

Report

Report to:	Education Resources Committee
Date of Meeting:	7 May 2019
Report by:	Executive Director (Education Resources) Executive Director (Finance and Corporate Resources)

Subject:	Early Learning and Childcare - 1,140 hours Update
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ provide an update on the implementation of the Early Learning and Childcare (ELC) 1,140 hours expansion programme for all 3 and 4 year olds and eligible 2 year olds by August 2020.

2. Recommendation(s)

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

- (1) that the implementation the ELC expansion programme for all 3 and 4 year olds and eligible 2 year olds by 2020 be noted;
- (2) that approval be given to the increased funding for private partners as described in section 5.5 of the report.
- (3) that approval be given to implementation of the amended admissions policy to enable earlier access to funded places as described in section 6.4 of the report;
- (4) that approval be given to increase the establishment within Education as per section 8 of the report.

3. Background

- 3.1. In March 2017, the Scottish Government (SG) published the **Blueprint for 2020** which set out their aspiration for the delivery of 1,140 hours of funded early learning and childcare (ELC) to all 3 and 4 year olds and eligible 2 year olds by August 2020. A key principle of the Blueprint is the intention to create a provider neutral approach across the sector where 'funding follows the child'. In practice, this means that children and their families should be able to access high quality, accessible, flexible and affordable provision regardless of provider which is free at the point of delivery. The Council is committed to delivering on this ambition to ensure a provider neutral approach to ELC for children and their families.
- 3.2. The scale of change within the ELC sector both nationally and locally is unprecedented and careful planning has been essential to prepare an implementation programme which can deliver the aspirations within the challenging timescale.
- 3.3. The Council has followed the Scottish Government guidance for planning and implementation.

- 3.4. A report to Executive Committee on 13 February 2019 entitled “Early Learning and Childcare: 1,140 Accommodation Requirements” set out a capital programme to deliver sufficient places to accommodate early learning and childcare including any potential shortfalls. The report explains the basis for that plan and approval was given for a number of projects to be taken forward to meet a proportion of the identified shortfall. Work is ongoing to finalise the remaining projects.
- 3.5. A further report to the 13 February 2019 meeting of the Executive Committee entitled “Early Learning and Childcare: 1,140 hours Update” provided information on: the phased expansion of provision in the first two years of the programme; the work of the Quality Officers in supporting providers to implement the new National Standard; engagement and consultation with private partner providers, including the approval of grant funding – section 5.6 in this report and provided further information in respect of the admissions process which is currently underway. The report also sought approval for a number of posts to support the expansion which was approved by the Executive Committee. Those posts are currently being recruited and work is ongoing in respect of future workforce planning.
- 3.6. In 2018, the Scottish Government consulted on the role of funded providers in delivering the increased entitlement of 1,140 hours with the outcome guidance published in December 2018. The guidance confirms the proposals for the ‘Funding Follows the Child’ approach with the intention that parents will have greater choice as to where they wish to access their child’s statutory 1,140 hours of free ELC entitlement.

4. Progress 2017 to 2019

4.1. Increased access for families

To date 32 Nursery Classes and 1 stand-alone nursery have delivered more than 600 hours and up to 1,140 hours of free early learning and childcare to children and families across the Council. Over 2,000 children aged 2 to 5 years (and their families) have benefited from additional funded hours. This has enabled the trialling of new delivery models for 1,140 hours, the delivery of a hot meal for all children, the identification of challenges (and solutions), and has supported the process of establishing staffing, training and operational models.

- 4.2. The implementation plan identified a target of up to 400 (20%) of funded 1,140 hours of early learning and childcare places for session 2018/2019. 9 partner providers delivered additional hours up to a maximum of 1,140 hours free early learning and childcare from August 2018 to almost 390 children and their families.

A funding rate of £5.31 was agreed for the 9 funded providers, based on a national exercise, delivering the expanded hours of up to a maximum of 1,140 hours.

The hourly rate for all partners delivering 600 hours was increased by 50p (15%) to £3.86 per hour from August 2018.

