

**Report To: Education and Communities Committee**

**Date: 06 May 2014**

**Report By: Corporate Director Education, Communities & Organisational Development**

**Report No: EDUCOM/52/14/LW**

**Contact Officer: Linda Wilkie**

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**Subject: 600 hours for 2 year olds from Workless Households**

## **1.0 PURPOSE**

- 1.1 The purpose of this report is to
- a. provide details of the development of provision of childcare to 2 year olds from Workless Households from August 2014.
  - b. provide information on the resource requirements and financial implications of the increase in entitlement.

## **2.0 SUMMARY**

- 2.1 The report provides details of the requirement to deliver 600 hours of Early Learning and Childcare for 2 Year olds from workless households from August 2014.
- 2.2 It details the estimated number of places required in Inverclyde.
- 2.3 It identifies the complex range of issues in implementing this intention within Inverclyde.
- 2.4 It details a delivery plan for August 2014 which will ensure that each eligible child has access to a place.

## **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that Committee:
- Approve the model for delivery of 600 hours of provision for children from workless household as of August 2014 subject to funding from Scottish Government.
  - Agree that vulnerable children continue to be prioritised for placements.
  - Agree that there is no longer a requirement to review provision in the East End of Greenock.
  - Agree the financial commitments as detailed in the report.
  - Note that a further report detailing developments for 2015 will be submitted in September 2104.

**Patricia Cassidy  
Corporate Director Education, Communities & Organisational Development**

<b>4.0</b>	<b>BACKGROUND</b>	
4.1	Scottish Government announced in January 2014 its intention to offer two year old children in workless households 600 hours of early learning and childcare from August 2014.	
4.2	From August 2015 this will be extended to all two year old children from families eligible for free school meals.	
4.3	This announcement goes beyond what is contained in the Children and Young People Bill but will be included in secondary legislation.	
<b>5.0</b>	<b>NUMBERS OF CHILDREN AFFECTED</b>	
5.1	The national figure for additional places for August 2014 is estimated by Scottish Government to be 15% of all 2 year olds which is approximately 8,400 children across Scotland.	
5.2	The national figure for additional places for August 2015 is estimated by Scottish Government to be 27% of all 2 year olds which is approximately 15,400 children across Scotland.	
<b>6.0</b>	<b>FUNDING</b>	
6.1	Scottish Government have to date only provided headline revenue figures which are £15 million in 2014 / 15 and £44 million in 2015 / 16. There is no commitment yet to capital funding.	
<b>7.0</b>	<b>IMPLICATIONS</b>	
7.1	There are an extremely high number of complex issues in delivering this intention.	
7.2	There is not capacity in the Early Years sector for this development. A rapid and significant expansion is required to secure the additional placements.	
7.3	The development of these places is dependent on the recruitment of additional staffing, adaptations, Care Inspectorate registrations / variations and sufficient revenue and capital funding.	
7.4	Care Inspectorate has indicated that they will consider granting registrations / variations with conditions to allow services to operate as of August 2014.	
7.5	For the further expansion in 2015 additional provision could be sourced in services currently catering for children aged 3 – 5 years; by the development of new services and / or by using private and 3 <sup>rd</sup> sector providers. These developments are subject to the issues identified at 7.3. Furthermore any developments in Primary / Nursery Schools may also require consultation as per Schools (Consultation) (Scotland) Act 2010.	
7.6	A high number of additional staffing will need to be recruited as the ratio for children aged 2 – 3 years is 1:5. Unlike other Authorities, Inverclyde has not had issues recruiting staffing; however a recruitment drive could impact on staffing within Partner Providers.	
7.7	There is a concern that existing 'wraparound' places within local authority establishments for parents in employment, education and training will decrease to facilitate this development. It is clear that parents who are working will find it difficult to accept that places are now being prioritised for workless households.	
7.8	This development has the potential to reduce the number of places available for current 'Band 2' children (referrals from agencies for early intervention). This can be addressed by amending the admissions criteria and ensuring these children have a higher priority than children from workless households. Inverclyde Council's Early Years Support Group has fully endorsed this proposal to ensure that the needs of vulnerable children continue to be supported.	

7.9 Scottish Government has indicated that Councils do not need to provide transport even when provision is a distance away; however it is unlikely that in these situations parents would be able to access services. If funding allows transport will be provided for children who have to travel a distance to take up their place. A criterion for this will be determined as part of the review of school transport.

7.10 Education Scotland is currently investigating the provision of early learning and the role of HMIE in services for children under 3. Consideration to the role of the teacher in these services will need to be investigated. The outcome of this will be reported to Committee in September 2014.

