

REPORT TO EDUCATION AND CHILDREN'S SERVICES COMMITTEE – 30 AUGUST 2018

PARTNER PROVIDERS AND ELIGIBLE TWOS

1 Recommendations

Committee is recommended to:

1.1 Agree increases in partner provider settings for eligible twos.

2 Background / Discussion

2.1 The local authority provides Early Learning and Childcare (ELC) to families of eligible two year olds. Eligibility is determined nationally as follows:

- Income support;
- Incapacity or Severe Disablement Allowance;
- State Pension Credit;
- Jobseeker's Allowance (income based);
- Any income related element of the Employment and Support Allowance;
- Child tax credit but not Working Tax Credit and your income is below £16,105;
- Both maximum child tax credit and Working Tax Credit with income less than £6,420;
- Support under Part VI of the Immigration and Asylum Act 1999
- Universal Credit (interim measure);
- Any other qualifying benefit as stated by the Department of Work and Pension;
- Looked after/accommodate or under a kinship or guardianship order;
- Referred by their health visitor.

2.2 On average 200 eligible twos per year are placed in commissioned spaces. These commissioned spaces are in school nursery classes or with partner providers. The Scottish Government has indicated that approximately 330 eligible twos in Aberdeenshire could access provision. The current rate paid to partner providers is £4.22.

2.3 There is concern nationally that the uptake of spaces for eligible twos is below that for three and four year olds. A number of factors appear to influence uptake. Accessibility and the fear of stigma were cited in the national report as being the main reasons given by parents for not accessing the service. In Aberdeenshire uptake is in line with national expectations.

2.4 The provision of two year old spaces is relatively costly. Staffing ratios are high at 1:5. The concentration of eligible twos in small communities means spaces often remain unfilled. The floor area allocated to two year olds is greater than for other children. Where small numbers of two year olds exist, there are concerns about the quality of experience for those learners.

- 2.5 Accommodating eligible twos in settings out with school settings overcomes these issues. This is likely to be most successful where the rate to partner providers is financially viable. It is estimated that a rate of £6.00 per hour will increase the number of 2 year olds placed successfully in partner providers.
- 2.6 It is recommended that the following changes are made, taking effect on 1st October 2018:
- partner providers, including childminders, are paid £6.00 per hour for all eligible twos;
 - eligible twos in partner providers are offered up to 1140 hours per year.
- 2.7 Costs will depend on up take. Indicative costs suggest costs for the remainder of financial year 2018/19 would be a maximum of £240,000. In the financial year 2019/20 changes would result in an estimated maximum annual increase in costs of £1,400,000. These costs are reflected in the financial template agreed with the Scottish Government.
- 2.8 The risks associated with the changes are low. Pupils are spread across a range of private providers and across Aberdeenshire and therefore demand should be manageable. The offer may be most attractive to families not yet accessing provision. Eligible twos are likely to access additional hours. Any movement between local authority settings is likely to lead to savings as local authority average costs are above the rate proposed. Benefits are likely to outweigh risks.
- 2.9 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and their comments are incorporated within the report and they are satisfied that the report complies with the Scheme of Governance and relevant legislation.

Scheme of Governance

- 3.1 The Committee is able to take a decision on this item in terms of Section E.3.7 of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to the provision of Early Years Child Care.

4 Implications and Risk

- 4.1 An equality impact assessment is not required as the change in pricing structure will not have a differential impact on any of the protected characteristics.
- 4.2 There are financial implications as detailed in paragraph 2.7.
- 4.3 The following Risks have been identified as relevant to this matter on a Corporate Level:
- Budget Pressures – Budget pressures may arise from the unpredictable nature of the supply and demand of places. Supply of places will depend on being able to commission or create places. Demand will depend on the extent to which families choose to uptake places. [Corporate Risk Register](#).

The following Risk have been identified as relevant to this matter on a Strategic Level:

- Developing Excellence and Equity – In the long term, 1140 places will make a significant contribution to promoting equity and excellence. In the short to medium term and while places are rolled out some families may not be able to access full provision. [Directorate Risk Registers](#).

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