

Agenda Item	12.
Report No	EDU/9/26

The Highland Council

Committee: Education

Date: 25 February 2026

Report Title: **Delivery Plan update: Person Centred Solutions (PCS) Board – Early Learning & Childcare (ELC) Project**

Report By: Assistant Chief Executive - People

1. Purpose/Executive Summary

1.1 The Delivery Plan 2024–27 consists of 64 projects and programmes overseen by six Portfolio Boards. Each project follows the agreed Portfolio Reporting Cycle, with updates submitted to the appropriate committee. In exceptional cases, standalone reports may be presented directly to committee or Council, and this report highlights any alternative reporting arrangements where relevant.

This report provides an update on the Early Learning and Childcare (ELC) project, covering financial performance, risk, and overall progress. Its purpose is to support effective Member scrutiny, inform decision-making and continuous improvement, and ensure transparent and accessible reporting.

1.2 The project seeks to develop flexible and sustainable ELC solutions, working collaboratively across the 'Workforce for the Future' and 'Reconfiguring our Asset Base' portfolios and in alignment with programmes such as the Highland Investment Plan (HIP), the Addressing Depopulation Action Plan (ADAP), and the Highland Outcome Improvement Plan (HOIP). A place based approach underpins this work.-based approach underpins this work.

1.3 A key outcome for rural and island communities is the development of sustainable ELC models that meet local needs, including provision for children under three and school age childcare across the full year. This is likely to involve new delivery models, such as supported childminding.-age childcare across the full year. This is likely to involve new delivery models, such as supported childminding.

1.4 For new ELC provisions, the project aims to progress options appraisals, procurement, and contract monitoring processes, enabling opportunities for Private, Voluntary and Independent (PVI) partners to deliver statutory and expanded childcare services.-monitoring processes, enabling opportunities for Private, Voluntary and Independent (PVI) partners to deliver statutory and expanded childcare services.

2. Recommendations

2.1 Members are asked to scrutinise and note the report, including progress to date and next steps.

3. Implications

3.1 Resource

The project is intended to realise savings of £500k by year 3.

3.2 Legal

This report contributes to fulfilling the Council's statutory duties regarding performance reporting and best value in accordance with the Local Government Act 1992 and the Local Government in Scotland Act 2003.

Any significant change to Local Authority delivered ELC provision requires statutory consultation under the Schools (Consultation) (Scotland) Act 2010. Transitions from Local Authority to PVI-delivered services will require a circa 18month statutory consultation process.-delivered ELC provision requires statutory consultation under the Schools (Consultation) (Scotland) Act 2010.-month statutory consultation process.

3.3 Risk

Legal, political and policy related complexities may constrain changes to current ELC delivery models, which could impact the Council's ability to achieve planned savings.-related complexities may constrain changes to current ELC delivery models, which could impact the Council's ability to achieve planned savings.

3.4 Health and Safety (risks arising from changes to plant, equipment, process, or people)

There are no specific health and safety implications arising from this report.

3.5 Gaelic

Gaelic Medium Education (GME) ELC provision will be considered in line with the principles outlined above.

4. Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 This is a monitoring and therefore an impact assessment is not required.

5. Background

5.1 Childcare provision contributes to national and local outcomes relating to children and young people, health, education, and poverty, consistent with Scottish Government policy set out in [Best Start: Strategic Early Learning and School Age Childcare Plan for Scotland 2022–26](#).

5.2 This project forms part of the Person-Centred Solutions Portfolio within the Capacity Building workstream. It aims to design sustainable and innovative ELC solutions, considering statutory funded ELC (1140 hours) alongside wider childcare needs including:

- provision for babies
- extended hours and holiday provision
- school-age childcare across Highland

This activity aligns with established Early Years team responsibilities. The project strengthens governance, cross-portfolio alignment, partnership working, and pace of delivery. Actions outlined in the report will progress following confirmation of enrolment figures.

5.3 The ambition is to design and pilot flexible, high-quality and sustainable models of ELC delivery in collaboration with PVI partners, particularly for remote and rural communities. Families expect continuity of provision alongside improved flexibility and choice, at a time of falling rolls and increasing financial constraints. The goal is to meet community need while ensuring efficient and sustainable delivery.-quality and sustainable models of ELC delivery in collaboration with PVI partners, particularly for remote and rural communities. Families expect continuity of provision alongside improved flexibility and choice, at a time of falling rolls and increasing financial constraints. The goal is to meet community need while ensuring efficient and sustainable delivery.

