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| Agenda Item | 10.       |
| Report No   | EDU/11/21 |

## HIGHLAND COUNCIL

**Committee:** Education

**Date:** 20 May 2021

**Report Title:** Early Learning and Childcare (ELC) Update

**Report By:** Executive Chief Officer, Education and Learning

### 1. Purpose/Executive Summary

- 1.1 Recent Committee meetings have received and discussed updates regarding the ongoing rollout of 1140 hours of funded Early Learning and Childcare (ELC) provision in Highland. As the last report to February Committee highlighted Highland is currently offering 1140 hours in over 92% of settings comprising LA, PVI and child-minder services. Progress is being made in other settings with ability to deliver 1140 hours from August 2021.
- 1.2 This report provides an update on the current position post the second lockdown and re-opening fully of ELC since 22 February. The Highland Council has been successful in maintaining the impetus towards a full provision of 1140 hours in settings from August 2021 and has continued engagement with Scottish Government in that regard.
- 1.3 This report provides an update on the final settings due to commence delivery of 1140 hours from August 2021, providing Members with the current position and expected timeline for completion of capital works. The interim or contingency arrangements are now confirmed and set out in the annex. In all cases the intent is to progress delivery of 1140 hours at the earliest possible opportunity.
- 1.4 It is especially positive to note that from Easter 2021 some 92% of active settings are now offering 1140 hours across Highlands. Where necessary contingency plans established by ELC are in place to ensure smooth operations and parents supported.
- 1.5 It is also noted for information that from August 2021 The Highland Council will be working with Scottish Government on a new scheme to support the health and wellbeing of young children and to instil healthy behaviours for life. Scottish Government will fund, via, The Highland Council all pre-school children, toddlers and babies attending eligible settings for 2 hours or more per day, for 1/3 pint milk or a specified alternative and a healthy snack of a portion of fruit or vegetables.
- 1.6 Finally, in addition to the updates noted above this report provides information on other developments in relation to ELC provision and support in the Highlands. This includes

working with partners to review ELC funding rates and sustainability of settings in line with recommendations from Scottish Government.

- 1.6.1 The report also updates on specific support for a number of settings during the recent lock-down periods as well as distribution of promotional material provided by Parent Club and administration of two support funds offered by Scottish Government. This has provided some £548k of targeted support to settings in Highland with a final phase under administration.

## 2. Recommendations

- 2.1 Members are asked to:
- i. note the updated position regarding ELC and provision of 1140 hours;
  - ii. note progress towards delivering 1140 hours in all Highland settings;
  - iii. note the current status of ELC capital projects and work being taken forward to progress project delivery;
  - iv. note the work being taken forward, with partner involvement, to review funding arrangements and establish sustainable rates in line with Scottish Government guidance, with recommendations to come back to a future meeting of this Committee;
  - v. note the work being taken forward to support partner settings, including the administration of Scottish Government Covid-19 financial support schemes; and
  - vi. note the updates provided regarding ongoing discussions with Scottish Government in respect of service provision and development.

## 3. Implications

- 3.1 **Resource** - There remain some one-off costs arising from contingencies, such as rent of additional buildings or rooms which is being met from within current budget allocation.
- 3.1.1 The Highland Council has been supporting Scottish Government in administering grant support (Transitional support and Temporary Restriction Funds) to partner settings, excluding childminders, to support their re-start and operations after the Covid-19 lockdown. A total of over £548k has been disbursed over the period with a third and final phase under current management.
- 3.2 **Legal** - The Scottish Government and local authorities have now committed to the delivery of 1140 hours of funded ELC from August 2021. The Highland Council is well on track to meeting that requirement.
- 3.3 **Community (Equality, Poverty and Rural)** - The ability to provide 1140 hours will provide further support to families and to partners and would be expected to have a positive economic impact as a result.
- 3.4 **Climate Change / Carbon Clever** - Implications associated with capital projects will be considered as part of regular capital project management arrangements.
- 3.5 **Risk** - There do remain a number of risks and challenges associated with the ELC expansion programme however success to date in reaching over 92% delivery is welcomed with plans for full delivery by all settings. Where necessary interim or contingency plans are in place to allow for capital works which will complete post August 2021.