4.3. Feedback

Consultation and evaluation is on-going with parents/carers staff, and providers from across the 9 funded providers, the 32 nursery classes and 12 stand-alone nurseries who have been involved in the initial phase of delivering 1,140 hours. Feedback on 1,140 hours delivery has been strongly positive:-

- ◆ 1,140 hours has supported some parents into employment
- ◆ 1,140 hours has provided support for parents increasing their working hours
- ◆ Parents initially shared their apprehension for their child aged 3 years staying for 6 hours but now confirm how beneficial this has been for their child as well as themselves
- ◆ Children benefiting from a free hot meal at lunchtime
- ◆ Improved learning outcomes for children
- ◆ Enhanced employment opportunities for staff
- ◆ Enhanced professional learning opportunities for staff

4.4. **Recruitment**

Since 2017, the Council has recruited over 100 Early Years' Workers, 26 Team Leader/ graduates and a number of central support staff to date. Almost 45 new posts were created in Community and Enterprise Resources, Facilities Services, to ensure the delivery of a hot meal for those children aged 2 to 5 years who attended the nursery for a full day. This has resulted in the current Early Years' employee complement increasing to around 600 staff.

- 4.5. The 26 additional graduates were allocated to the Council where their work takes place in areas of deprivation.
- 4.6. A key principle of the workstream is to "grow our own" workforce which, so far, has resulted in 75 Modern Apprentices engaging in training to become future Early Years' Workers. This has proven very successful with positive outcomes with the first cohort expected to become fully qualified early years' workers this year.
- 4.7. Continuous professional learning and training remains a priority and is being refined to meet the needs of the existing and growing workforce.

5. **Next Steps: Private Providers**

- 5.1. The Council recognises the contribution made by the private sector to ELC provision across South Lanarkshire. It is noted that the private sector provides for around one third of the overall demand for places. The Council's approach in planning for the expansion of ELC is consistent with the SG advice and private providers have been consulted and their views considered within the context of that approach, including through the partners' consultative group, partner meetings and individual meetings.
- 5.2. The Council also recognises that some partners have expressed concerns in respect of their business models and rates of payment both during the transition phase and post implementation in August 2021. Additional business support has been made available to partner providers through the Council's Business Development Team. The pre-expansion annual payment to partner providers was in the order of £3.6m and the projected post-expansion payment to the partner providers in 2021 is around £12m.
- 5.3. The 9 partner nurseries already delivering up to 1,140 hours will continue to do so at the current rate.
- 5.4. Following consultation with the private partner group, it was agreed that rather than increase the number of 1,140 places – as per the original plan – the Council will now implement a phased increase for all partners not currently delivering 1,140 hours.

- 5.5. Engagement with partners on a number of options around the amount they will receive has taken place. A number options in terms of the rate per hour were put forward and following a ballot the preference of the majority of partners was to:
- be funded to provide 800 hours at the increased rate of £4.76 per hour e.g. £3,808 per child per year;
 - the option to provide 600 hours at an increased rate of £5.31 per hour was not their preferred option e.g. £3,186 per child per year.

This can be accommodated in the revenue allocation for 2019/2020.

- 5.6. Consultation is ongoing with partner providers on access to the 'Quality Improvement Fund' for partners. This grant funding of up to £10,000 per partner (subject to set criteria) will enable partners to take active steps to meet the requirements of the new Scottish Government National Standard (see section 7), a pre-requisite for registration to provide future funded Early Learning and Childcare places.
- 5.7. An additional £3 per child, per day, will also be paid to partners for the provision of a hot meal for children and families who meet the eligibility criteria. Payments to partner providers for ELC provision will be made on a monthly basis. All children's places will be confirmed to partner providers in May and contracts will be issued to Parents in June.

6. Next Steps: Admissions

- 6.1. The central admissions process for the allocation of all early learning and childcare places in Local Authority Nurseries commenced in February 2019 and will conclude in early June 2019. Flexible models of delivery will be available and determined at establishment level.
- 6.2. The central admissions process is not only looking at demand for places for 2019, but is also asking parents to indicate what they might be looking for in 2020 as well. This will provide an early indication of population figures and potential demand for places/models of provision.
- 6.3. In order to support the increased delivery of hot meals and the maintenance of ratios, each local authority establishment will be allocated 2 hours per day of support assistant. This will be provided in term time and 52 week establishments as appropriate.
- 6.4. **Access to Funded Places**
South Lanarkshire Council currently follows the SG funded process for admitting children to ELC places: the funded place commences on the first day of the term following the child's 3rd birthday. The Council has recognised that the reduction in the period of funded provision for children born between 1 September and the end of February is compounded by the delay introduced by waiting until the start of the following term.
- 6.5. In order to reduce the resulting inequity of access, the Council at its meeting on 27 February 2019, approved a change to the admission process for those children. This group of children will now be eligible to access their funded ELC entitlement earlier than the existing enrolment dates and this will be fully funded by the council.