5.4 This work is being undertaken in the wider context of:

- declining school rolls
- rising parental expectations regarding childcare flexibility and choice
- financial pressures and requirements for efficiencies
- increased scrutiny and regulatory expectations from the Care Inspectorate and Education Scotland

5.5 Current ELC Context

For session 25/26 there are 220 active settings across Highland –

- 157 in Local Authority (LA), including mothballed and counting EM/GM settings separately
- 44 Private, voluntary and independent providers (PVI)
- 19 commissioned childminders (CC)
- 18 settings are delivering through the medium of Gaelic, all but 1 operated by LA
- 41 settings (not including childminders) have a roll of 8 or fewer children 18 LA settings are currently inactive or mothballed (if counting the EM/GM settings separately, or 13 if not)

5.6 Overall RAG

Project: Early Learning & Childcare [ELC] / Childcare

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5.7 Key Milestone and Requests for Change

MILESTONES		CURRENT STATUS
<i>Starts Apr24 / Completes Jun24</i>	ELC/Childcare: Commence Engagement	M3 24/25 Completed
<i>Starts Apr24 / Completes Jun24</i>	ELC/Childcare: Launch Assertive Highland Campaign	M3 24/25 Completed
<i>Starts Aug24 / Completes Jan 25</i>	ELC/Childcare: Implementation plan in place	M11 24/25 Completed
<i>Starts Dec24 / Completes Jun25</i>	ELC/Childcare: Agree governance for changes to provision and delivery model	M1 25/26 Completed
<i>Starts Jan25 / Completes Mar25</i>	ELC/Childcare: Engagement to agree next steps/solutions for settings with falling rolls	M12 24/25 Completed
<i>Starts Apr25 / Completes Aug25</i>	ELC/Childcare: Offers giving flexibility and choice in delivery models available to communities	M5 25/26 Completed
<i>Start TBC / Completes May25</i>	ELC/Childcare: Community wealth building	M12 24/25 Completed
<i>Starts Dec24 / Completes Jun25</i>	ELC/Childcare: Support for business development & compliance	M10 25/26 No Significant Progress
<i>Starts Mar25 / Completes Apr25</i>	ELC/Childcare: Engage with procurement to develop a robust procurement and contracting process for ELC partners	M10 25/26 No Significant Progress
<i>Starts Oct26 / Completes Mar27</i>	ELC/Childcare: Project Closure and transfer to BAU	

There has been a delay in two milestones relating to procurement and contract monitoring of ELC PVI. Partnership working is ongoing with the relevant services across the Council to progress this work. In parallel, Audit and Risk colleagues are undertaking an audit of relevant processes and procedures. The outcome of which will be recommendations to support improvement in this area.

The progress that has been made against these two milestones will result in a request to the next Portfolio Board to amend the milestone dates and move the status from red to green. These two aspects will be kept under close scrutiny to ensure there is no further slippage.

5.8 Financial Summary

- Savings
There are no savings due to be realised in this financial year.
- Investment
There is no investment directly allocated with this project.

5.9 Key Risks

KEY RISKS ASSESSED / RESPONSE	CURRENT	
	RISK RATING	RESPONSE
ELC/Childcare: Savings Not Achieved	10	Tolerate
ELC/Childcare: Insufficient Childcare Availability	9	Tolerate

6. Project Objectives

6.1

- Engage with communities to map need and demand (currently Skye, Ardnamurchan, Ullapool, NW Sutherland, Brora and Golspie).
- Identify legislative and regulatory barriers and propose practical tests of change.
- Develop and test innovative ELC delivery models.

Childminding

- Develop a funded childminder model to support recruitment and retention in rural and island communities (ADAP).
- Work with SCMA and Employability to recruit childminders, particularly in rural locations.
- Increase the number of commissioned childminders.
- Ensure settings operating from THC premises have appropriate licences or leases (responsibility now with Estates).

Quality and Collaboration

- Improve the quality of ELC provision in line with the Early Years Strategy.
- Work with employers to explore childcare solutions that support workforce participation.
- Strengthen collaboration with employability services and Child Poverty Working Groups to position childcare as an enabler.
- Develop contracting and procurement arrangements for PVI providers for new school-based ELC provision (noting delays).

7. Progress

7.1 Single Care Model (SCM)

Work is progressing on the development of a Single Care Model (SCM) designed to recognise and respond to the unique circumstances of rural and island communities. The SCM aims to deliver integrated, place-based care solutions that support both service users and community sustainability, while contributing to efforts to mitigate ongoing depopulation trends. Quality and safety remain central principles underpinning all aspects of this work.

Initial communities have been identified, and engagement has begun to explore local care needs and how the SCM could address them. The early phase is currently being led by the Chief Executive of CALA, although it is recognised that additional capacity is required to support robust development and implementation. The development of the local steering group to help shape the proposal, engage with communities and partners and well as recruiting the project manager.

Child Poverty Action Fund funding has been approved to support this work.

7.2 **Supported Childminding**

Collaboration with the Scottish Childminding Association (SCMA), supported by the Employability Service, continues to promote childminding recruitment across Highland, with a particular focus on supporting rural and island areas where provision is fragile or absent.

Support from communities, employability team and others to facilitate a marketing campaign to demonstrate the opportunity to deliver a vital service in a local community securing sustainable employment.