- 3.5.1 In respect of plans these will remain a risk of negative impact arising from Covid-19 due to further lockdown or restrictions. In relation to scope and quality of provision, while any variation to arrangements require agreement with Care Inspectorate and relevant standards, it is the case that any interim or contingency arrangements represent pragmatic short-term solutions which may not offer the same quality of environment or flexibility and choice, in the short term. Any changes or issues are actively communicated with parents and other stakeholders.
- 3.5.2 The Highland Council continues to engage regularly with the Care Inspectorate at local and a national level, and also working with Scottish Government, to support achievement of delivery milestones.
- 3.5.3 Finally, whilst the level of additional recruitment to settings is lower than had previously been anticipated, to deliver increased capacity for 1140 will clearly require an increase in overall staff Full Time Equivalents. In some locations, and in some disciplines (GME settings in particular) there are additional risks around staff availability, and this has been factored into the action timescales leading up to full roll-out in August.
- 3.6 **Gaelic** - ELC settings include GME provision, with the update provided in this paper also applying to these settings.

#### 4. Background

- 4.1 Prior reports to Committee have provided Members with full updates on the ELC expansion programme, and the work undertaken to rollout 1140 hours during the current financial year. Plans to roll out further and achieve the August deadline is dependent on any new Covid-19 restrictions and impacts.
- 4.2 Based upon past reports to Committee, and reflecting the up-to-date position at the time of writing this report, the status across the 241 settings in Highland is as follows:
- 209 active settings providing 1140 hours - 92% of live sites from Easter 2021
  - 19 active settings will provide 1140 hours - 8% of all live sites from August 2021
  - 13 Settings inactive at present - 5% of all sites
  - 17 settings have capital works scheduled for completion post August 2021 - Appx 1. - 7.5% of all settings but all live will deliver 1140 hours from Aug 2021.
- 4.2.1 There has been evidence of potential demand for 1 or 2 Local Authority inactive sites to become active which is being pursued currently. 1 PVI partner has closed a site as a result of Covid-19 closures but there is sufficient alternative supply for demand in the area concerned.
- 4.3 The 17 settings shown in **Appendix 1** as scheduled capital works completion post August 2021 represents a substantial improvement on those noted in earlier Committee updates. Further work is ongoing to continuously review and ensure effective delivery of the Capital programme.
- 4.4 Any interim arrangement or contingency plan for 1140 hours provision is developed with a focus on the needs of the child and parents to ensure an ability to deliver 1140

hours throughout the Highlands. As a result, there is confidence about implementation and timescales dependent on Covid-19 restrictions. Progress continues to be made with registrations and variations with Care Inspectorate for longer term and temporary arrangements.

- 4.5 The update set out within this report, and the work taking place to develop 1140 plans remains under regular review and is subject to ongoing discussion with Scottish Government and Scottish Futures Trust, who provide scrutiny, challenge and constructive support around The Highland Council's expansion programme.

## **5. Return to Early learning and Childcare (ELC)**

- 5.1 Most partners are now fully operational following recent announcements by the Scottish Government in respect of the phased return and are being supported by local authority staff in arrangements as well as all local authority settings re-opening in line with recommended Covid-19 related risk mitigations.

- 5.2 Over recent lockdown period key actions to provide effective support for keyworker and vulnerable children (KW&VC) was undertaken including specific support being provided both from Scottish Government and The Highland Council resources. In particular The Highland Council supported Scottish Government in administering Transitional Support and Temporary Restrictions funding support for settings as mentioned in section 9 of this update. Childminders were able to access Scottish Government support via the SCMA (Scottish Childminding Association) being advised of its availability by The Highland Council as part of our regular communications of plans and actions.

- 5.3 Current attendance remains variable dependent on parental requirements albeit approaching some level of normality.

- 5.4 The Early Years Education Support Officer team and Early years Educational Psychologist are working to ensure there are resources available to support ELC staff in providing online information and support for families. They can be found on the ELC in Highland Blog and on the Bumps to Bairns website.

