

REPORT TO EDUCATION & CHILDREN'S SERVICES COMMITTEE – 7 October 2021

ABERDEENSHIRE COUNCIL EARLY LEARNING AND CHILDCARE FUNDED PROVIDERS

1 Reason for Report / Summary

- 1.1 This report provides an update in relation to the ongoing work to support the private, voluntary and independent (PVI) sector in supporting the delivery of early learning and childcare (ELC) across Aberdeenshire.

2 Recommendations

The Committee is recommended to:

- 2.1 Acknowledge work to date and actions and provide any comments, observations or recommendations.**

3 Purpose and Decision Making Route

- 3.1 The [National Standards](#) for early learning and childcare was developed for a number of reasons, namely to ensure that the delivery of ELC was based on a provider neutral basis. This ensures that any provider, whether it is local authority or not will be able to deliver ELC if it meets certain quality criteria.

As a result of provider neutrality, the 1140 expansion and the increase in demand for childcare across Aberdeenshire, supporting the sustainability and the quality of the PVI sector has never been so important as it is now.

Assurance has been sought by elected members that there is support for the PVI sector and that they are being supported in line the National Standards requirements.

4 Discussion

4.1 Overview

When the overall vision for the Aberdeenshire ELC Expansion was developed, one of the key drivers was to further build on the work done to create a provider neutral approach. Since 2016, Aberdeenshire Council has supported providers, that meet a criteria, to deliver ELC on its behalf. The benefit of such an approach has been that the accessibility and flexibility of ELC provision continued to improve, while also strengthening the financial sustainability of the sector.

As part of the strategy towards achieving full implementation of the 1140 Expansion, a range of actions were put in place to support the PVI sector, which include:

- £1 million of funding for a Capital Grant programme.
- Significant increase in funded provider rate, in advance of 1140 becoming a statutory entitlement.
- Review to ensure a localised sustainable rate.
- The creation of an enhanced rate to support PVI in delivering ELC to children with additional support needs.
- Childminder start up grants.
- Access to fully funded training and development opportunities, including access to ALDO for online training.
- Sustainability grants – support for short term financial implications.
- Targeted support delivered, in partnership with the Care Inspectorate for settings at risk of not meeting the national standard.
- Intense support in place for new childcare settings, to support them in becoming a funded provider.
- Catering support for providers that don't have the facilities to provide meals.

To date, there are currently 181 Funded Providers delivering Early Learning and Childcare on behalf of Aberdeenshire Council.

4.2 Capital Grants

When reviewing the Capital Programme requirements for the 1140 Expansion, the capacity of funded providers was also reviewed, to ensure that capacity was being maximized and to ensure that the Council was focusing resources on those areas and settings that required the investment the most.

The Council also supported growth in the PVI sector through the creation of Capital Grants. There were 14 successful applications for funding through the grant scheme, totaling £995K. The investment has supported the creation of an additional 240 ELC places, while improving the quality of provision for children.

The Capital Grant process, has supported a range of outcomes including creation of outdoor learning spaces, development of new build provision, redesign of premises to allow for extended hours delivery etc.

4.3 ASN Support

The Scottish Government carried out a [financial sustainability health check of the childcare sector in Scotland](#). To create the health check, the Scottish Government collated [information](#) from every local authority in Scotland. Aberdeenshire Council is one of three local authorities in Scotland that has an enhanced hourly rate in place, if additional support is agreed for a child in a funded provider setting.

The enhanced rate ranges from £9.30 to £10.31, is applied based on the level of need.

To date there have been 20 successful applications, which will allow for approximately £200K in support for children with additional support

requirements over the current academic year. 10 of the applications have been backdated to 1st April 2021 to support with additional staffing costs that have been incurred.

The applications have been from across Aberdeenshire.

- Buchan – 3 applications
- Banff and Buchan – 10 applications
- Garioch – 1 application
- Formartine – 2 applications
- Kincardine and Mearns – 3 applications
- Marr – 1 application

The settings will also be supported through guidance and support from the Early Years Principal Teachers and Education Support Officers, as well as targeted/bespoke training and development, where required.

