

FALKIRK COUNCIL

**Subject: IMPLEMENTATION OF THE EXPANSION OF EARLY LEARNING
AND CHILDCARE TO 600 HOURS PER ANNUM**
Meeting: EDUCATION EXECUTIVE
Date: 9 SEPTEMBER 2014
Author: JOINT ACTING DIRECTOR OF EDUCATION

1. PURPOSE OF REPORT/BACKGROUND

1.1 The purpose of this report is to:

- Update Education Executive on the Implementation of Phase 1 (600 hours for 3 and 4 year olds) from August 2014.
- Seek Education Executive approval on Implementation strategy for Phase 2 (600 hours for 2 year olds) from 31 October 2014.

1.2 Education Executive should note that the Scottish Government announced on 20 June 2014, having liaised with COSLA and other groups that the commencement date for Phase 2 (2 year olds from workless households) will now be 31 October 2014 rather than 1 August 2014.

2. PHASE 1 IMPLEMENTATION UPDATE

2.1 Provision is now in place that gives us the capacity to allow all 3 and 4 year olds in Falkirk now have opportunity to access 600 hours of early learning and childcare as required by the Children and Young People (Scotland) Act 2014.

Education Executive is asked to note:

- The expansion of Kinnaird and Maddiston Primary School nursery classes is completed meaning that up to 60 additional places are now available.
- All nursery classes from 20 August 2014 now provide 3 hours 10 minutes per day expanded provision based on a core provision of 2 hours 45 minutes per day with 25 minutes flexibility before or after each session determined locally.
- 24 x additional Early Years Officers have been recruited to support the implementation of Phase 1.
- Capital investment to ensure provision of extended day care places in all Wards is progressing as planned, meaning that 121 additional places for babies, toddlers and 3 and 4 year olds will be in place before the end of school session 2015/16.
- Places for looked after 2 year olds are available and will be allocated as needs require in liaison with Social Work Services.
- Financial support for parents accessing flexible day care either in-house or through a partner provider has increased from £1,600 to £2,100 per year.
- The updated Early Learning and Childcare Admissions Policy is now implemented.

3. PHASE 2 IMPLEMENTATION STRATEGY

3.1 Consistent with the Phase 1 Implementation Strategy, the strategic aim of Early Years Provision in Phase 2 is to ensure that:

- Provision is made for 2 year olds from workless households in each Ward.
- Resources and infrastructure are in place to support this by 31 October 2014.
- The level of demand in each ward is reviewed regularly over the next 2 years relative to the location and capacity of provision to inform our longer term planning.

3.2 To meet these aims we have:

- Projected the demand and location of 2 year olds from:
 - Workless households from 31 October 2014; and
 - Households eligible through the Free School Meals criteria from August 2015.
- Confirmed and costed the required financial, staffing and infrastructure resources/ investment needed to meet our strategic aims.

4. ELIGIBILITY CRITERIA FOR 2 YEAR OLDS FROM WORKLESS HOUSEHOLDS

4.1 In January 2014, Scottish Government announced that there will be provision for secondary legislation in the Children and Young People (Scotland) Act for two year olds in 'workless' households from August 2014 (subsequently amended to 31 October 2014).

This will entitle all two year old children living in eligible households to 600 hours of early learning and childcare from the start of term following their second birthday. Provision of early learning and childcare for these children has two aims - to aid child development and to assist parents to access employment.

4.2 Eligibility at the start is linked to families being in respect of specific benefits:

- Income Support
- Job Seekers Allowance (income based)
- Employment & Support Allowance (income based)
- Incapacity benefit or severe disablement allowance
- Pension Credit

Note: From August 2015, eligibility will be linked to families qualifying for free school meals.

4.3 National estimates are that **15%** of two year olds may qualify in 2014/5 and **27%** from August 2015.

5. CURRENT EARLY YEARS CAPACITY FOR 2 YEAR OLDS

5.1 Within our 8 Early Years Centres/Campuses we have capacity for 142 x 2 year old places. These places are currently in high demand from working parents requiring flexible childcare. We also provide places for looked after 2 year olds where required.

- 5.2 To meet the requirements of the 2 year olds from workless households means that we need to provide new and additional capacity for them across the Falkirk Council area.

