

North Lanarkshire Council

Report

Education and Families Committee

approval noting

Ref DB

Date 26/02/2019

Early Learning & Childcare Expansion Programme: Interim Framework & Grant Funding

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Executive Summary

This report provides the Education and Families Committee with an update on progress made to support the implementation of the early learning and childcare expansion requirements (1140 hours) of the Children and Young People (Scotland) Act 2014, in respect of eligible 2 year olds and all 3 and 4 year olds.

This report specifically highlights the outcome of recent engagement with Early Learning and Childcare (ELC) Providers (funded and non-funded) within North Lanarkshire with regards to the introduction of an 1140 Hours Interim Framework and the mechanism for a fair and equitable distribution of Grant Funding.

Recommendations

It is recommended that the Education and Families Committee:

- (i) note the continued engagement with ELC Providers.
- (ii) approve Option 1 for an Interim Procurement Framework for the delivery of 1140 hours from August 2019.
- (iii) approve the allocation of resources totalling £370,694 to Funded Providers (private and voluntary sector only) during financial year 2018/19 to support the rollout of 1140 hours.

Supporting Documents

Council business plan to 2020

The Early Learning & Childcare Expansion Programme supports the delivery of the following Business Plan Priorities and Outcomes:-

- Supporting Children to realise their full potential
- Scottish Government: A Blueprint for 2020: The Expansion of Early Learning & Childcare in Scotland
- Scottish Government: A Blueprint for 2020: The Expansion of Early Learning & Childcare in Scotland, Quality Action Plan
- Scottish Government: A Blueprint for 2020: The Expansion of Early Learning & Childcare in Scotland, Funding Follows

Appendix 1 Grant Funding Methodology – Option 1

1. Background

- 1.1 The Council will be aware, in line with the Children and Young People (Scotland) Act 2014, the Scottish Government committed to increasing the annual entitlement to free early learning and childcare from 600 hours to 1140 hours by August 2020.
- 1.2 The implementation of this enhanced programme for early learning and childcare provision is a significant challenge both for council staff, key stakeholders and partners. A dedicated team has been established by the Service and a detailed implementation plan is in place to underpin and monitor activity through to August 2020. The vision for early learning and childcare in the Council has remained consistent through this period and is as follows:-

‘Deliver in partnership, by a skilled workforce, in stimulating and nurturing environments, high quality and flexible early learning and childcare which is affordable and accessible for all’

2. Report

2.1 Communication and Engagement with ELC Providers:

The Council has and will continue to engage both on a one to one and collective basis with ELC Providers in preparation of the 1140 programme implementation.

Following the Education Committee meeting in December 2018, the following engagement meetings, with a cross section of ELC Providers, have taken place across North Lanarkshire and are detailed in the table below. The purpose of this engagement was to specifically consult with the private and voluntary sector nurseries in relation to:

- Interim Procurement Framework for the delivery of 1140 hours from August 2019
- Grant Funding

Consultation on the above has been effected via meetings with the National Day Nursery Association (NDNA), private and voluntary sector nurseries, Scottish Childminding Association (SCMA) and Childminders. Minutes of our recent engagement and consultation are available on request.

Meeting	Date
NDNA representing approximately 30 ELC establishments	10 th January 2019
Childminders Group including SCMA (representing approximately 160 Childminders)	14 th January 2019
Non-NDNA representing approximately 13 ELC establishments	18 th January 2019
Private nurseries (both funded and non-funded)	23 rd January 2019
Childminders Group including SCMA (representing approximately 300 Childminders)	28 th January 2019

2.2 Interim Procurement Framework for the delivery of 1140 hours from August 2019

The Education Committee were advised in September 2018 and November 2018 of the intention to implement 1140 hours entitlement within 27 local authority establishments from August 2019 with the remaining local authority establishments 'going live' from August 2020.

In recognition of Scottish Governments's Provider Neutral model, Education and Families discussed a range of options with ELC Providers, which would allow access to funding for 1140 hours from August 2019. This strategy will maximise parental choice and ensure that the private and voluntary sector is not disadvantaged during the phased implementation of 1140 hours. Three interim framework options were considered:

2.2.1 Option 1

Procurement of an interim 2 – 5 year old framework which will last for one year. The Framework will be open to all private sector providers, including Childminders and Private Nurseries who can provide 1140 hours capacity within North Lanarkshire. This strategy reflects the provider neutral and funding follows the child approach.

