
NORTH AYRSHIRE COUNCIL

27 March 2018

Audit and Scrutiny Committee

Title: Early Learning and Childcare Expansion

Purpose:

- a) To highlight the recommendations contained in the Audit Commission Report in February 2018 on the expansion of early learning and childcare in Scotland.
- b) To provide information on North Ayrshire Council's progress of its expansion plans to introduce 1140 hours of ELC by 2020, specifically in relation to the recommendations for Councils contained in the report.

Recommendation: That the Committee notes the progress that North Ayrshire Council is making on the Early Learning and Childcare expansion programme in relation to the recommendations contained in the Accounts Commission report Feb 2018

1. Executive Summary

- 1.1 In February 2018 the Accounts Commission published a report on the Scottish Government's plans to increase the hours of early learning and childcare to 1140 hours by 2020. <http://www.audit-scotland.gov.uk/news/significant-risks-to-delivering-early-learning-and-childcare-plan-by-2020>
- 1.2 The report highlighted that there are "significant risks" surrounding the Scottish Government's plans.
- 1.3 The report makes 12 recommendations: Six of these are for Scottish Government and six relate to activities by Local Authorities. This report provides information on North Ayrshire Council's response to each of the six recommendations for Councils, and highlights that the most significant risk facing the council is the lack of clarity on the level of revenue and capital funding it will receive to deliver the expanded model.

2. Background

- 2.1 On 15 February, the Accounts Commission issued a report on the Early Learning and Childcare (ELC) expansion plans in Scotland. The report highlighted "significant risks" surrounding the Scottish Government ambition to increase ELC from 600 hours to 1140 hours by 2020, particularly in relation to the funding requirement and the detailed planning required by the 2020 timescale.

2.2 The report contains four key messages:

- a) Scottish Government has not taken time to fully evaluate the impact of the recent expansion in ELC to 600 hours in 2014 and has not considered alternative ways of expanding ELC to achieve the aim of improving outcomes for children and families.
- b) Funding ELC for 'part days' has limited impact on parents' ability to take up work, education or training.
- c) There are significant risks that Councils will not be able to meet the increased infrastructure and workforce demands, to enable delivery of 1140 hours by 2020.
- d) Scottish Government expects the costs to be about £840 million. Council estimates of the costs of delivering expanded ELC across Scotland are in the region of £1billion.

2.3 The report therefore makes six recommendations for Scottish Government and Councils to address the need to deliver 600 hours in line with national policy, and to progress with the planning for 1140 hours.

2.4 This report highlights the actions that North Ayrshire Council is taking in relation to these six recommendations.

2.5 **Recommendation:** Scottish Government and Councils should develop links between the increase in funded hours and programmes to support parents, at a local and national level, into work, training or study.

North Ayrshire Council received funding to deliver an ELC pilot in the Fullarton area to provide 1140 hours for parents who chose to take up work, training or study. This resulted in nine parents on the Authority-wide Skills for Life programme being provided with funded childcare support. It was the only pilot in the initial phase to focus on employability as well as child care expansion. The pilot programme has been extended to Loudon Montgomery early years class where the expanded provision is now available to all children and families who attend that establishment. There are close links between the early years' class and the Fullarton Employability hub. In addition, the HSCP employs a small team of employability support officers as part of the early years' universal pathway who work alongside the health visitor team to support families considering their employment and training options.

2.6 **Recommendation:** Scottish Government and Councils should provide clearer information for parents to help them understand how funded ELC is provided locally.

North Ayrshire Council's website gives information on ELC entitlement and North Ayrshire ELC provision. CARIS – Ayrshire is a web based service that provides information and advice covering North, South and East Ayrshire, on childcare including childminders, nurseries, playgroups, and parent and toddler groups.

As part of the planning for 1140 hours, the council has conducted two parent /carer consultations in June 2017 and February 2018, conducted a series of parent focus groups in May 2017, issued two parent /carer briefings in April and September 2017 and a stakeholder newsletter, in December 2018.

A need for a workstream as part of the Early Learning and Childcare Expansion Programme (ELCEP), focussing on communication and stakeholder engagement has been identified, and is in the process of being established.

An officer from the Council's Communications Team has been included on the ELCEP Board from its commencement. They have advised and supported communications with parents and the wider North Ayrshire community.