4.4 Funded Provider Rate

Investment has increased from £4.5 million in revenue in 2018/19 to a projected £15.5 million in 2021/22 for non-Aberdeenshire Council delivered ELC. The number of children accessing funded providers has increased from approx. 1600 in 2018 to approx. 2500 in 2021.

In advance of 1140 becoming a statutory entitlement, in April 2019, Aberdeenshire Council increased the funded rate from £3.94 to £5.31 for three and four-year olds and from £4.22 to £6.00 for two year olds. The lunch rate also increased from £2.30 to £2.50.

The rate has been reviewed in order to ensure the following:

- The local cost of delivering ELC has been reviewed through information collated by Ipsos Mori.
- The real living wage has been factored in.
- An 8% uplift for reinvestment.

The review has resulted in the rate for 3 to 5 year olds being £5.59 and £6.34 for two year olds. According to the [report](#) based on the information collated from each of the 32 local authorities in Scotland, Aberdeenshire currently has the third highest rate in place for 3 to 5 year olds. There are still two local authorities yet to increase their rate for the 21/22 academic year.

A timeline and briefing for annual review of the rate is currently in development and the draft of this document will be shared with all funded providers.

4.5 Training and Development

Shortly prior to the start of the current academic year, Aberdeenshire Council completed a procurement exercise which has resulted in a comprehensive framework agreement, that will allow Aberdeenshire Council to support the workforce planning requirements for local authority staff and also meet the

needs of the PVI childcare sector. The budget for Training and Development increased from £250K to £380K to allow for supporting the increasing workforce across the entire sector.

Training will include:

1. BAs in Early Childhood Studies and new starts on BA Childhood Practice Award
2. Food Hygiene (accredited), First Aid (accredited), Risk Assessment (accredited) and Object Handling (accredited)
3. SVQs (Children's Care Learning & Development and SVQ Play worker)
4. And any other courses which relate to strategic priorities (integrated children service, council, directorate etc).

Aberdeenshire Council has also responded to the growing demand for outdoor learning training by commissioning more organisations to deliver outdoor learning training, from bespoke courses to SVQ training.

Early Years continued to work to meet the needs of settings when there were restrictions in lets in place. For example, first aid training was delivered at funded provider nurseries for teams of staff. The service will continue to be responsive to training needs and this will form a key part of future discussions with funded providers.

5 Council Priorities, Implications and Risk

- 5.1 Early Learning and Childcare is cross cutting and as such should impact positively on all three Council pillars and all six priorities.

Pillar	Priority
Our People	Education Health & Wellbeing
Our Environment	Infrastructure Resilient Communities
Our Economy	Economy & Enterprise Estate Modernisation

- 5.2 This report helps deliver against Aberdeenshire Children's Services Plan Priorities – Early Years and Children and Young People's Mental Health and Wellbeing This report helps deliver on the Local Outcomes Improvement Plan (LOIP) Priority – Reducing Child Poverty in Aberdeenshire.

- 5.3 The table below shows whether risks and implications apply if the recommendation is agreed.

Subject	Yes	No	N/A
Financial			x
Staffing			x
Equalities and Fairer Duty Scotland			x

Children and Young People’s Rights and Wellbeing			x
Climate Change and Sustainability			x
Health and Wellbeing			x
Town Centre First			x

5.4 There are no financial implications identified as this is an update on the work with Funded Providers.

5.5 An integrated impact assessment is not required because the reporting on the progress of 1140 Expansion, specifically in relation to the work with funded providers and so does not have a differential impact on any of the protected characteristics.

5.7 The following Risks have been identified as relevant to this matter on a Corporate Level:

- ACORP005 - Working with other organisations (e.g. supply chains, outsourcing and partnership working)
- ACORP006 - Reputation management (including social media).

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

- ECSSR002 – ECS Directorate Risk – To secure continuous improvement in outcomes for children and young people.
- LOIP Priorities
 - o Reducing child poverty
 - o Connected and cohesive communities

6 Scheme of Governance

6.1 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and had no comments to make and are satisfied that the report complies with the Scheme of Governance and relevant legislation.

6.2 The Committee is able to consider this item in terms of Section E3.4 and E3.7 of the List of Committee Powers in Part 2A of the Scheme of Governance as the report refers to the provision of early years child care to provide the service either internally or externally through commissioning of services in terms of Children and Young People (Scotland) Act 2014.

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