
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Subject:	Early Learning and Childcare 1140 Hours Expansion Programme	

1.0 PURPOSE

- 1.1 The purpose of this report is to update the Committee on important aspects of the Early Years 1140 expansion programme.

2.0 SUMMARY

- 2.1 The Scottish Government is committed to increasing the entitlement to Early Learning and Childcare (ELC) from 600 hours to 1140 hours by 2020. The report provides the background to the expansion programme and a summary of the 1140 hours early phase developments for 18 /19.
- 2.2 It details the range of early phase projects that are proposed for 2019 / 20 in line with the Scottish Government's guidance for early phase projects.
- 2.3 One-off funding of £78k from the Scottish Government to Inverclyde Council is being allocated to support Providers in relation to capacity building, strengthening partnership working, preparing for the expansion and to support sustainability and quality.
- 2.4 The Scottish Government is committed to ensuring that Early Learning and Childcare settings in the most deprived areas benefit from an additional graduate. The report provides an update on the current recruitment of graduate posts across Scotland and within Inverclyde.
- 2.5 A report to the Committee in March 2018 'Audit Scotland National Report: Early Learning and Childcare – February 2018' informed Members of the Audit Scotland Report "Early Learning and Childcare" and provided an overview of the key messages and recommendations raised in the report. This report provides an update on progress to date.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee:
- notes the progress made to date with the implementation of 1140 hours.
 - agrees the early phase projects for 2019 / 20 and notes that a further update on early phase projects for 2019 / 20 will be submitted to Committee in June 2019.
 - notes the support and funding allocation made to Providers to support sustainability.

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| | <ul style="list-style-type: none">• notes the current status of graduate recruitment in Inverclyde.• notes the progress made on the recommendations from the Audit Scotland report. | |
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Ruth Binks

Corporate Director Education, Communities & Organisational Development

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 the Scottish Government in March 2018. The plan provided details of current services and the developments required to deliver 1140 hours.
- 4.4 Inverclyde Council received notification of its revenue and capital funding allocation from the Scottish Government in February 2018. The funding is allocated as a specific grant to ensure that it is protected for investment in early learning and childcare. Authorities are required to report to the Scottish Government on how this funding has been applied.
- 4.5 Inverclyde Council is clear that all developments will be contained within the funding allocation from Scottish Government.

5.0 EARLY PHASE PROGRESS 2018 / 19

- 5.1 The revenue allocation for 18 / 19 was £1007,805.
- 5.2 A range of projects were successfully delivered:

Project	Additional places	Impact
Binnie St. Children's Centre	16 full-time additional outdoor learning places for children aged 3 – 5 years.	Support to parents in employment, education and training. Increased knowledge of best practice in outdoor learning. Improved achievement and health and well-being.
Blairmore Nursery School	64 full-time places for children aged 3 – 5 years. 15 places for children ages 2 – 3 years.	Some parents / carers have sourced employment, increased hours of work or attended further education. Improved attendance, achievement and health and well-being Early intervention to support our youngest children.
Childminders	9 shared places for children aged 3 – 5 years	Supporting sustainability of childminders. Improved attendance. Learning in relation to systems and processes for shared curriculum and assessment.
St. Joseph's Nursery Class.	15 x 2 -3 places, 24 x 3 – 5 places	Service opened in January 2019. Initial feedback is positive but it is too early to evidence impact.
St. Francis Nursery Class	15 x 2 -3 places, 24 x 3 – 5 places	Service opened in January 2019. Initial feedback is positive but it is too early to evidence impact.
Glenpark Children's Centre	15 x 2 – 3 places	Feedback from parents / carers has been extremely positive. Positive mix of places for vulnerable children and for parents in employment, education and training.
West College Scotland	7 x 3- 5 places	Additional funded provider. Meeting parental requests.

5.3 Other early phase activity included:

Partner Provider rate increased from £3.42 to £4.04 per hour per child.

