
Report To:	Education and Communities Committee	Date:	17 January 2017
Report By:	Corporate Director Education, Communities & Organisational Development	Report No:	EDUCOM/03/17/RB
Contact Officer:	Ruth Binks	Contact No:	01475 712824
Subject:	Update in respect of the governance of external Early Learning and Childcare partner establishments		

1.0 PURPOSE

- 1.1 The purpose of this report is to provide an update in respect of the governance of external Early Learning and Childcare partner establishments.

2.0 SUMMARY

- 2.1 In May 2011, the Council approved a risk based approach to the governance of those external organisations with whom the Council had a significant financial relationship. In June 2011 the Audit Commission published a report which highlights good practice and governance when delivering services through external organisations
- 2.2 Inverclyde Early Years Services currently commission places with four external partner centres. These are:
- Enchanted Forest Greenock
 - Enchanted Forest Inverkip
 - Madeira Nursery
 - Wellington Children's Centre
- 2.3 Governance arrangements are in place for all of the centres. These include monitoring annual accounts and regular meetings between Inverclyde Council and the centres. The Council understands that all of the external partner centres are in a sustainable position to continue partnership working with the Council.

3.0 RECOMMENDATIONS

- 3.1 Members are asked to note the contents of this report and the governance arrangements in place to monitor the position of external Early Years partner centres.
- 3.2 Members are asked to note that all the information and checks we have carried out indicate that all of our external partner centres are in a sustainable position to continue partnership working with the Council.

Wilma Bain
Corporate Director
Education, Communities & Organisational Development

4.0 BACKGROUND

- 4.1 In May 2011, the Committee approved a framework for monitoring the governance of key external organisations with whom the Council has a significant financial relationship.
- 4.2 The purpose of this framework was to provide a formal mechanism for feeding back to the relevant Committee on the organisation's performance and to highlight any issues in respect of governance, financial stability or overall performance.
- 4.3 Arrangements continue on an annual basis to monitor the sustainable provision of external Early Years Centres.

5.0 CURRENT POSITION

- 5.1 The Council has a robust system in place for any external partner centre working in partnership with Inverclyde Council. Currently Early Years centres apply to the Quality Improvement Officer Early Years. The process of application asks that the centre submits accounts and this is scored by the Council using a matrix. The business is then ratified for sustainability and accreditations.
- 5.2 Annual contracts are issued which include statements of what must be supplied to the Council on a yearly basis. This includes annual accounts, copies of board and management minutes and immediate notification where monthly expenditure exceeds monthly income for more than two months in a row.
- 5.3 An ongoing monitoring process takes place between the Council and the partner providers. Details of this process for each establishment are identified in the appendices.

6.0 CONCLUSIONS

- 6.1 All the information and checks we have carried out indicate that all of our external partner centres are in a sustainable position to continue partnership working with the Council.

7.0 IMPLICATIONS

7.1 Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
			£185,373.40		

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments

7.2 Legal

There are no legal implications arising from this report.

7.3 Human Resources

There are no HR implications arising from this report.

7.4 Equalities

There are no equalities implications arising from this report.

7.5 Repopulation

Whilst there are no direct impacts in respect of repopulation, the Council's approach to the governance of external organisations should provide early warnings of problems within organisations and therefore provide greater stability to these organisations with a resultant impact on job security.

8.0 CONSULTATION

8.1 N/A

9.0 BACKGROUND PAPERS

9.1 None.

Appendix 1 Governance arrangements for Madeira Nursery

<p>The total spend for Madeira Nursery in 2014/15 was £44,403.02 and £38,227.06 in 15/16. The service is commissioned with no tender.</p>
<p>Annual Accounts received by service and reviewed by finance. The last finance review was carried out 16 November 2016 and were found to be satisfactory.</p>
<p>Regular partnership visits take place and minutes are taken (November and May 2016). The new contract was issued on 29th August 2016 and a timeline of engagement and expectations from the Council agreed. This includes when payments will be issued. The next meeting will be held at the beginning of December 2016.</p>
<p>Once a term, a meeting for all partner centres is held with Inverclyde Council. This looks at any revised expectations, quality of provision and sharing of good practice. Madeira nursery has regular representation at these meetings.</p>
<p>The Nursery Application Management System (NAMS) is used to authorise payments. This provides an audit trail for when payment was released.</p>
<p>A quality visit takes place twice a year. This will now tie into a request for an annual finance check.</p>
<p>A matrix is used every year to score the governance arrangements for the centre. The current score is 18 which means that they require a significant level of governance oversight.</p>
<p>A fully robust plan is in place in the event that Madeira Nursery ceases to provide a service.</p>

Appendix 2 Governance arrangements for Enchanted Forest Greenock and Inverkip

<p>The total spend for Enchanted Forest Nurseries in 14/15 was £103,502.56. The service is commissioned with no tender.</p>
<p>Annual Accounts received by service and reviewed by finance. The last finance review was carried out 16 November 2016 and were found to be satisfactory.</p>
<p>Regular partnership visits take place and minutes are taken (November and May 2016). The new contract was issued on 29 August 2016 and a timeline of engagement and expectations from the Council agreed. This includes when payments will be issued. The next meeting will be held at the beginning of December 2016.</p>
<p>Once a term, a meeting for all partner centres is held with Inverclyde Council. This looks at any revised expectations, quality of provision and sharing of good practice. Enchanted Forest attend these regularly.</p>
<p>The Nursery Application Management System (NAMS) is used to authorise payments. This provides an audit trail for when payment was released.</p>
<p>A quality visit takes place twice a year. This will now tie into the request for an annual finance check.</p>
<p>A matrix is used every year to score the governance arrangements for the centre. The current score is 20 which means that they require a significant level of governance oversight.</p>
<p>A fully robust plan is in place in the event that Madeira Nursery ceases to provide a service.</p>

Appendix 3 Governance arrangements for Wellington Children's Centre

<p>The total spend for Wellington Children's Centre in 15/16 was £43,593.78. The service is commissioned with no tender.</p>
<p>Annual Accounts received by service and reviewed by finance. The last finance review was carried out 29 November 2016 and were found to be satisfactory.</p>
<p>Wellington Children's Centre have a board and minutes are received by Education Services.</p>
<p>Regular partnership visits take place and minutes are taken (November and May 2016). The new contract was issued on 29 August 2016 and a timeline of engagement and expectations from the Council agreed. This includes when payments will be issued. The next meeting will be held at the beginning of December 2016.</p>
<p>Once a term, a meeting for all partner centres is held with Inverclyde Council. This looks at any revised expectations, quality of provision and sharing of good practice. Wellington Children's Centre attend these regularly.</p>
<p>The Nursery Application Management System (NAMS) is used to authorise payments. This provides an audit trail for when payment was released.</p>
<p>A matrix is used every year to score the governance arrangements for the centre. The current score is 18 which means that they require a significant level of governance oversight.</p>
<p>A quality visit takes place twice a year. This will now tie into the request for an annual finance check.</p>