

Report

Report to:	Executive Committee
Date of Meeting:	13 February 2019
Report by:	Executive Director (Education Resources) Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources)

Subject:	Early Learning and Childcare 1140 Hours Accommodation Requirements
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Provide an update on the accommodation requirements for the provision of 1140 hours of Early Learning and Childcare, noting the implications of the delivery models, and;
- ◆ Seek approval for the proposed capital projects to meet the shortfall in provision.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the updated overall accommodation requirements be noted;
- (2) that progression of planning and further review of options be noted, and;
- (3) that the next programme of capital projects, as detailed in Table 1 of the report, be approved; and
- (4) that the additional capital grant totalling £8.900 million be used to contribute towards the 1140 hours projects as detailed in paragraph 8.6 of the report.

3. Background

- 3.1. An update on the accommodation expansion of Early Learning and Childcare was brought to Executive Committee on 15 August 2018. The report explained that an original accommodation requirement totalling £32.24m for the introduction of the 1140 hours was submitted to the Scottish Government.
- 3.2. Given the implementation date of August 2020, the Executive Committee agreed to the commencement of a number of projects, where alternatives were limited. In addition, officers began working on reviewing options. The cost of these works was estimated at £12m.
- 3.3. This report now seeks to consider all short and medium term accommodation requirements for Early Learning and Childcare arising from both the 1140 hours expansion and population growth.

4. Demand for places

4.1. The Council has followed the planning assumptions provided by Scottish Government in considering the potential requirements and pressures in respect of 1140 hours provision. In progressing our plans, those assumptions have been further refined through our own evidence based data and consultation exercises which have taken account of the views of parents and private partner providers. The Council's proposals are based on:

- Population estimates
- Current uptake patterns in Local Authority and partner provision
- Parental consultation in respect of both providers and the models of delivery
- Projected capacity within existing LA provision based on 1140 models
- Anticipated capacity from private partner providers

4.2. It is recognised that accommodation requirements are subject to fluctuation as a result of population growth, changing employment patterns and the uncertainty created by trying to provide flexibility for parents: it is recognised, too, that the opportunities afforded to families as a result of increased Early Learning and Childcare provision is likely to lead to further changes in their requirements

4.3. Since the Executive Committee of 15 August 2018, further consultation with partner providers has taken place in relation to the availability of partner places. This did not impact significantly on the requirement for further accommodation in identified areas.

4.4. The projected accommodation requirement fully takes into consideration the availability of partner provision. It also takes cognisance of additional support needs (ASN) provision (including 52 week provision) and projected community growth figures.

5. Models of Delivery

5.1. In taking forward its plans, the Council recognises that provision must reflect and respond to the needs of families. Models of delivery should offer families the flexibility they need in relation to their work patterns/locations and in respect of their own family circumstances.

5.2. The existing model of delivery of 600 hours is based on provision of half day (3hour 10minute) slots across term time. This means that 2 children can access a registered place per day.

5.3. Consultation with parents, included in the Scottish Government planning assumptions, indicates that up to 60% of families wish term-time provision mirroring the school day. Indeed, this model is the basis for 1140 hours: 9am to 3pm for 5 days per week across the 38 weeks of term time. Under this model, only 1 child can access a registered place per day rather than 2 as per the previous model.

5.4. It is envisaged that local authority nursery classes will largely move to a 9am-3pm model, however this will be considered for review in some areas as the rollout of 1140 progresses and parental choice becomes more known.

Many parents purchase additional hours beyond the free provision so the capacity beyond 9am-3pm can still be utilised. However those hours do not contribute to the council's provision of free places.

5.5. Parents looking for provision beyond term time require an alternative model. Calendar year provision can continue to be offered through half days eg. 4.75hours for 5 days

per week for 48 weeks. Some families will also choose a combination of full and part days which can also be accommodated through half-day provision.

