



REPORT TO AUDIT COMMITTEE – 24 MAY 2018

AUDIT SCOTLAND ‘EARLY LEARNING AND CHILDCARE’

1 Recommendations

The Committee is recommended to:

- 1.1 Consider progress to date in Aberdeenshire Council on implementation of Early Learning & Childcare, against the national picture outlined in the Audit Scotland report.

2 Discussion

- 2.1 Audit Scotland carries out a programme of national performance audits on behalf of the Accounts Commission and Auditor General for Scotland and in February, 2018, Audit Scotland published a report [*Early Learning and Childcare*](#).
- 2.2 The report acknowledges that the Scottish Government and councils have worked well together to expand the initial 600 hours provision. Parents are generally positive about the benefits of funded ELC for their children. In line with national strategic objectives around improving the lives of children and their families, the Scottish Government is implementing an increase in ELC entitlement from 600 hours (from August, 2014) to 1,140 hours (by August, 2020). This is equivalent to around 30 hours a week during term time. Parents will be entitled to this as funded ELC places but it is not mandatory, unlike school education.
- 2.3 The report makes a number of recommendations and suggests actions for both the Scottish Government and councils having considered delivery of the current funded programme of 600 hours of care and early progress implementing the expansion of the programme to 1140 hours which should be in place by 2020. The recommendations and actions include:
 - Work with the DWP and HMRC to allow councils to receive information on eligible two-year olds;
 - Provide guidance to enable councils to understand what is required, and parents to be made aware of what they can reasonably expect from their council;
 - Develop links between ELC entitlements and programmes to support parents at a local and national level, into work, training or study; and
 - Help parents understand how ELC is provided locally.
- 2.4 Additional recommendations are made specifically to the Scottish Government to reduce failing to deliver on time by:
 - Providing statutory guidance; and
 - Ensuring baseline data is available and evaluating the expansion of hours.
- 2.5 In addition, the 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;
 - 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 in hours; and
 - 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 risk of unanticipated consequences for these providers.
- 2.6 In most councils, including Aberdeenshire, the majority of children currently have a part-day funded ELC place in a council setting. The introduction of places for eligible two-year olds will have significant implications for councils. This age group has different requirements including higher staff-to-child ratios and different facilities requirements. Uptake is estimated to be low initially within Aberdeenshire but this will be monitored and accommodated for this as part of the 1140 project overall.
- 2.7 Aberdeenshire Council developed and submitted an *“Expansion of Early Learning & Child Care”* action plan to the Scottish Government in October, 2017. This outlined the initial delivery plan for additional ELC hours providing information on:
- High Level Deliverables
 - Service Planning Assumptions
 - Phasing & Prioritisation across Aberdeenshire
 - Improving Quality
 - Working with Communities
 - Workforce planning
 - Partner Providers
 - Infrastructure and Financial Planning
- 2.8 Since October, 2017, all requests for financial planning and funding have been submitted to the Scottish Government. Feedback from the Scottish Government is awaited.
- 2.9 A project/programme management approach has been adopted to deliver the action plan, and core practice includes:
- Governance Planning, including roles & responsibilities;
 - Communication & Engagement Plan;
 - Work Stream Project Plan; and
 - Risks & Issues log
- 2.10 The Project Executive Board has met twice this year and will continue to meet on a regular basis for the lifetime of the project.
- 2.11 The Council's plan already reflects areas identified within the Audit Scotland report such as infrastructure developments and adaptations, financial and workforce planning, quality and impact and delivery by Partner Providers including Childminders.
- 2.12 Audit Scotland identify uncertainty around the ability of local authorities to implement the 1140 expansion programme by 2020 including:

- **Ability to increase infrastructure and make adaptations to current assets portfolio.**

Within Aberdeenshire, a phased approach has been adopted for identified sites. Planning and projections are in place to be able to make all sites suitable for service delivery, including the availability of outdoor learning and adaptations required to accommodate 2+years. Site progress is reviewed on a regular basis. It is currently estimated that fifteen sites will not require adaptations; sixty-five will require some adaptations and an additional fifteen sites will require to be built.

- **Adequate workforce availability for service delivery for full implementation by 2020.**

Staffing requirements have been considered with required changes being made or planned as part of the ongoing programme of work. This will continue to be monitored as part of the project governance.

As previously mentioned, a phased approach across sites will take place including restricting allocated places (an average of ten places per site initially) until full staffing is in place. It is estimated that over 350 posts will be required to fully deliver the 1140 expansion programme.

The workforce element of the 1140 project also includes:

- key sites delivering full time hours from mid-April to June, 2018
- recruitment drive for 2018/19 will commence in May or June, 2018
- school holiday cover extended and implemented from 2019
- long-term planning including development of a Modern Apprentice pathway in partnership with Aberdeen City.

2.13 Estimated revenue projections for Aberdeenshire Council are in the region of £27.9m for full delivery. However, this may change and/or increase as the programme is implemented. It is estimated capital costs from 2018/19 to 2020/21 will be in the region of £26.08m. Aberdeenshire Council has provided the Scottish Government with detailed cost analysis and continues to engage with stakeholders on the expansion programme. It is anticipated that that the full costs of the expansion (both Revenue and Capital) will be met by additional Scottish Government funding announced in April.

2.14 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report, their comments are incorporated within the report and they are satisfied that the report complies with the Scheme of Governance and relevant legislation.

3 Scheme of Governance

3.1 The Committee is able to consider and take a decision on this item in terms of Section G.1.3 of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to the review financial statements, management letters or reports and compliance with relevant codes of practice.

4 Implications and Risk

4.1 An equality impact assessment is not required because the report is to advise Committee of performance and does not have a differential impact on any of the protected characteristics. An Equalities Impact Assessment has been

undertaken as part of the project to deliver the 1140 expansion programme and there are no negative impacts identified.

4.2 Staffing and financial implications of the expansion programme have been outlined in the report.

4.3 There are no Town Centre First Principle implications arising from this report.

4.4 The following risks have been identified as relevant to this matter on a [Corporate Level](#):

- ACORP002 Changes in government policy, legislation and regulation

The following Risks have been identified as relevant to this matter on a [Strategic Level](#):

- ECSSR002 Developing Equity & Excellence

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11 April, 2018