West College Scotland in partnership with Inverclyde Council has delivered 2 x bespoke HNC Childcare and Education Course for employees of Inverclyde Council. The costs are for course costs and for the provision of backfill for employees undertaking their practical placement.

All children in full day early phase places received a free school meal.

A successful modern apprentice programme has been developed. There are currently 9 apprentices within the service.

6.0 EARLY PHASE PLAN 2019 /20

6.1 The revenue allocation for 2019 / 20 is £4,885,000. This is split £4,609,000 from the Scottish Government allocations and £276,000 from core spending.

6.2 The projects outlined at 5.2 and 5.3 will continue in 2019 / 20. The cost of delivering these is £1,007,805. Additional funding of £372,950 is required for full year costs for projects that were delivered in part year 2018 /19

6.3 Additional administrative posts to support the expansion programme will cost £64,100 with an additional £5,000 for admin resources and supplies.

6.4 Further staffing is required to ensure adherence to legislative requirements and / or implement approved plan:

Staff	Detail	Cost
Teachers	1.4 FTE to meet the access to a teacher statutory requirement.	£65,525,
Early Years Support Assistants	6 x 20 hour posts as per the staffing model of the expansion plan.	£47,726
EYECO	2 FTE to provide management cover to 5 establishments as per the staffing model of the expansion plan.	£35,506
Change in adult: child ratio	2 FTE to adjust adult:child ratio in 2 nursery classes as per Care Inspectorate legislation.	£35,506.

6.5 The hourly rate for funded providers will further increase to £5.00 per hour per child at a cost of £129,876.

6.6 The college costs and cover costs for year 2 of Bespoke training course 1 and year 1 of Bespoke training course 2 will be £91,500.

6.7 A free lunch will be provided for every child in an 1140 hour place at a cost of £78,000.

6.8 Additional funding of £182,000 for the Modern Apprentice programme.

6.9 Additional funding of £14,000 for increased maintenance / lifecycle costs.

6.10 £276,000 of core spending in relation to transport and family support is being transferred to the expansion programme. A review of these services will be undertaken to identify a revised delivery model. This will take account of the changes in entitlement in 2020.

6.11 It is estimated that the expansion of 1140 hours provision will result in a reduction of

£24,500 in wrapround income.

- 6.12 A range of new early phase projects are planned for this year as detailed below:
A number of existing establishments will operate at increased capacity:

Project	Additional Places	Start Date	Cost (Aug19 – March 20)
Glenpark ELC	8 x 3 -5 places	August 2019	£17,528
St. Joseph's Nursery Class	16 x 3 -5 places	August 2019	£35,056
Aileymill Nursery Class	24 x 3 -5 places	August 2019	£52,584
Whinhill Nursery Class	8 x 3 -5 places	March 2019	£17,528
Wemyss Bay Nursery Class	8 x 3 -5 places	August 2019	£17,528
Newark Nursery School	16 x 3 -5 places	August 2019	£35,056
Kilmacolm Nursery Class	8 x 3 – 5 places	August 2019	£17,528
Rainbow Family Centre	8 x 3 – 5 places	August 2019	£17,528

- 6.13 A number of outdoor learning projects will be developed:

Project	Additional Places	Start Date	Cost (Aug19 – March 20)
Gibshill Children's Centre	8 x 3 – 5 places	August 2019	£17,528
Rainbow Family Centre	8 x 3 – 5 places	August 2019	£17,528
Blairmore Nursery School	8 x 3 – 5 places	August 2019	£17,528
Wemyss Bay Nursery Class	16 x 3 – 5 places	August 2019	£35,056
Kilmacolm Nursery Class	16 x 3 – 5 places	August 2019	£35,056

- 6.14 A number of funded providers will offer 1140 hours:

Project	Additional Places	Start Date	Cost (Aug19 – March 20)
Private Provider	15 x 3 - 5 places	March 2019	£90,801
3 rd Sector Provider	15 x 2 – 3 places	March 2019	£90,801
Private Provider	6 FTE places	August 2019	£17,100

