
Report To:	Education & Communities Committee	Date:	21 January 2025
Report By:	Ruth Binks Corporate Director Education, Communities & Organisational Development	Report No:	EDUCOM/13/25/RB
Contact Officer:	Ruth Binks	Contact No:	01475 712748
Subject:	Early Years – Partner Providers Overspend		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 At the September 2024 Education and Communities Committee an overspend in Early Years Partner Provider payments of £230,000 was reported. This was due to a higher than budgeted number of placements in private nurseries. Officers undertook to develop proposals to address this budget pressure, and these are set out in the report.
- 1.3 The Committee have already agreed to implement a delayed start date for 2 and 3-year-olds, saving £70,000 whilst this report seeks approval to delete 3.43 FTE vacant posts to save £125,000 in 2025/26. This leaves £60,000 which the CMT are recommending is funded from the Corporate Pressures Budget. A decision on this is expected at the special Council meeting on 23 January 2025.

2.0 RECOMMENDATIONS

- 2.1 The Education and Communities Committee are asked to:
- Note the action proposed by officers to address the £230,000 Budget pressure
 - Approve the deletion of 3.43 FTE vacant posts to save £125,000 from 2025/26.
 - Note that the Council has been asked to allocate £35,000 to this budget from the Corporate Pressures Budget.

Ruth Binks
Corporate Director
Education, Communities & Organisational Development

3.0 BACKGROUND AND CONTEXT

3.1 At the September 2024 Education and Communities Committee an overspend in Early Years Partner Provider payments of £230,000 was reported. This was due to a higher than budgeted number of placements in private nurseries. There was a £50,000 underspend in employee costs in 2024/25 which partially offset this, and the Corporate Director took a report to the Committee to develop proposals to review the start date for early years admissions which would deliver a saving of approximately £70,000. This saving was agreed by Education and Communities Committee on 5th November 2024.

4.0 PROPOSALS

4.1 The totality of the proposals to manage the overspend are as follows:

- The deletion of 3.43 FTE posts not currently needed because of the increase in projection of partnership places. This will deliver a saving of £125,000 and will have minimal impact on service provision. The posts are all vacant and therefore there are no human resources issues. There is a historical 0.8 recovery teacher allocation for early years that is no longer required and has been vacant over the last year. The intention is to remove this post from the budget. As this allocation has been vacant then this will not affect the teacher census or agreed provision.
- The saving from the delayed start date for 2 and 3-year-olds is projected to equate to £70,000
- This leaves a remaining pressure of £35,000 which the Council will be asked to fund from the Corporate Pressures Budget as part of the 23 January Council Budget report.

4.2 It should be noted that the service works hard to ensure that parents have as much flexibility in their choice of nursery places. This means there will always be an element of uncertainty and flexibility in this budget and allocation of resources because parental choice may vary from year to year. The council must work in partnership with any partner provider who meets the criteria and, again, this budget will fluctuate if new partner providers come on board or if there is any change in uptake. Any material change will be reported to Committee.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO
Financial	X	
Legal/Risk		X
Human Resources		X
Strategic (Partnership Plan/Council Plan)		X
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing	X	
Environmental & Sustainability		X
Data Protection		X

5.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
Early Years	Partner Providers	2025/26	£230,000 (£125,000) (£70,000) (£35,000)	Employee Costs Corporate Pressures	Current Pressure Based on deleting 3.43 FTE posts Savings arising from delayed entry for 2 and 3-year-olds Subject to 23.1.25 Council

5.3 Legal/Risk

N/A.

5.4 Human Resources

There will be no employee impact as all posts are vacant.

5.5 Strategic

This report means that resources are managed to ensure the continued provision of high quality 1140 hours of Early Learning and Childcare which meets the strategic aims of both Inverclyde Alliance and the Council.

5.6 Equalities, Fairer Scotland Duty & Children/Young People

(a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

x	YES – Assessed as relevant and an EqIA is required, a copy of which will be made available on the Council website: Equality Impact Assessments - Inverclyde Council
	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, assessed as not relevant and no EqIA is required.

(b) Fairer Scotland Duty

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

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
x	NO – Assessed as not relevant under the Fairer Scotland Duty.

(c) Children and Young People

Has a Children's Rights and Wellbeing Impact Assessment been carried out?

	YES – Assessed as relevant and a CRWIA is required.
x	NO – Assessed as not relevant as this report does not involve a new policy, function or strategy or recommends a substantive change to an existing policy, function or strategy which will have an impact on children's rights.

5.7 Environmental/Sustainability

Has a Strategic Environmental Assessment been carried out?

	YES – assessed as relevant and a Strategic Environmental Assessment is required.
x	NO – This report does not propose or seek approval for a plan, policy, programme, strategy or document which is like to have significant environmental effects, if implemented.

5.8 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 – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.

6.0 CONSULTATION

6.1 A consultation was agreed by Education and Communities Committee in September 2024 and took place in October 2024 regarding children accessing ELC the term after their second or third birthday. The findings and actions from the consultation were agreed by Committee in November 2024, which included a saving of £70,000.

7.0 BACKGROUND PAPERS

7.1 3rd September 2024 Education and Communities Committee:
3-Year-Old Provision Early Years Admissions – Eligibility 3-Year-Old after second/third birthday

5th November 2024 Education and Communities Committee:
Review of ELC Admissions, including Eligibility for ELC Term after second/third birthday