The approximate cost for the delivery of 1140 hours in 2019/20 by private and voluntary sector providers will be £11.802M. Scottish Government have confirmed the Council revenue grant award for the provision of Early Learning and Childcare for 2019/20 resulting in sufficient funding being available.

2.2.2 Option 2

This option considered support through a transition period in 2019/20 if insufficient budget is available to support Option 1. To ensure an equitable distribution of available funding, private sector providers would be able to potentially deliver up to 900 hours to support their business plans for 2020. The approximate cost for delivery of 900 hours by private sector providers would be £9.318M.

However, the service recognises that most parents may opt to take the 1140 hours where it is being delivered in other settings which would not be equitable across North Lanarkshire in respect of the Funding Follows the Child model.

2.2.3 Option 3

Consideration has been given to phasing private sector providers geographically aligned with the 27 local authority establishments spread across North Lanarkshire. Analysis showed that:

- Parents/carers usually choose a provider nearest their workplace and not necessarily within the locality that they reside. This could result in parents opting to move their children from one locality to another to access the additional funded hours and therefore having a negative impact on one ELC Provider to the benefit of the other.
- There is difficulty in determining boundaries where one nursery is in a locality that another provider sits adjacent to. Again, this could result in parents opting to move their children from one nursery to another to access the additional funded hours resulting in a negative impact on one ELC Provider to the benefit of the other.

This option is not equitable regarding the distribution of funding nor does it reflect the spirit of the provider neutral model.

As detailed in Section 2.1, consultation with ELC Providers has taken place to ensure their views have been considered in the development of these options.

The Committee has previously approved the development of an interim procurement framework to support the delivery of 1140 hours for private sector providers within North Lanarkshire. Following consultation with ELC Providers across North Lanarkshire, the recommendation is to approve:

Option 1:

Procurement of an interim 2 – 5 year old framework which will last for one year. The Framework will be open to all private sector providers including Childminders and Private Nurseries who can provide 1140 hours capacity within North Lanarkshire. The existing 600 hours Framework will remain in place until 2020. The approximate cost for delivery in 2019/20 by private sector providers is £11.802M.

2.3 Grant Funding

In December 2018, the Committee was asked to note the Service's intention to allocate further resources totalling £370,964 to private sector providers, currently delivering Early Learning and Childcare 600 hours entitlement, during the current financial year (2018/19) to support the implementation of 1140 hours for the following areas:

“this funding can be used for a number of purposes including training and development of staff, support for HR/financial advice or to support capacity building”

In consultation with ELC Providers the following options were considered:

2.3.1 Option 1 - Fixed amount plus variable amount per child (2 – 5 years)

This option considered awarding a fixed sum to each private sector provider currently on the framework delivering 600 hours plus a variable rate per child per the registered capacity of the setting.

Funded Provider (Private Sector only)	Fixed Amount (per setting)	Variable Amount (per child)
Private Nursery	£5,000.00	£102.33
Childminder	£300.00	£102.33

The above award would result in payments to Childminders of between £402 to £607 and to Private Nursery Funded Providers of between £7,456 to £24,853 (Appendix 2) depending on the size of the setting, utilising the full available grant which is available.

2.3.2 Option 2 - Fixed amount plus variable amount per child (3 – 5 years)

This option considered awarding a fixed sum to each private sector provider currently on the framework delivering 600 hours plus a variable rate per child per the registered capacity of the setting.

Funded Provider (Private Sector only)	Fixed Amount (per setting)	Variable Amount (per child)
Private Nursery	£5,000.00	£150.03
Childminder (not on framework)	N/A	N/A

The maximum award with Option 2 would result in payments to private sector providers between £7,401 and £26,605. This option would also fully utilise the available funding.

2.3.3 Option 3 – Fixed amount per setting

This option considered awarding a flat rate to each provider as below:

Funded Provider (Private Sector only)	Fixed Amount
Private Nursery	£10,000
Childminder	£1,000

The provision of a flat rate to providers is not considered equitable as settings differ in size and capacity. Furthermore this option does not fully utilise the grant funding which is available.