- 6.6. From August 2019, those children will have access to a funded place from the first day of the month following their third birthday. Operationally, the new entry dates allow the Early Years' service to plan appropriately for children starting on a more frequent basis.
- 6.7. Those children who turn 3 years from 1 March to 31 August will continue to access their full funded entitlement from the start of the new session.
- 6.8. In order to implement this policy, 14 FTE Early Years' Workers are required to support ratio requirements and provide cover in the relevant nurseries. These staff will be recruited on a peripatetic-basis and are funded as part of the funding approved as part of the Council's 2019/2020 budget strategy.

7. Next Steps: National Standard

- 7.1. In December 2018, the Scottish Government launched the new National Standard which sets out how 'funding will follow the child' and the criteria which all ELC establishments will require to meet in order to register to deliver future provision. All ELC providers will require to have 'good' grades confirmed by inspection as well as demonstrating consideration of:

- ◆ how they support children with additional support needs
- ◆ the provision of a hot meal for children
- ◆ workforce qualification and training and learning requirements
- ◆ the delivery of outdoor learning
- ◆ how the principles of ELC are to be delivered

- 7.2. In addition, the National Standard sets out the principles and practice for all providers seeking to enter or maintain partnership status with the local authority. Enhanced support and training is provided by the Council through its Quality Officers.
- 7.3. The responsibility for implementing the registration and maintenance of the new Standard is with the Council. Scotland Excel have confirmed the publication of the final guidance which will assist local authorities to undertake this function.

8. Employee Implications

- 8.1. The Education Resources Committee is asked to approve the proposed employee implications which are required to meet the delivery of 1,140 hours of Early Learning and Childcare and to meet the needs of families benefiting from earlier access to a funded place.

Staffing	Number of Additional Posts (FTE)	SCP Range	Hourly Rate	Grade	Annual Salary	Gross Costs (inc on costs of 30.3%)
EY Workers Early Access – 52 wk	14	30 - 40	£10.80 - £12.49	Grade 1 Level 4 - Grade 2 Level 2	£20,000 - £22,793	£26,061 - £29,699
Support Assistant – Term Time	15.7	20 - 31	£9.32 - £10.96	Grade 1 Level 1 – Grade 1 Level 4	£14,821 – £17,429	£19,312 - £22,710

Support Assistant – 52 wk	4.3	20 - 31	£9.32 - £10.96	Grade 1 Level 1 – Grade 1 Level 4	£17,008 – £20,000	£22,161 - £26,061
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Posts will be recruited for the new school term from August 2019 in line with the expansion plans and the introduction of earlier access to a funded place.

9. Financial Implications

- 9.1. The overall 2019/2020 revenue allocation for ELC expansion as notified by the Scottish Government through the Early Learning and Childcare – Multi Year Revenue allocation letter of 1 May 2018 is £17.460m.
- 9.2. The cost of establishing the new posts from August 2019 detailed in paragraph 8.1 will be met from the 2019/2020 revenue allocation and the Earlier Access 2019/2020 funding.
- 9.3. The total revenue budget for 2019/2020 will include all spend on new staffing as outlined above, existing commitments for current expansion through 2017 to 2019 including graduates, modern apprentices, training costs, partner costs, lunch provision and support for per capita spend and the quality improvement fund. These costs will be met from the revenue funding provided for expansion.

10. Other Implications

- 10.1. There are significant risk implications in terms of meeting the statutory requirement for the Council to provide places for all 3 and 4 year olds, and for eligible 2 year olds, from August 2020 and this features in both the Council and Education Resources risk registers with mitigating arrangements.
- 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. This report recommends a change to existing ELC admissions policy, function or strategy and, therefore, an impact assessment will be undertaken given the potential improved outcomes for families.
- 11.2. Consultation has taken place with a range of stakeholders, as detailed in the report.

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25 April 2019

Link(s) to Council Values/Ambitions/Objectives

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

Previous References

- ♦ South Lanarkshire Council – 27 February 2019
- ♦ Executive Committee – 13 February 2019

List of Background Papers

- ♦ Executive Committee, 13 February 2019 - "Early Learning and Childcare: 1,140 Accommodation Requirements",
- ♦ Executive committee, 13 February 2019 - "Early Learning and Childcare: 1,140 Hours Update",

Contact for Further Information

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

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