- 5.6. Moving to a model that allows for some full-day and some half-day provision requires additional capacity because it is less efficient than a model based on half-days alone.
- 5.7. With this in mind the Council proposes a mix of provision which sits broadly around 50% of full-day term-time provision and 50% of half-day provision across the calendar year.
- 5.8. It is recognised that there may be more efficient ways of delivering 1140 hours of early learning and childcare, however the Council's proposed model prioritises the needs of our parents and families.

6. Accommodation Requirements - Progress to Date

- 6.1. Enhanced activity has been undertaken to explore potential solutions where a shortfall of 1140 places is predicted. Further reviews of school buildings and pupil projections have been undertaken in conjunction with detailed examinations of external accommodation in order to identify if there is any alternative space capacity. This has allowed other primary schools to come into the accommodation plan.
- 6.2. Ongoing discussions with the Care Inspectorate and the Scottish Government on the 'Space to Grow' strategy, to enable an increase in nursery registration by making good use of outdoor space for learning, have had limited success. At this time we have therefore removed assumptions of generating significant additional nursery places by this method.
- 6.3. In December 2018, the Council received information on the technical design and estimated costs from Hub South West (HubSW) in respect of some of our required new builds. In terms of physical accommodation, the Council's specified space requirements for new nurseries were not altered, except in minor areas where it was felt there was no impact on quality of service e.g. production kitchens.
- 6.4. Other actions out with new builds have included accommodation re-measurement in some existing nurseries where there is the potential that physical capacity is in excess of that which the nursery is currently registered. With some minor adaptations it may be possible to re-register the nursery for a higher number of children. This exercise is ongoing but only expected to produce small numbers of additional nursery places.

7. Accommodation Requirements - Next Steps in the Planning Process

- 7.1. **August 2020 : 1140 Places, including estimate community growth to 2021**
In considering the 1140 hours expansion requirements, including both the capacity of partner providers (less a capacity delivery risk tolerance) and the estimated community growth of **950** between now and 2021, we have estimated a total shortfall of **2,064** places.
- 7.2. Existing projects as agreed at the Executive Committee in August 2018, together with the further projects listed in Table 1 will provide for approximately 1,800 places of the 2,064 places required (87%). The costs of these works are estimated at £18.2m.

Table 1 Further Capital Programme Works

Area	Type of Works	Nursery
Blantyre	Adaptation	High Blantyre Primary School
Cambuslang	New build	Potential new site – Old Mill Road, Halfway
Rutherglen	Adaptation	St Columbkille's Primary School
Cathkin	Adaptation	Loch Primary School
East Kilbride	Adaptation	Canberra Primary School
East Kilbride	Adaptation	Castlefield Primary School
East Kilbride	New Build	Old site of South Park Primary School
East Kilbride	Refurbishment	Civic Centre
Strathaven	Extension	Kirklandpark Primary School
Strathaven	Adaptation	Wester Overton Primary School
Ham B - Hamilton	Adaptation	St Elizabeth's Primary School
Bothwell/Uddingston	New Build	Appledore Crescent, Bothwell

- 7.3. Further projects to address the remainder will be brought to a future committee.
- 7.4. It is estimated that in some areas there will be further significant levels of nursery growth from 2022 to 2025 following the 1140 hours implementation. As a result there are already separate projects, with the funding requirements being managed through the Council's usual mechanisms for dealing with community growth. These include:-

Table 2: Medium Term Projects due to Growth Estimates

Area	Project
East Kilbride	New Jackton School
Ham A – Larkhall	Location to be determined
Ham B – Hamilton	Location to be determined

- 7.5. The Capital Strategy approved by the Executive Committee in November 2018 included an element of works for growth in Early Years. It also included projects for Growth in schools that included an element of early year provision. Work in these particular areas is ongoing in addition to the planning for 1140 hour implementation in August 2020.
- 7.6. As we progress towards and beyond 2021, we will be better placed to understand emerging patterns and changes in demand from families and to respond in a proportionate way through future projects. This will include the monitoring of uptake levels, future estimate demand requirements and the timing of project start dates. In other areas where growth is expected, but at a lower level, growth forecasts and future actual demand will also be monitored and action taken as necessary. A report will be brought back to Committee to gain approval for works to commence in relation to these projects.

