
Report To:	Education and Communities Committee	Date:	1 September 2020
Report By:	Corporate Director Education , Communities & Organisational Development	Report No:	EDUCOM/40/20/LW
Contact Officer:	Linda Wilkie	Contact No:	01475 712812
Subject:	Update on Early Learning and Childcare Expansion Programme		

1.0 PURPOSE

- 1.1 This report is to provide the Committee with an update on the Early Learning and Childcare (ELC) 1140 hours expansion programme and to advise the Committee of the budget position for session 2020 / 21.

2.0 SUMMARY

- 2.1 On Wednesday 1 April 2020 an order revoked the change to the 2014 Children and Young People Act that requires education authorities to secure 1140 hours of ELC provision for all eligible children from August 2020. This means that there is no statutory duty for Authorities to provide 1140 hours of early learning and childcare (ELC) from August 2020.
- 2.2 Education Services has considered the implications of this decision on its expansion plan and has concluded that 1140 hours of ELC can still be implemented across Inverclyde.
- 2.3 Almost all staff are in place to deliver the entitlement. 23 additional 'funded providers' are now able to provide early learning and childcare.
- 2.4 The report includes a financial update on the funding for 2020 / 21 budget as requested by the Policy and Resources Executive Sub-Committee in June 2020.
- 2.5 Inverclyde Council received £7,765,000 of revenue funding in 2020 / 21 to fund the 1140hours expansion. The report outlines the projected spend and a proposal to spend some of the currently unallocated funds.

3.0 RECOMMENDATION

- 3.1 That the Committee:
- Notes the plan for the delivery of 1140 hours of Early Learning and Childcare for session 2020 / 21.
 - Notes the update of the revenue budget for 2019 / 20 and the previously approved allocation of the £2.034million underspend.
 - Notes the projected underspend in the revenue budget for 2020 / 21 and approves the allocation of some of this underspend to the proposals outlined in paragraph 7.3.
 - Notes that a further report on the Early Years revenue budget will be submitted in January 2021.

Ruth Binks
Corporate Director Education, Communities & Organisational Development

4.0 BACKGROUND

- 4.1 Inverclyde Council submitted its expansion plan to Scottish Government in March 2018. The plan provided details of current services and the developments required to deliver 1140 hours. Since this time the plan has been subject to change in line with local need and the timeline for infrastructure developments.
- 4.2 On Wednesday 1 April 2020, The Children and Young People (Scotland) Act 2014 (Modification) (No. 2) Revocation Order 2020 was approved by the Scottish Parliament. The order revokes the change to the 2014 Children and Young People's Act that requires education authorities to secure 1140 hours of ELC provision for all eligible children from August 2020, rather than 600 hours. It effectively means that there will be no statutory duty to provide 1140 hours from August 2020.
- 4.3 Education Services has considered the implications of this decision on its expansion plan. Given the progress already made in the implementation of 1140 hours, the service has been able to develop contingency plans to ensure that 1140 hours can still be implemented across Inverclyde as of August 2020.
- 4.4 Inverclyde Council has received specific revenue grant funding from Scottish Government since 2018. This funding has increased incrementally since this date and is ring fenced to support the roll-out of the 1140 hours expansion.

5.0 DELIVERY OF 1140 HOURS OF EARLY LEARNING AND CHILDCARE IN SESSION 2020 /21

- 5.1 Contingency plans have been developed to address the impact of the COVID-19 pandemic on the infrastructure developments of the expansion programme. These are at Rainbow Family Centre, Larkfield Children's Centre, Craigmarloch Nursery Class and Wellington Children Centre (Gourock YAC). The costs associated with the contingency plans are contained within the 2019 / 2020 revenue underspend.
- 5.2 Early Learning and Childcare 1140 hour placements have been allocated in line with Inverclyde Council's Admission Policy for Early Learning and Childcare. As previously advised to the Education and Communities Committee, many parents have not received their preferred pattern of attendance or their first choice establishment. Officers from the Early Years team continue to work with parents to address any concerns.
- 5.3 A significant recruitment exercise took place in February 2020 to recruit the practitioners and support workers required for the implementation of the plan. These staff commenced employment at the start of the new school term in August 2020.
- 5.4 The commissioning exercise for funded providers (nurseries and childminders) is complete. After careful scrutiny, all applicants (4 ELC settings and 19 childminders) have been approved to provide early learning and childcare for session 2020 / 2021.
- 5.5 The cross-boundary protocol for the West Partnership was approved at the West Partnership Board on 7 August 2020. It has been agreed that this is based on 1140 hours. Within Inverclyde there is limited numbers of movement across neighbouring Authorities. At the time of writing the report there are 12 cross boundary placements coming into Inverclyde and 16 going out to other Authorities. Funding for most of these will be covered through reciprocal arrangements. An allocation meeting was scheduled for 17 August 2020 where final decisions are to be taken, The cost of cross boundary funding is currently projected at £25k. Any costs will be contained within the Funded Provider budget.