7.11 A review of provision in the East End of Greenock was planned for this year to address capacity issues. There is no longer a requirement for this review as any surplus capacity will be required for this development.

## 8.0 EXISTING PROVISION

8.1 Inverclyde Council has a range of Early Years provision as detailed below

<b>KILMACOLM / PORT GLASGOW</b>				
	0 – 2 YEARS	2 – 3 YEARS	3 – 5 YEARS	Comment
Kilmacolm Nursery Class			✓	
Rainbow Family Centre	✓	✓	✓	
Newark Nursery School			✓	
St John's Nursery Class			✓	<i>New provision</i>
<b>GREENOCK EAST</b>				
	0 – 2 YEARS	2 – 3 YEARS	3 – 5 YEARS	Comment
Blairmore Nursery School			✓	
Gibshill Children's Centre			✓	
Glenbrae Children's Centre	✓	✓	✓	
Hillend Children's Centre	✓*	✓*	✓	<i>*Specialist provision</i>
King's Oak Nursery Class			✓	
Enchanted Forest (Greenock)	✓*	✓*	✓	<i>Services not commissioned Partner Provider</i>
<b>GREENOCK CENTRAL</b>				
	0 – 2 YEARS	2 – 3 YEARS	3 – 5 YEARS	COMMENT
Wellpark Children's Centre		✓	✓	
Whinhill Nursery Classes			✓	
Wellington Pre 5 Centre			✓	<i>Partner Provider</i>

<b>GREENOCK WEST</b>				
	<b>0 – 2 YEARS</b>	<b>2 – 3 YEARS</b>	<b>3 – 5 YEARS</b>	<b>COMMENT</b>
Kelly St. Children's Centre			✓	
Madiera Nursery	✓*	✓*	✓	<i>*Not currently commissioned Partner Provider</i>
West College Scotland			✓	<i>Partner Provider</i>
<b>GREENOCK SOUTH WEST</b>				
	<b>0 – 2 YEARS</b>	<b>2 – 3 YEARS</b>	<b>3 – 5 YEARS</b>	<b>COMMENT</b>
Aileymill Nursery Class			✓	
Bluebird Family Centre	✓	✓	✓	
Lady Alice Nursery Class			✓	
Larkfield Children's Centre	✓	✓	✓	
<b>GOUROCK / WEMYSS BAY / INVERKIP</b>				
	<b>0 – 2 YEARS</b>	<b>2 – 3 YEARS</b>	<b>3 – 5 YEARS</b>	<b>COMMENT</b>
Binnie St. Children's Centre			✓	
Inverkip Nursery Class			✓	
Moorfoot Nursery Class			✓	
Wemyss Bay Nursery Class			✓	
Enchanted Forest	✓*	✓*	✓	<i>*Not currently commissioned Partner Provider</i>

- 8.2 There are Private Providers / 3<sup>rd</sup> Sector Organisations in Inverclyde which are not in Partnership with Inverclyde Council to deliver pre-school places:
- St. Columba's Playgroup, Kilmacolm
  - Duchal Nursery, Kilmacolm
  - Battery Park Nursery, Greenock
  - Enterprise Childcare, Greenock
  - Kidology Nursery, Greenock
  - Bambini's Nursery, Gourrock
- 8.3 There are 46 Childminders across Inverclyde who deliver childcare services from their own home. There are 10 daycarers who are registered Childminders who have undergone additional assessment and are contracted to provide services on behalf of Inverclyde Council.

## 9.0 PLACES REQUIRED

9.1 The Scottish Government has provided information on the number of places required from August 2014 :

Ward Area	Total Number of Places Required	Placement Term		
		Term 1 (Aug '14)	Term 2 (Jan. '15)	Term 3 (April '15)
1	24	12	8	4
2	35	17	12	6
3	20	9	8	3
4	16	8	5	3
5	8	4	3	1
6	20	10	7	3

## 10.0 PROPOSALS

Ward 1 Inverclyde East			
Existing Provision: Kilmacolm Nursery Class, Newark Nursery School, Rainbow Family Centre			
Timeline	Places required	Development	Implications
August 2014	12	10 additional places in Rainbow Family Centre	Availability of capital and revenue funding Adaptations to toilet / changing facilities. Care Inspectorate variation
		Use existing capacity in Rainbow Family Centre (4 places available)	Availability of revenue funding
		Children from lower Port Glasgow allocated places at Gibshill (5 places available)	Dependent on registration and adaptations Availability of capital and revenue funding
		Contract places from daycarers in Kilmacolm	Contract service Availability of revenue funding
January 2015	8	As above	
April 2015	4	As above	
August 2015	Unknown	Continue to explore options	