6. ESTIMATED CAPACITY REQUIRED FOR 2 YEAR OLDS

- 6.1 Early learning and childcare will be provided by appropriately qualified staff and meet the Care Inspectorate ratio of 1:5 (with a minimum of two staff). This age group needs stability and the opportunity for sleep. They are less likely to be independent for toileting.

Consequently this will require infrastructure investment across our early year's estate to meet these particular needs.

- 6.2 The projected demand for additional places for this new 2 year old provision (based on information supplied by the Department of Work and Pensions) is expected to be:

- 31 October 2014 196 places
- August 2015 158 places
- Total additional need 354 places**

7. SERVICE PLANS TO MEET ESTIMATED SHORTFALL IN PROVISION

- 7.1 The implementation strategy set out in section 2 plans to ensure that additional 2 year provision is available in every Ward by 31 October 2014. To achieve this we propose to:

- Extend our current infrastructure
- Increase staffing to meet the increased capacity
- Purchase places from voluntary sector settings where available.

- 7.2 The proposed provision is:

Table 1	Projected Demand in 2014/15	Projected Demand in 2015/16	Proposed Provision in October 2014
Ward 1 Bo'ness/Blackness	18	33	• Voluntary Sector (Barnardo's)
Ward 2 Grangemouth	31	55	• Beancross Primary School
Ward 3 Denny/Banknock	22	39	• Denny Primary School
Ward 4 Carse/Kinnaird/Tryst	17	31	• Inchlair Nursery School
Ward 5 Bonnybridge/Larbert	15	27	• Bonnybridge Primary School
Ward 6 Falkirk North	39	72	• Voluntary Sector (Aberlour- Langlees) • Voluntary Sector (Creche Matters- Falkirk)

Table 1 (Continued)	Projected Demand in 2014/15	Projected Demand in 2015/16	Proposed Provision in October 2014
Ward 7 Falkirk South	26	49	• Camelon Nursery
Ward 8 Lower Braes	14	24	• Laurieston Primary School
Ward 9 Upper Braes	14	24	• Braes Voluntary Sector
	196	354	

8. FINANCIAL AND RESOURCE IMPLICATIONS

8.1 Additional Revenue and Capital Funding Received

- a. Our allocation of additional funding for early learning and childcare for additional 2 year olds based on the numbers of 2 year olds in out of work households is:

Table 2	2014/15 £000	2015/16 £000
Revenue	478	1,404
Capital	1,149	TBC

The capital funding for 2015/16 is still subject of ongoing discussions between the Scottish Government and COSLA. It is hoped that this information will be available for our next update report.

8.2 Additional Revenue Costs

a. Staffing

The additional staff required to provide the additional capacity is:

Table 3	2014/15 (Part Year)		2015/16 (Full Year)		Notes
	Add Staff (FTE)	Cost £000	Add Staff (FTE)	Cost £000	
• Family Support Worker	1	20	1	30	1
• Early Years Officers	10	176	19	525	
• Senior Early years Officers	1	20	1	32	2
• Inchlair Nursery School	-	-	-	-	3
• Staffing contingency	-	-	-	300	4
	12	216	21	887	

Notes

1. Education Executive agreed to the recruitment of a Family Support Worker on 17 June 2014.
2. The Senior Early Years Officer will provide supervision for the additional in house provision.

3. Up to 30 x 2 year old places will be made available at Inchlair Nursery School (afternoon) through reconfiguring the current all day provision for 3 and 4 year olds to mornings only. No additional staffing is required to do this.
4. It is proposed that **£300,000** is ring-fenced as a prudent contingency against:
 - Unexpected variation in demand for places
 - Potential infrastructure improvements or alterations needed
 - Meeting the (as yet unknown) additional support needs of individual 2 year olds.

The additional full year cost for this additional staffing provision in 2015/16 is estimated to be **£887,000**.

- b. **Payment for purchased places** - A contract hourly rate of £5 per hour is proposed as payment for purchasing additional places from the voluntary sector (or £3,000 per annum).

The proposed hourly rate of £5 per hour has been determined through discussions with the voluntary sector and takes account of affordability and market rate in Falkirk.