6.0 2019 / 2020 REVENUE BUDGET UNDERSPEND

- 6.1 Inverclyde Council was allocated £4,995,549 revenue funding for 2019 / 2020. £2,042,755 of this budget was underspent in the financial year 2019 / 20.

- 6.2 The 2019/20 grant needs to be spent by 31/03/21 or there is a possibility any unused grant will need to be repaid to Scottish Government.
- 6.3 Advice from the Scottish Government is that the Early Learning and Childcare specific grant can be utilised to support the additional costs associated with COVID-19 pandemic.
- 6.4 The £2.043m of the 2019 / 20 funding has been carried forward for use in 2020 / 21. A proposal to make best use of this funding was approved by the Policy and Resources Executive Sub-Committee in June 2020. Approximately £550,000 was allocated in response to the COVID-19 pandemic for critical childcare, supports to families and funded providers. Approximately £1,400,000 was allocated to the 1140 expansion plan including cost of contingency plans, further support for increased costs in infrastructure developments, educational resources and professional learning.

7.0 BUDGET 2020 /21

- 7.1 The Early Years Revenue budget for 2020 / 21 is £7,765,000. The current projected spend of the £7.765million budget is:

Budget Heading	Projected Spend
Employee Costs	£4.7m
Resources / Running Costs	£1.065m
Unallocated	£2.0m

- 7.2 There is currently £2.0m unallocated for session 2020 / 21. Whilst full year implementation of the 1140 hour expansion programme will not take place until session 2021 / 22, further funding of just under £1million is scheduled to be provided to meet the full year cost. Officers are currently comparing the current projected spend against the plans submitted when the grant level was determined. Whilst the unallocated sum could potentially decrease over the next reporting period, 7.3 lists proposals for the use of some of the unallocated budget. If approved by Committee, these proposals will be incorporated into future projections.

- 7.3 The proposals are:

	Item	Projected Spend £000
1.	Additional teachers, practitioners and support workers to provide recovery support to children in wellbeing, literacy and numeracy.	£659
2.	Extending access to early years support services provided by 3 rd sector Provider.	£48
3.	Additional family support workers to work directly with families disproportionately affected by the COVID-19 pandemic.	£135
4.	Financial support to funded providers to allow them to implement recovery strategies for children in their care including additional staff and resources.	£74
5.	Educational Psychology support across the ELC sector focussing on health and wellbeing and recovery.	£57
6.	Tracking and Assessment of Children's Learning.	£38
7.	HQ Admin Support	£41
8.	Unallocated funding - projects still being scoped. Adjustments in projections for period 4.	£948
9.	TOTAL	£2000

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7.4 It is important to note that based on previous experience some of the additional posts, as detailed at 1 and 3 above, are likely to be recruited from the current cohort of staff; this creates other vacancies which may mean an underspend in other areas of the revenue budget.

8.0 IMPLICATIONS

Finance

8.1 One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Early Years	Various	20 – 21	£1,052,000		Proposals listed in 7.3. Further report on proposals for the balance

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments

Legal

8.2 There are no Legal implications.

Human Resources

8.3 There are no Human Resources implications other than as noted within this report.

Equalities

8.4 Equalities

(a) Has an Equality Impact Assessment been carried out?

<input type="checkbox"/>	YES
<input checked="" type="checkbox"/>	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

<input type="checkbox"/>	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
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X	NO
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(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

Repopulation

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

9.0 CONSULTATIONS

9.1 None

10.0 BACKGROUND PAPERS

10.1 None