Ward 2 Inverclyde East Central			
Existing Provision: Blairmore Nursery School, Gibshill Children's Centre, Glenbrae Children's Centre, Hillend Children's Centre, King's Oak Nursery Class			
Timeline	Places required	Development	Implications
August 2014	17	New provision in Gibshill Children's Centre 40 places	Removal of Family Support Accommodation (make use of new adjoining community space) Care Inspectorate registration. Minor adaptations to existing family support accommodation. Availability of revenue / capital funding
January 2015	12	As above	
April 2015	6	As above	
August 2015	Unknown	Continue to explore options in Hillend Children's Centre and Blairmore Nursery School	

<b>Ward 3 Inverclyde North</b>			
<b>Existing Provision:</b> Kelly St. Children's Centre, Wellpark Children's Centre, Whinhill Nursery Class			
<b>Timeline</b>	<b>Places required</b>	<b>Development</b>	<b>Implications</b>
<b>August 2014</b>	9	10 additional places in Wellpark Children's Centre	Availability of capital and revenue funding. Care Inspectorate Variation Adaptations to toilet / changing facilities.
<b>January 2015</b>	8	Contract places from daycarers in Greenock	Contract service Availability of revenue funding
<b>April 2015</b>	3	Contract places from daycarers in Greenock	Contract service Availability of revenue funding
<b>August 2015</b>	Unknown	Continue to explore options in Kelly St. Children's Centre	

<b>Ward 4 Inverclyde South</b>			
<b>Existing Provision:</b> Bluebird Children's Centre, Lady Alice Nursery Class, Larkfield Children's Centre, Lady Alice Nursery Class			
<b>Timeline</b>	<b>Places required</b>	<b>Development</b>	<b>Implications</b>
<b>August 2014</b>	8	10 additional places in Bluebird Family Centre 10 additional places in Larkfield Children's Centre	Availability of capital and revenue funding. Care Inspectorate Variation Adaptations to toilet / changing facilities.
<b>January 2015</b>	5	As above	
<b>April 2015</b>	3	10 additional places in Larkfield Children's Centre (interim measure to support Ward 6)	Availability of capital and revenue funding. Care Inspectorate Variation Adaptations to toilet / changing facilities.
<b>August 2015</b>	Unknown	Continue to explore options	

<b>Ward 5 Inverclyde West</b>			
<b>Existing Provision:</b> Binnie St. Children's Centre, Moorfoot Nursery Class			
<b>Timeline</b>	<b>Places required</b>	<b>Development</b>	<b>Implications</b>
<b>August 2014</b>	4	Children allocated places at Larkfield / Bluebird with transport (4places available)	Availability of capital and revenue funding. Care Inspectorate Variation Adaptations to toilet / changing facilities.
		Contract places from daycarers in Gourock	Contract service Availability of revenue funding
<b>January 2015</b>	3	As above	
<b>April 2015</b>	1	As above	
<b>August 2016</b>	Unknown	Continue to explore options in Binnie St. Children's Centre	

<b>Ward 6 Inverclyde South West</b>			
<b>Existing Provision:</b> Ailemill Nursery Class, Inverkip Nursery Class, Wemyss Bay Nursery Class			

Timeline	Places required	Development	Implications
August 2014	10	Children allocated places at Bluebird Family Centre / Larkfield Children's Centre with transport	Availability of capital and revenue funding. Care Inspectorate Variation Adaptations to toilet / changing facilities.
		Contract places from daycarers in Inverkip and Wemyss Bay	Contract service Availability of revenue funding
January 2015	7	As above	
April 2015	3	As above	
August 2016	Unknown	Continue to explore options	

## 11.0 FINANCIAL IMPLICATIONS

### 11.1 Revenue Funding

The Scottish Government has confirmed the national funding for this initiative. Inverclyde Council's share of this funding is estimated at:

Part Year 2014 / 15	Full Year 2015 / 16
£203,876	£616,234

### 11.2 The delivery plan as outlined in section 10 of this report requires significant resourcing:

- Additional Early Years Education and Childcare Officer are required to meet the legislative staffing levels of 1:5.
- Support staff are required to meet the delivery of 600 hours.
- Transport will be required for children who will not be able to access local provision. A criterion for this will be determined as part of the review of school transport.
- The management grades of Heads and Deputies will need to be revaluated.
- The management structures in Larkfield Children's Centre would need to be enhanced by allocating the Depute Head an additional 0.5 management time.
- The management structures in Rainbow Children's Centre and Bluebird Family Centre would need to be enhanced by the appointment of a Senior Early Years Education and Childcare Officer.
- The average rate of a childminder is currently £4.50 in Inverclyde. Daycarers are currently paid £3.50 per hour; however to secure additional provision the average rate would require to be matched.