- 2.7 **Recommendation:** Councils should develop commissioning strategies for funded ELC that set out information on demand, capacity, cost, quality, flexibility and parental preferences.

North Ayrshire Council hosted an event on behalf of Scottish Government for ELC providers within the South West Improvement Collaborative on 6 March 2018. This was a consultation event on the development of the National Standard for ELC that will apply to all providers; private and voluntary, childminders and local authority. The National Standard will set out criteria that must be met by all providers who deliver the funded entitlement and will create consistency across all providers in all local authorities. Local authorities will still negotiate and agree funding rates with providers at a local level but these rates must reflect national priorities including the payment of the living wage.

The Council set up a Private and Voluntary Partner Engagement group in November 2017 and has been meeting monthly with this group to plan for how the sector will be sustained and supported to develop and deliver the requirements of 1140 hours and the new National Standard.

There has been regular discussion with, and on-going support from, the Finance Team in the Council in relation to the commissioning and procurement of services.

- 2.8 **Recommendation:** Scottish Government and Councils should urgently finalise and implement plans for changes to the workforce and infrastructure to address the significant risks of not being able to deliver on time.

North Ayrshire Council has established the Early Learning and Childcare Expansion Programme (ELCEP) board to oversee the delivery programme. There are two workstreams, dedicated to infrastructure and workforce planning, that report to this Board. The Board has developed its expanded delivery model, and a programme of workforce planning and infrastructure works is already underway. This is subject to the multi-year funding announcement from Scottish Government due in April 2018. The Board has already announced plans to begin a phased introduction of 1140 hours across nine establishments from August 2018 and a further 10 establishments from August 2019. Currently, the only significant risk to the on-time delivery of 1140 hours across all establishments by 2020, is the uncertainly over funding.

- 2.9 **Recommendation:** Scottish Government and Councils should collect better information on the cost of different models of ELC and their impact on children's outcomes to allow them to better plan for the expansion.

North Ayrshire Council has worked closely with other local authorities and with the Scottish Government Delivery group to develop its delivery model. The Council has

adhered to Scottish Government direction in its capital and infrastructure planning to maximise the use of existing assets. The determination to open all establishments over a full year and from 8am – 6pm each day, addresses the national and local ambition to provide more flexible services that address the needs of all families, particularly working families. The staffing model that supports this delivery model has been identified by Scottish Government as particularly cost efficient.

The impact of the Council's delivery model on children's outcomes will be evaluated over time. In the short term there is a robust evaluation plan in place in the two pilot sites where 1140 hours are currently being delivered: Loudon Montgomery and Glencairn early years classes. The outcomes of this three stage evaluation programme will be known in July 2018.

There is already in place a model of quality assurance for our EY centres and schools and childminders and day carers, to ensure a positive impact on children's outcomes. This is managed through the central team and the senior managers in our schools and centres,

- 2.10 **Recommendation:** Scottish Government and Councils should work with partner providers of both funded and non-funded ELC to understand the impact of decisions on the wider system of ELC and reduce the impact of unanticipated consequences for these providers.

North Ayrshire Council has established a Private and Voluntary (P&V) Partner Engagement Group that meets on a monthly basis. As a result of the discussion taking place at this group, the Council is seeking to accelerate the timeframe for the payment of the increased hourly rate to enable the payment of the living wage to staff in the sector. The high level of staff movement from the P&V sector to the local authority sector is a significant risk to the survival of some P&V providers. Similarly, the Council is also aware of the need to enable P&V providers to begin phasing the delivery of 1140 hours ahead of 2020 in line with the phased programme in place for the local authority provision.

3. Proposals

- 3.1 The Audit and Scrutiny Committee is asked to note the content of this report. A report will be taken to Cabinet outlining expansion proposals and Scottish Government funding arrangements.

4. Implications

- 4.1 There are no implications relating directly to the Audit Scotland Report other than noting the content of the report.

Financial:	N/A
Human Resources:	N/A

Legal:	N/A
Equality:	N/A
Children and Young People:	
Environmental & Sustainability:	N/A
Key Priorities:	N/A
Community Benefits:	N/A

5. Consultation

5.1 Currently, a number of consultations are underway which relate to the expansion programme are noted in this report.

Insert Director's electronic signature when final version approved
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For further information please contact **John Butcher, Executive Director** on **01294 324411**.

Background Papers

N/A