- 5.5 Funding for ELC partners has continued for funded 2's and 3-5's throughout the duration of the pandemic, as per agreed hours to support sustainability of partner providers during this time. There has also been a range of other funding streams available to settings and advised as appropriate e.g. Coronavirus Job Retention Scheme (Furlough), Self-Employment Income Support Scheme (Childminders), bounce back loans etc. Scottish Government has also provided additional financial support for partners as mentioned in section 9 of this update.

## **6. Capital Works**

- 6.1 Appendix 1 sets out the updated position regarding capital works. Continuous works is ongoing to ensure delivery and work on site is expedited. Whilst at the time of writing this report work is ongoing there remains risk and uncertainty that there could be further restrictions applying to that sector going forward which impact on works. Even if no additional restrictions apply, there is nonetheless further delay around supply chain and construction sector capacity and costs due to external factors and

impacts. This position will be closely monitored for any consequence to the ELC capital programme.

- 6.2 The appendix reflects the status and timeline of projects based on current expectations around delivery. As has been previously reported The Highland Council's ELC planning includes contingency planning to consider where there are mitigating actions that can be taken to support ELC 1140 delivery, and de-risk the impact of delayed capital works.

## **7. Delivering 1140, Interim Arrangements and Contingency Plans**

- 7.1 Work continues to implement, resource and facilitate interim or contingency arrangements aimed to ensure 1140 hours delivery from August 2021, as demonstrated in the attached appendix. Progress has been made in some settings with 19 likely to remain at August delivery, due to capital works or staffing recruitment difficulties.

- 7.2 From last Committee the decision was taken that families can access 1140 hours across 2 settings where there is an offer of hours in each. This enables more families to access 1140 hours, if not in 1 setting across 2 or more. There has been positive feedback from families at access to the hours, albeit that the preference would be, to have all the hours in their preferred setting. The blending of placements and hours also supports partner sustainability.

- 7.3 Appendix 1 also provides a description, per setting, of the current expected interim or contingency options being considered, and as a result the expected timescale for delivery of 1140 hours. The phasing was within two 'windows' being April 2021 at the latest or August 2021. The clear intent remains to implement at the earliest possible opportunity, subject of course to the risks and implications outlined within this report.

- 7.4 The ongoing support from Head Teachers, managers, partner settings and commissioned childminders, is much appreciated in being flexible and creative in finding solutions.

## **8. National Developments**

- 8.1 The Scottish Government and local authorities have now committed to the delivery of 1140 hours of funded ELC from August 2021. The Highland Council is well on track to meeting that requirement.

- 8.2 In anticipation of the above and as reflected in past reports to this Committee, The Highland Council had already made commitments and progressed plans to ensure 1140 provision in place no later than August 2021. The commitment is welcome and aligns with The Highland Council's own plans.

- 8.3 It is unclear whether any further lockdown, if required, would have any impact on the intent however as set out within this report The Highland Council continues to progress the rollout of 1140 as soon as can safely and practically be achieved.

- 8.4 Promotional material has been provided by the Scottish Government 'Parent Club' initiative in respect of awareness of safety based on the FACTS message to encourage safety at settings for children, staff and parents. This has been distributed to local authorities, PVI and partner settings where appropriate.

## **9. Local Developments**

- 9.1 There are two items or issues which it is believed should be highlighted for members awareness being sustainable rates for partners, key worker and targeted support and SG support for partner settings during the pandemic.
- 9.2 Key worker and support for services during the pandemic was provided with existing contracted payments provided in line with contracts, and provision for keyword provider support. In addition, and in line with Scottish Government guidance, The Highland Council has engaged with those partners who were still facing financial and sustainability challenges due to the pandemic, and subject to suitable due diligence, has agreed appropriate arrangements on a time-limited basis.
- 9.3 Scottish Government requested The Highland Council to support the administration and approval of two initiatives for partner settings being the Transitional Support Fund (TSF) when planning exit from phase 1 lockdown and Temporary Restrictions Fund (TRF) when lockdown 2 was reinstated. The TRF is still being administered with a third phase for settings supporting school age children under way. A report of the final outcome for Highlands will be brought to Committee on completion of Phase 3 of the TRF however to date over £350k has been remitted to partners making application.