Proposed Spend	Detail	Cost (part year)	Cost (full year)
EYECO posts	8 X EYECO Posts (August 2014) 1 x EYECO Post (April 2015)	130,000	208,000 26,000
Support Staff	4 x 20 hour Posts (August 2014) 1 x 20 hour Posts (Jan 2015)	41,250 4,125	66,000 16,500
Transport	2 x 20 hour Bus Escort (August 2014) (Larkfield CC, Daycarers)	12,500	20,000
	Transport (August 2014)	18,750	30,000
Management Grades	7 x Head of Establishment (August 2014) 7 x Depute Head of Establishment (August 2014)	21,880 17,500	35,000 28,000
Depute Head Management	0.5 EYECO	9,400	13,000

Allocation			
SEYECO posts	2 x SEYECO posts (August 2014)	42,500	68,000
Childminders / Daycarers	Approximately 18 places @ £2,700 per place	32,400	48,600
Per capita uplift		8,750	14,000
<b>TOTAL</b>		<b>339,055</b>	<b>573,100</b>

11.3 Summary:

	Estimate of Funding	Proposed Spend	Shortfall	Comment
<b>2014 / 2015</b> <i>(1.4% of 14,562,559)</i>	203,876	£339,055	-£135,179	Shortfall will be contained within the Directorate
<b>2015 / 2016</b> <i>(1.4% of 44,016,733)</i>	616,234	*£573,100	N/A	This reflects the full year impact of the 14/15 placements. The additional placements for the 15/16 are not reflected in the proposed spend for 15/16.

The Directorate will contain the shortfall in revenue funding in 2014/15 within the funding expected from this initiative and the funding already announced for the Children and Young People Bill for Early years; if this is not achievable a further report will be brought back to Committee.

11.4 **Capital Funding**

Scottish Government has not yet provided details of capital funding. Without significant capital investment Inverclyde Council will not be able to meet this legislative requirement.

11.5 Funding is required for the following developments for August 2014:

Establishment	Development	Indicative Cost	
		Adaptations	Furniture / Fittings
Rainbow Family Centre	Increase provision by 10 places Create additional toilet / changing provision	£5,000	£5,000
Gibshill Children's Centre	Create a 40 place provision	£50,000	£15,800
Wellpark Children's Centre	Increase provision by 10 places Create additional toilet / changing provision	£50,000	£5,000
Larkfield Children's Centre	Increase provision by 10 places Create additional toilet / changing provision	£25,000*	£5,000
Bluebird Family Centre	Increase provision by 10 places Create additional toilet / changing provision	£25,000*	£5,000
<b>TOTAL</b>		<b>£155,000</b>	<b>£35,800</b>

The school estates team is currently developing a programme of work for these projects; however given the short timescales figures are indicative only.

\* These services are currently identified in the School Estates programme for general upgrading / refurbishments and remodelling to address suitability issues. The indicative cost for Larkfield Children's Centre is £0.1M - £0.125M. It is anticipated that this could be funded from the capital funds allocated for the 600 hours for 3 and 4 year olds. The indicative cost for Bluebird Family Centre is £0.5M - £0.75M. At this time there is no confirmed funding for this development. An overall review of Early Years estate is ongoing.

11.6 Summary:



	<b>Estimate of Funding</b>	<b>Proposed Spend</b>	<b>Shortfall</b>	<b>Comment</b>
<b>2014 / 2015</b>	No funding confirmed	£190,800	-	These costs will be contained within the Capital Allocation from the Scottish Government and within the SEMP.
<b>2015 / 2016</b>	Developments still under investigation			

The Directorate will contain the Capital costs within the funding allocated from the Scottish Government and the SEMP; if this is not achievable a further report will be brought back to Committee

## **12.0 LEGAL IMPLICATIONS**

12.1 Implementation of the proposals contained in this report will ensure Inverclyde Council meets the legislative requirements of the Children and Young People Bill with regard to the implementation of 600 hours.

## **13.0 PERSONNEL IMPLICATIONS**

13.1 Additional staffing will be required to deliver the increase in entitlement.

## **14.0 EQUALITIES IMPLICATIONS**

14.1 There are no known equalities implications.

## **15.0 REPOPULATION**

15.1 There are no known repopulation implications.

## **16.0 CONCLUSIONS**

16.1 The developments identified in this report will ensure Inverclyde Council is in a position to meet the legislative requirements in August 2014 subject to appropriate levels of funding, Care Inspectorate registrations / variations and building issues e.g. timescales, building warrants.

16.2 The developments required for August 2015 are challenging and continue to be investigated. A report will be submitted to Committee in September 2015.