- 6.15 A number of Local Authority establishments changing from Term Time to 52 week or extended day:

Project	Additional Places	Start Date	Costs
Glenpark ELC	Term Time to 52 week	August 2019	£191,480
Kilmacolm	Term Time to 52 week	January	£210,895

Nursery Class		2019	
Glenbrae Children's Centre	Extended day	August 2019	£35,056
Bluebird Family Centre	Extended day	August 2019	£35,056
Binnie St Children's Centre	Extended day	August 2019	£70,112

6.16 A number of projects for session 19 / 20 are still under development and / or are awaiting approval from the Care Inspectorate. These projects will be submitted to the Committee in June 2019 for approval. These will be contained within the total revenue funding allocation.

6.17 Summary of costs

Section No.	Development	Cost
6.2	18 / 19 developments	£1,007,805
6.2	18 / 19 developments –full year costs	£372,950
6.3	Administrative costs	£69,100
6.4	Staffing	£183,263
6.5	Funded Provider hourly rate	£129,876
6.6	Bespoke Course	£91,500
6.7	Free school meals	£78,000
6.8	Apprenticeship programme	£182,000
6.9	Property costs	£14,000
6.10	Transfer from core budget	£276,000
6.11	Under recovery of Wraparound income	£24,500
6.12	Additional places – increased capacity	£210,336
6.13	Additional places – outdoor learning	£122,696
6.14	Additional places – funded providers	£198,702
6.15	Additional places – extended day / year	£542,599
	TOTAL COMMITTED THIS REPORT	£3,503,327
6.16	Projects to be confirmed	£1,381,673
	TOTAL SPEND 2019 / 20	£4,885,000

7.0 ONE-OFF ALLOCATIONS TO PROVIDERS

7.1 Inverclyde Council received a one-off allocation of £78,333 for 2018 /19 from the Scottish Government. The funding has to be used to strengthen partnership working, prepare for the expansion and support sustainability and quality.

7.2 The support to be provided could be delivered through, but not be limited to:

- Additional training and development support.
- Enabling providers to access business, financial or human resources support.
- Grants to providers to support capacity building.

7.3 The funding should be allocated across all Providers and take account of their individual circumstances.

7.4 Inverclyde Council has to submit a short report to the Scottish Government by April 2019 outlining the actions undertaken with this allocation.

7.5 The allocations to Providers in Inverclyde is:

Sector	Number of Providers	Status	Purpose			Funding
			Training and development	Capacity building	Business support and sustainability	
Private and 3 rd Sector	5	Existing Providers			✓	£15,000
Private and 3 rd Sector	9	New / Expanded Providers	✓	✓	✓	£33,200
Private and 3 rd Sector	4	Potential Providers	✓	✓	✓	£16,000
Local Authority	13	New / Expanded Providers	✓	✓		£13,200

7.6 This leaves a small contingency budget of £933.

7.7 The funds will be distributed to Providers via a grant or downloaded into their service budget. Providers will be asked to submit a brief report on the actions they have undertaken and the impact.

8.0 ADDITIONAL GRADUATE COMMITMENT

8.1 The Scottish Government is committed to ensuring that Early Learning and Childcare settings in the most deprived areas benefit from an additional graduate: either a teacher with early years expertise, or an experienced practitioner with, or working towards, the BA Childhood Practice award.

8.2 The focus is on children who face the greatest disadvantages and where additional support may be required to close the attainment gap in literacy and numeracy.

8.3 435 additional graduates are required across Scotland to deliver the commitment. This is based on Care Inspectorate data and the latest Scottish Index of Multiple Deprivation (SIMD). This identifies 432 nurseries located in the 20% most deprived postcode areas, including 8 in Inverclyde.

8.4 As at February 2019, 75% of posts were filled leaving 110 vacancies across Scotland. Within Inverclyde, 4 posts had been filled; however this has recently reduced to 3. The remaining 5 posts are currently re-advertised.