## **10. Engagement and Local updates**

- 10.1 A number of updates to Members, partners and Area Committees as well as individual parents and press have been facilitated as appropriate and required. These primarily focus on Capital development status of settings or reflective of parental concerns to ensure good communications and understanding of approaches being taken is maintained.

## **11. Sustainable Rates**

- 11.1 The payment of sustainable rates to funded providers is vital to supporting their financial sustainability being a key aspect of Funding Follows the Child and the National standard for Early Learning and Childcare. There is a recommendation from Scottish Government that The Highland Council will set a rate to be offered to funded providers in the PVI, including commissioned childminders, to deliver the funded entitlement. This rate should be sustainable, affordable and reflect national policy priorities, including funding to enable payment of the real living wage to all childcare workers delivering the funded entitlement. In addition, The Highland Council is expected to work with providers to understand the impact of Covid-19 on the cost of delivering funded ELC.
- 11.2 This has been a topic of discussion over a number of years, since Scottish Government established an average rate of £5.31 which was utilised by the majority of local authorities in contracting for services. Scottish Government has recommended that local authorities should work with providers to review the rates paid and, in particular, consider any regional or operational factors which may require consideration in reviewing rates currently paid. Local partners are understandably keen to engage in this process and there are expectations that a review may lead to an enhancement to current rates, with many partners highlighting pressures on their sustainability.

- 11.3 The recommendation to consider the issue of rate payable follows guidance issued by Scottish Government in the “Guidance for overview of Local Authority support and funding for early learning and childcare providers” issued in July 2019. This included guidance that;
- under ‘Funding Follows the Child’ local authorities will continue to set a rate locally that is paid to providers in the private and third sectors, including childminders, to deliver the funded ELC entitlement; and
  - the setting of rates by local authorities will enable local circumstances to be reflected, including geography, population, social and economic factors, and the needs and priorities of the local community. In the transition period to August 2020 it will also reflect local approaches to phasing. This has led to variation in terms of the rates on offer to funded providers across Scotland.
- 11.3.1 Following discussions with various bodies an average indicative hourly rate of £5.31 was established and agreed by The Highland Council to be settled. In addition to this payment The Highland Council offers a range of additional, non-chargeable, support to partners which many other authorities do not provide.
- 11.3.2 This need to reflect local circumstances has been reinforced in the guidance to local authorities on the provision of milk and a healthy snack (see 1.5) which states “at a local serving rate that will be common across your authority (the **local serving rate** will be derived by taking into account rurality).
- 11.3.3 At the same time as indicating that rates should be monitored the issue of ‘affordability’ was noted by Scottish Government and COSLA, and The Highland Council has been considering the impact and most appropriate approach to take forward alongside partners.
- 11.4 Various approaches have been taken forward by local authorities in response to this issue ranging from inflationary options, calculation of rates, sticking to or reducing rates paid reflective of local circumstances through to establishing competitive tendering approaches for delivery of services. The approach adopted by The Highland Council is to work with our partners who provide a critical support in achieving the objectives of 1140 roll-out to all areas.
- 11.5 As a result of this The Highland Council has been discussing with representative of the local partners how to best identify what is a sustainable rate. One critical factor in sustainability is the obligation to pay the Scottish Living Wage which, with salaries and wages being a major element in service has a disproportionate effect on sustainability.
- 11.6 All the above factors will be considered with conclusions presented to Committee shortly and recommendations on procedures, processes and potential changes whilst reflecting, as recognised by SG, that any change is affordable to The Highland Council.