It is proposed that a fixed number of places is purchased for use from October 2014. Provisional agreement has been reached, subject to Education Executive approval, with 4 voluntary sector providers in the Wards listed below. The providers and number of places proposed to be purchased from October 2014 is:

Table 4	2014/15	
	No of Places	Cost £000
• Ward 1 Bo'ness – Barnardos	15	45
• Ward 6 Langlees - Aberlour	15	45
Falkirk – Creche Matters	20	60
• Ward 9 Braes – One Parent Families	10	30
	60	180

Note: The above number of places can be increased if demand requires.

It is estimated based on the projected demand in each of these Wards there could be a need to increase expenditure on purchased places in 2015/16 up to **£390,000**.

Given this potential level of expenditure in 2015/16 we will work with the Council's Procurement Advisers towards developing an appropriate procurement plan.

- c. **Additional Support Needs (ASN) Costs** – Some children in the early year's sector will have additional support needs and may require individual support time from a Support for Learning Assistant.

The level of support required is demand led but we estimate we will need an additional **3 FTE** Support for Learning Assistants to meet this, costing **£70,000** per year.

- d. **Per capita costs** – Early years settings are allocated devolved per capita budgets to spend on consumable, operational resources and classroom materials.

These operating costs will increase pro-rata in line with creating additional capacity for 354 x 2 year olds.

The additional cost of this is estimated to be **£57,000** per year.

- e. **Total Committed Revenue Costs** – The proposed total committed revenue spend is:

Table 5	Cost £000	
	2014/15	2015/16
• Additional staffing	216	887
• Purchased Places	180	390
• ASN Costs	45	70
• Per Capita	37	57
Total Estimated Cost (Revenue)	478	1,404

8.3 **Additional Capital Costs**

- a. To deliver the additional capacity required as set out in section 7.2 requires capital investment to support property/infrastructure development.

Estimated costs and a brief outline of each individual project is as follows:

	2014/15 £000
• Beancross Primary School – Install modular units	250
• Denny Primary School – Install modular units	250
• Inchlair Nursery School – Reassign internal space	20
• Bonnybridge Primary School – Install modular units	250
• Laurieston Primary School – Reassign internal space	20
• Camelon Nursery – Install modular units	250
• Contingency	109
Estimated Additional Capital Cost	1,149

Note: To be prudent it is proposed that £109,000 is set aside as a contingency fund to meet unexpected and unplanned accommodation/infrastructure matters that may arise.

9. **EQUALITIES AND POVERTY ASSESSMENT**

- The effect of the proposals in this report on groups who share protected characteristics in terms of the Equality Act 2010 and those experiencing poverty has been assessed.
- The expansion of nursery places, particularly baby and toddler places in areas where there is currently no Council provision, will have a positive impact on women, lone parents, disabled parents, young parents, all of whom are groups more likely to make use of these services.
- The ongoing monitoring of provision across the Council area will allow us to continue to address potential inequalities.

10. NEXT STEPS/WAY FORWARD

10.1 Phase 2 - To support the implementation of the 600 hours for 2 year olds from workless households from 31 October 2014 we will require to:

- Publicise the new provision locally (alongside national advertising)
- Increase our manpower base by recruiting up to **21 FTE** additional early years staff (as detailed in Section 8.2a)
- Finalise purchasing places from the voluntary sector (as detailed in Section 8.2b).
- Complete the capital works to increase capacity to accommodate the additional demand (as detailed in 8.3 above)

11. RECOMMENDATIONS

11.1 Education Executive are asked to note the:-

- (i) Updated position on meeting Phase 1 of our Implementation Plan (per section 2)
- (ii) Eligibility criteria set out in section 4;
- (iii) Estimated additional capacity required for 2 year olds from workless households referred to in section 6; and
- (iv) Additional capital and revenue funding received as set out in section 8.1.

11.2 Education Executive are asked to agree the:-

- (i) Proposals of Education Services to commence implementation of Phase 2 of the expanded provision for 2 year olds from "workless or job seeking households" set out in section 3;
- (ii) Service plans to meet the estimated shortfall set out in section 7;
- (iii) Proposed revenue and capital expenditure, which includes staff recruitment as detailed in section 8.2 and 8.3; and
- (iv) Next steps/way forward set out in section 10.

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Joint Acting Director of Education

Date: 28 August 2014

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LIST OF BACKGROUND PAPERS

- Children and Young People (Scotland) Act 2014 - Early learning and Childcare Statutory (Guidance published by the Scottish Government on 1 August 2014)