8. Financial Implications

8.1. 1140 hours places including growth to 2021

The current indicative costs of both the previously approved capital projects (£12m as detailed in section 3.2) and also the proposed further capital costs of projects identified in Table 1 of this report (£18.2m as detailed in section 7.2) is approximately £30.2m, and would account for around 87% of the total 1140 hours nursery places required

(1,800 of the 2,064 total places required). With £2.1m funding already in place, e.g. from existing agreed developer contributions due to growth, the net cost is estimated at £28.1m.

- 8.2. These costs are high level indicative costs and will be refined as we move into detailed design and tendering. Also, there is still a small number of projects to consider and conclude which will be reported to a future Executive Committee for approval (as referred to at section 7.3). The estimated net cost of these projects is £4.2m. This takes the overall expected net cost to £32.3m.
- 8.3. This total spend is in line with that indicated in the Capital Strategy. This Strategy provided a 10 year plan for future capital expenditure requirements for the Council details and was approved by Executive Committee in November 2018.
- 8.4. The Scottish Government funding provided to meet the capital costs of 1140 hours was £19.2m thereby leaving a funding shortfall of £13.1m. A key reason that the Council's costs to deliver 1140 are higher than the Government funding is that the proposed accommodation model will provide a service that reflects the provision wanted by parents rather than prioritising financial efficiency.
- 8.5. The Capital Strategy indicated that should the Council agree to the level of expenditure in the report for all capital works, then the Council could borrow to bridge the gap in funding including 1140 hours provision. This borrowing position would be reduced by any external funding or Scottish Government grant in excess of that assumed in the Capital Strategy.
- 8.6. Since the Capital Strategy was agreed, the grant settlement for 2019/20 advised that the Council's capital grant for 2019/20 was £8.9m higher than we had estimated in the Capital Strategy. It is proposed that this additional grant is used to contribute towards the 1140 hours projects, the overall level of borrowing required to meet the £32.3m costs for all 1140 projects would be around £4m (being the shortfall in government funding of £13.1m less the additional capital grant of £8.9m in 2019/20). The average annual impact on loan charges of this borrowing for 1140 hours projects is £0.250m. The Capital Strategy stated the costs of borrowing could be accommodated in the loan charge budget in the short term. The same recommendation is made in the report relating to the overall position of the Budget 2019/2020 and savings proposals
- 8.7. The annual revenue costs associated with this capital programme will require to be funded from the revenue grant for 1140 hours allocated by the Scottish Government.

9. Employee Implications

- 9.1. There will be employee implications in terms of the resourcing of these early years establishments under the 1140 hours initiative.

10. Other Implications

- 10.1. The provision of sufficient 1140 places to enable the Council to meet its statutory duty in 2020 is recognised as a high risk within the Council's risk register, and is dependent on the timely completion of the capital programme. Any delay to the programme will increase the associated risk to the Council.
- 10.2. There are no implications for sustainability in terms of the information contained within this report.

11. Equality Impact Assessment and Consultation Arrangements

- 11.1. An initial equality assessment has been carried out, however this will be updated as more specific information becomes available. As per the Scottish Government expansion guidance, the expansion plan will ensure consideration of the accessibility requirements of Early Learning and Childcare.
- 11.2. Cross resource discussion, meetings and planning has been taking taken place given the wide ranging nature of the early learning and childcare requirements.
- 11.3. Consultation and engagement has taken place with a range of stakeholders, and this approach will be on going, as required, until the 1140 hours initiative is implemented.

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23 January 2019

Link(s) to Council Values/Objectives

- Improve achievement, raise educational attainment and support lifelong learning
- Ensure schools and other places of learning are inspirational

Previous References

Executive Committee, 15 August 2018, Early Learning and Childcare 1140 Hours Update – Accommodation Requirements

List of Background Papers

None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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