8.5 Retention will be an increasing challenge as we move towards full implementation of 1140 hours and the significant increase in posts. In addition there is no national rate for the posts which appears to be affecting retention. The posts were subject to local job evaluation schemes and salaries range from £28,000 to £56,000 including on-costs. Inverclyde Council is at the lower end.

8.6 The Scottish Government is committed to supporting local authorities to realise this commitment and has identified a range of actions including a national marketing campaign, reviewing the post name, defining impact of local arrangements such as salary and role.

9.0 UPDATE ON AUDIT SCOTLAND REPORT

9.1 A report to the Committee in March 2018 'Audit Scotland National Report: Early Learning and Childcare – February 2018' informed Members of the Audit Scotland Report "Early Learning and Childcare" and provided an overview of the key messages and

recommendations raised in the report.

9.2 Members requested that an update be submitted to the Committee detailing progress on the recommendations:

Recommendation	Progress
Links between increase in funded hours and employment / training programmes	Added to project plan and benefit tracker. Enhanced partnership working with Economic Development colleagues.
Provide information to parents on local delivery.	Information available on website and Council / Partner buildings. Regular updates to parents /carers.
Develop a commissioning strategy	Scottish Government has provided guidance on Funding Follows the Child and developed a National Standard for Providers. Inverclyde Council has continued to commission new Providers.
Develop and implement a workforce plan	Workforce plan was refreshed in November 2018. The workforce sub-group meets regularly.
Develop and implement an infrastructure plan	The infrastructure plan is continually reviewed. All developments are progressing in line with programme.
Collect information on model costs / impacts	Model costs are included in 1140 expansion plan. There is concern that some of the models may not meet parental need / expectation.
Work with Partner Providers to understand the impact of decisions on the wider system of ELC	Relationships with Partner Providers continue to be positive. This is not the experience in many parts of Scotland. Engagement with Partner Providers, potential Providers and childminders continues. Funding has been allocated to Providers to address potential impact of the expansion programme. There remains concern over the unintended consequences of the programme such as sustainability of provision for children under 3.

9.3 Significant progress has been made against all recommendations; notwithstanding this Officers will continue to progress developments and focus on areas where concerns remain.

10.0 CAPITAL UPDATE

10.1 The Scottish Government confirmed a total Capital grant of £5,980,000 to Inverclyde Council as part of the overall 1140 hours funding with the below yearly spend allocation. Any yearly over or underspends will be contained within the overall £5,980,000 funding allocation.

	<u>2017/18</u> <u>£000</u>	<u>2018/19</u> <u>£000</u>	<u>2019/20</u> <u>£000</u>	<u>2020/21</u> <u>£000</u>	<u>Total</u> <u>£000</u>
Amount Allocated	£380	£1,900	£2,200	£1,500	£5,980
Current	£177	£347	£2,384	£3,072	£5,980

Estimated Spend Profile					
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10.2 Details of progress with the infrastructure plan are contained in section 8 of the 'Education Capital Programme 2018 -2021 Progress' report to this committee.

11.0 IMPLICATIONS

Finance

11.1 Financial Implications

One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report £000	Virement From	Other Comments
Various	Early Years	2019 /20			Expected to spend capital allocation in 2019 / 20

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if applicable)	Other Comments
Various	Early Years	2019/20	£4,885,000		This amount is not yet fully committed as some projects are still being developed.

11.2 **Legal**
There are no legal implications.

11.3 **Human Resources**
There are significant HR implications with regard to workforce planning, recruitment, and training. The workforce plan was refreshed in November 2018.

11.4 **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.

11.5 **Repopulation**

An early learning and childcare service that delivers on quality, flexibility, accessibility and affordability will contribute to repopulation.

12.0	CONSULTATION	
12.1	Consultation with stakeholders is continuing throughout this session. This includes private / voluntary providers, partner providers, trade unions and local authority early year's workforce.	
13.0	LIST OF BACKGROUND PAPERS	
13.1	Scottish Government 01.05.18, ELC – Multi-Year Revenue and Capital Allocations.	