Consultation with private and voluntary sector providers has taken place as detailed in Section 2.1. The feedback supports awarding a fixed sum with a variable rate per child for 2 – 5 years therefore the Committee is asked to approve **Option 1** as this strategy is inclusive of all private sector providers currently on the framework delivering 600 hours across North Lanarkshire.

3. Equality and Diversity

3.1 Fairer Scotland

The strategy of the Council, as approved by the Education Committee in November 2017, is to prioritise families who live in SIMD 1–4 to ensure they have access to an early learning and childcare place within one kilometre of their home. Consideration has also been given to ensure there is a mix of services within localities.

3.2 Equality Impact Assessment

This is a universal statutory entitlement for all 3–5 year olds and eligible 2 year olds from August 2020.

4. Implications

4.1 Financial Impact

The proposed actions outlined in this report can be supported within the available 1140 hours grant funding.

4.2 HR/Policy/Legislative Impact

The expansion is driven by legislation ensuring the provision of 1140 hours early learning and childcare as a statutory requirement from August 2020 for all 3 – 5 year olds and eligible 2 year olds.

4.3 Environmental Impact

Access to local childcare services will provide environmental benefits through the use of local community based networks and facilities.

4.4 Risk Impact

Without an interim 1140 Hours framework in place, the private sector would not be able to deliver 1140 Hours until August 2020 resulting in limited parental choice within North Lanarkshire. Available Grant Funding may be withdrawn by Scottish Government if not allocated in this financial year.

5. Measures of success

5.1 Delivery of the expansion within the required timescale, ensuring full access to 1140 hours early learning and childcare provision by August 2020.

5.2 Children have access to funded entitlement of 1140 hours from August 2019.



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APPENDIX 1

Grant Funding Methodology – Option 1

Establishment	Total Capacity 2 – 5 years	Fixed Amount (per setting)	Variable Amount £102.33 (per child)	Total Grant
Auchinbee Children's Nursery	53	5,000	5,424	10,424
Bellwood Nursery	70	5,000	7,163	12,163
Bumble Bee Nursery	50	5,000	5,117	10,117
Cabbage Patch Nursery	29	5,000	2,968	7,968
Craigard Nursery	44	5,000	4,503	9,503
Cumbernauld & Kilsyth Workplace Nursery	34	5,000	3,479	8,479
Daisy Daycare	63	5,000	6,447	11,447
First Class Nursery	31	5,000	3,172	8,172
Firtrees Nursery	194	5,000	19,853	24,853
Fullwood Nursery	39	5,000	3,991	8,991
Happitots Day Nursery	57	5,000	5,833	10,833
Heathpark Nursery	51	5,000	5,219	10,219
Kiddieshack Nursery	33	5,000	3,377	8,377
Kidstore Childcare Ltd	57	5,000	5,833	10,833
Kirktonholme @ Coatbridge	39	5,000	3,991	8,991
Kirktonholme Nursery	38	5,000	3,889	8,889
Little Daisies	38	5,000	3,889	8,889
Little Hands Nursery	38	5,000	3,889	8,889
Little Treasures Nursery	28	5,000	2,865	7,865
Lochview Children's Nursery	47	5,000	4,810	9,810
Manor Park Nursery	42	5,000	4,298	9,298
NCL - Coatbridge College Nursery	52	5,000	5,321	10,321
NCL - Cumbernauld College Nursery	58	5,000	5,935	10,935
Noah's Ark Nursery	47	5,000	4,810	9,810
Overtown Community Nursery	24	5,000	2,456	7,456
Papillon Nursery	89	5,000	9,108	14,108
Papillon Nursery, Bellshill	78	5,000	7,982	12,982
Piccolo @ Kirktonholme	37	5,000	3,786	8,786
Preschool Academy Nursery	47	5,000	4,810	9,810
Rainforest Nursery	52	5,000	5,321	10,321
Snowdrop Nursery	70	5,000	7,163	12,163
Step by Step Nursery	29	5,000	2,968	7,968
Stepping Stones Nursery	47	5,000	4,810	9,810
Tiny Tots Academy	40	5,000	4,093	9,093
Viewpark Montessori Nursery	47	5,000	4,810	9,810
Windmill Nursery	40	5,000	4,093	9,093
Childminders *	8	2,400	818	3,218
Total	1,840			370,694

- Childminders – fixed amount per childminder is £300 x 8 = £2,400