Designation: Executive Chief Officer, Education and Learning

Date: 29 April 2021

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Appendices: Appendix 1 – ELC Projects Update

APPENDIX 1 - ELC PROJECTS UPDATE

| PART A: 1140 IMPLEMENTATION AND INTERIM OR CONTINGENCY ARRANGEMENTS |                                    |           |                                    |  |
|---|------------------------------------|-----------|------------------------------------|--|
| Setting Name  | 1140 Implementation Timescale 2021 |           | Interim or Contingency Arrangement |  |
|   | Jan - Apr                          | Apr - Aug | Required                           | Current  |
| Arisaig Primary Nursery   | January                            |           | Interim                            | Use existing space                             |
| Avoch Primary Nursery   |                                    | Aug       | Contingency                        | Off-site or temp accommodation                 |
| Balloch Primary Nursery   |                                    | Aug       | Contingency                        | Phase interim increase from 600 hours.         |
| Beauly Primary Nursery  |                                    | Apr       | Interim                            | Use additional class-room                      |
| Ben Wyvis Primary Nursery   |                                    | Aug       | Interim                            | Operating model change                         |
| Bun-sgoil Shleite - EM  |                                    | Apr       | Contingency                        | Use existing space                             |
| Bun-sgoil Shleite - GM  |                                    | Apr       |                                    | Use existing space                             |
| Crown Primary Nursery   |                                    | Aug       | Contingency                        | increase hrs Jan to 20hrs, full delivery Aug   |
| Golspie Primary Nursery   | January                            |           | N/R                                | Not required                                   |
| Grantown Playgroup (P)  |                                    | Aug       | N/R                                | Not required                                   |
| Grantown Primary Nursery  |                                    | Aug       | Interim                            | Not required                                   |
| Hilton Primary Nursery  |                                    | Aug       | Interim                            | Additional room - Incr hours 600+ Jan          |
| Holm Primary Nursery  |                                    | Aug       | Contingency                        | Use additional class-room                      |
| Kinmylies Primary Nursery   |                                    | Aug       | Interim                            | Existing space variation to increase capacity. |

| PART B: CAPITAL PROJECT UPDATE |                         |                     |
|--------------------------------|-------------------------|---------------------|
| Capital Project Status         | Project Scope           | Target Opening Date |
| Pre-Construction               | New Build               | Oct-21              |
| Construction                   | Extension/Refurbishment | Sep-21              |
| Pre-Construction               | Refurbishment           | Aug-21              |
| Pre-Construction               | Major Project           | TBC                 |
| Pre-Construction               | Extension               | Dec-21              |
| Pre-Construction               | New Build               | Sep-21              |
| Pre-Construction               | New Build               |                     |
| Pre-Construction               | Extension               | Aug-21              |
| N/A                            | N/A                     |                     |
| N/A                            | N/A                     |                     |
| Pre-Construction               | Refurbishment           | Aug-21              |
| Tender                         | New Build               | Mar-22              |
| Pre-Construction               | Refurbishment           | Aug-21              |
| Pre-Construction               | New Build               | TBC                 |

|                                |         |     |             |   |
|--------------------------------|---------|-----|-------------|---|
| Kirkhill Primary Nursery       |         | Apr | N/R         | Not required  |
| Miller Academy Primary Nursery |         | Aug | Contingency | Use existing space                                  |
| Milton of Leys Primary Nursery | January |     | Interim     | Operating model change                              |
| Mount Pleasant Nursery - EM    |         | Aug | Contingency | Not required  |
| Mount Pleasant Nursery - GM    |         | Aug | Contingency | Not required  |
| Muirtown Primary Nursery       |         | Aug | Contingency | Use additional class-room                           |
| Lochardil Primary Nursery      | January |     | N/R         | Not required  |
| Newtonmore Nursery - EM        |         | Aug | Contingency | Off-site or temp accommodation                      |
| Newtonmore Nursery - GM        |         | Aug | Contingency | Off-site or temp accommodation                      |
| North Kessock Primary Nursery  |         | Aug | N/R         | Not required  |
| Pennyland Primary Nursery      |         | Aug | Contingency | Operating model change                              |
| Raigmore Primary Nursery       | January |     | N/R         | Not required  |
| Reay Under 5s (P)              |         | Aug | Contingency | Off-site or temp accommodation                      |
| St Joseph's RC Primary Nursery |         | Aug | Contingency | Off-site satellite provision and incr 600+ from Apr |
| Shieldaig Primary Nursery      |         | Aug | Contingency | Use existing space                                  |