7.3 **Key locality-based activity includes:**

- Ardnamurchan: Engagement through Work Clubs in Strontian and Acharacle is underway to promote childminding as a viable and supported local career pathway.
- Skye: A range of childcare models are being tested to grow the existing provision. Skye faces distinct challenges due to competition from other employment sectors. Work is focusing on incentivising new childminders and supporting the two current settings (Portree and Fàs Mòr) to maximise their capacity to deliver ELC and school age childcare.-age childcare.
- Brora & Golspie: Working with community groups to develop a sustainable school age childcare and wrap around childcare service that meets the needs of children and families.

7.4 **Scottish Government Evidence and Policy Engagement**

An evidence based regional report outlining the childcare accessibility challenges facing rural and island communities from an economic development perspective has been provided to Scottish Government. This includes an assessment of the feasibility, impact, and deliverability of proposed solutions.-based regional report outlining the childcare accessibility challenges facing rural and island communities from an economic development perspective

A roundtable of key partners will convene to review the HIE evidence report and agree practical recommendations for action. These recommendations will feed into strategic groups including the Convention of the Highlands and Islands and the Islands Strategic Group.

Highland will be working with Scottish Government to develop sustainable school age childcare services.

7.5 **Summary of Scottish Government Budget Commitments**

The Scottish Government has set out a range of funding commitments in relation to childcare and early Learning. It is not yet fully understood how much of the funding announced in the high level commitments will be coming through to the Council and/or partners to support delivery, and further details are also awaited on how some of the new initiatives are to be developed and implemented.

- Additional funding is being provided through the Local Government Settlement for paying the Real Living Wage within commissioned social care and childcare services.
- Employment and Childcare Access – additional funding for employability services to provide access to funded childcare for all three and four year olds, as well as eligible two year olds with the stated aim of helping parents to enter, sustain, and progress in employment. - and four-year-olds, as well as eligible two-year-olds
- Expansion of Wraparound Support
- National Rollout of Breakfast Provision by August 2027, including up to one hour of supervised early drop off at primary schools. -off at primary schools.

7.6 **Partnership Work to Address Child Poverty and Employability**

Child Poverty Action Group has had a Child Poverty Action Fund (CPAF) application approved. The proposal focuses on reducing child poverty by enabling parental employment through access to flexible and locally-appropriate childcare in two rural communities. The intention is to introduce innovative delivery models tailored to the unique needs of rural Highland families.

In addition, work is being undertaken with Work Life Highland to coordinate efforts across childcare and employability, ensuring an integrated approach that supports family wellbeing and workforce participation.

7.7 **Strategic Alignment and Collaborative Delivery**

Highland Council retains responsibility for delivering statutory 1140-hour childcare and for overseeing wider childcare and family support services. The Council's Delivery Plan 2024–2027 identifies the development of a Single Care Model as a key priority under its commitment to "increasing more effective childcare solutions for families across Highland."

Highlands and Islands Enterprise (HIE) has identified childcare as critical infrastructure for economic sustainability. Their Rural Childcare Evidence Report, endorsed by the Highland Community Planning Partnership (CPP) and HIREP and submitted to Ministers in May 2025, highlights both the challenges facing rural areas and the innovative models that may address them. A formal response is awaited.

CALA, with over four decades of experience delivering and advocating for rural childcare services, remains a key delivery partner, alongside Urram (supporting care across West Ardnahurchan) and the Lochbroom and Ullapool Community Trust (LUCT), one of Scotland's community development trusts working to support long-term community resilience.

7.8 **Supporting High Quality ELC Provision**

Early Years Strategy has been developed to support quality improvement in ELC to ensure high-quality, inclusive, and sustainable early learning and childcare (ELC) provision across Highland, where every child thrives through play, relationships, and meaningful learning experiences. Provided in partnership between Local Authority and PVI partners.

7.9 Poverty and Childcare

Education and Childcare is a key theme of the Highland Poverty and Equality Commission which will assist in supporting our work towards improving childcare provision across the area. Strengthening local support, particularly in the early years, is central to reducing the impacts of poverty. ELC plays a significant role in reducing child poverty.

Local providers and communities play a vital role in ensuring that every child has access to highquality early education and health services, giving them the best possible start in life. We will work collaboratively with community, local and national partners, both within and beyond the public sector, to improve the accessibility, coordination and quality of services. This includes widening opportunities for children of all ages who require additional support, while recognising the significant long-term benefits of targeted early years interventions. -quality early education and health services, giving them the best possible start in life. We will work collaboratively with community, local and national partners, both within and beyond the public sector, to improve the accessibility, coordination and quality of services. This includes widening opportunities for children of all ages who require additional support, while recognising the significant long-term benefits of targeted early years interventions.

This work aligns with Scottish Government policy [Tackling Child Poverty Delivery Plan 2022-26 Best Start Bright Futures](#)

8. Next Steps

1. Following ELC enrolment, undertake follow up reviews for settings with five or fewer children. -up reviews for settings with five or fewer children.
2. Engage with Contracts and Procurement to determine processes for selecting and supporting PVI providers in new ELC settings.
3. Continue to work with communities, with a focus in Skye, Sutherland, Ardnamurchan, Brora and Golspie and Ullapool.

Designation: Assistant Chief Executive - People

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Background Papers: n/a

Appendices: n/a