|                  |                         |        |
|------------------|-------------------------|--------|
| Construction     | Extension/Refurbishment | Apr-21 |
| Construction     | New Build               | Aug-21 |
| Pre-Construction | Major Project           | Aug-22 |
| Pre-Construction | Refurbishment           | Aug-21 |
| N/A              | N/A                     | Jul-21 |
| Tender           | Refurbishment           | Aug-21 |
| N/A              | N/A                     |        |
| Construction     | Refurbishment           | Aug-21 |
| Construction     | Refurbishment           | Aug-21 |
| Pre-Construction | New Build               | May-21 |
| Pre-Construction | Refurbishment           | Jul-21 |
| Pre-Construction | New Build               | Sep-21 |
| Tender           | New Build               | Aug-21 |
| Pre-Construction | Refurbishment           | Aug-21 |
| Pre-Construction | Refurbishment           | Aug-22 |

| PART C: UPDATE ON OTHER ELC CAPITAL PROJECTS. THOSE WHERE 1140 IMPLEMENTATION COVERED IN PREVIOUS COMMITTEE REPORTS |                                 |                  |                           |        |
|---|---------------------------------|------------------|---------------------------|--------|
| Ardersier   | Apr 21                          | Construction     | New Build                 |        |
| Ardgour   | Jan 21                          | Pre-Construction | New Build                 | Nov-21 |
| Auldearn  | Apr 21                          | Construction     | New Build                 |        |
| Bridgend  | Currently delivering            | Tender           | Refurbishment             | Aug-21 |
| Coulhill  | Jan 21                          | Tender           | Refurbishment             | Aug-21 |
| Cromarty  | Currently delivering            | Pre-Construction | Refurbishment             | Aug-21 |
| Dingwall  | Currently delivering            | Pre-Construction | New Build                 | TBC    |
| Duncan Forbes   | Apr 21                          | Construction     | New Build                 | Apr-21 |
| Dunvegan  | Currently delivering            | Pre-Construction | Major Project - New Build | Aug-22 |
| Gairloch  | Jan 21                          | Pre-Construction | Refurbishment             | Dec-21 |
| Glenurquhart GM   | Apr 21                          | Construction     | Refurbishment             | Aug-21 |
| Invergarry  | Currently delivering            | Construction     | Refurbishment             |        |
| <i>Inverness HS</i>   | <i>Production Kitchen build</i> | Construction     | <i>N/A</i>                |        |
| Kiltearn  | Currently delivering            | Pre-Construction | Major Project             | TBC    |
| Kyle  | Currently delivering            | Pre-Construction | New Build                 | Sep-21 |
| Lairg   | Currently delivering            | Pre-Construction | Refurbishment             | Jul-21 |
| Lochcarron  | Apr 21                          | Construction     | New Build                 | Apr-21 |
| Mallaig   | Feb 21 TBC                      | Complete         | Refurbishment             | Aug-21 |
| Merkinch  | Currently delivering            | Complete         | Major Project             |        |
| Millbank  | Jan 21                          | Pre-Construction | Refurbishment             |        |
| Mulbuie   | Apr 21                          | Construction     | New Build                 | Apr-21 |

|                                  |                      |                  |               |        |
|----------------------------------|----------------------|------------------|---------------|--------|
| Ness Castle - New Primary School | New build            | Pre-Construction | Major Project | Aug-22 |
| Newtonpark                       | Nov 20               | Pre-Construction | Refurbishment | Aug-21 |
| Obsdale                          | Currently delivering | Construction     | Refurbishment |        |
| Rosebank                         | Apr 21               | Construction     | Refurbishment |        |
| Strathconon                      | Inactive             | Pre-Construction | Major Project | TBC    |
| Strathpeffer                     | Apr 21               | Construction     | Refurbishment |        |
| Tomnacross                       | Jan 21               | Construction     | Refurbishment |        |