

Education, Children and Families

10am, Tuesday, 11 December 2018

Early Years 1140 Expansion: Progress and Risk Update

Item number	7.13
Report number	
Executive/routine	
Wards	All
Council Commitments	32, 33

Executive Summary

At present the Council is responding well to the challenge of expanding Early Years provision by 2020 and has already implemented extended services in several locations. However, due to the scale of the programme there are some high-level risks associated with delivery of the Council's Early Years 1140 expansion plan which need to be well managed by all those involved. These risks relate principally to the Council's ability to recruit the necessary staff and construct the level of infrastructure require on time to support the delivery of the expansion plan.

This report highlights the significant level of work which is being progressed to avoid these risks materialising but also outlines mitigation measures which are being considered should any of the risks begin to emerge as the programme progresses.

Early Years 1140 Expansion: Progress and Risk Update

1. Recommendations

- 1.1 The Education, Children and Families Committee is asked to:
 - 1.1.1 Note the contents of this report.

2. Background

- 2.1 'A Blueprint for 2020: The Expansion of Early Learning and Childcare (ELC) in Scotland - ELC Expansion Planning Guidance for Local Authorities' issued in March 2017 by the Scottish Government set out local authorities' responsibility for the implementation and delivery of an expanded entitlement of 1140 hours of free ELC in their area. The vision for expansion is underpinned by the principles of Quality, Flexibility, Accessibility and Affordability. The City of Edinburgh Council's Commitments 32 and 33 for this administration reflect the vision in the Blueprint:
 - 32. Double free early learning and child care provision, providing 1140 hours a year for all 3 and 4 year olds and vulnerable 2 year olds by 2020*
 - 33. Make early years' provision more flexible to fit families' needs and provide additional resources to families in difficulty so that no children are educationally disadvantaged when they start formal schooling*
- 2.2 An implementation plan to allow the Council to meet these commitments was approved by the Education, Children and Families Committee in August 2018 as part of the "[Expansion of Early Learning and Childcare from 600-1140 hours by 2020](#)" report. As part of the approval of this report it was requested that a further report expanding on the key risks associated with delivering the programme be returned to Committee in December 2018.

3. Main report

- 3.1 The expansion plan approved as part of the report considered and approved by the Education, Children and Families Committee in August 2018 has been designed by Early Years and School Estate Planning officers to provide sufficient places and also offer parents flexible access to Early Years services.
- 3.2 The proposals represent a significant change programme for the Council requiring a redesign of one of the Council's largest and most high profile services and the

delivery of a significant supporting infrastructure programme. Individual risk registers are maintained for live capital projects within the Early Years 1140 programme. However, the most significant risks relate to the Council's ability to recruit the staff necessary to deliver 1140 hours of ELC and the delivery of the infrastructure set out in the expansion strategy. These high-level risks associated with this project are set out in Appendix 1. The sections that follow frame these risks within four questions and answers that provide details of the implications of not delivering on aspects of this project and the progress being made to deliver on the Council commitments.

Staffing

Can the Council deliver 1140 hours from August 2020 without recruiting additional staff?

- 3.3 No. The majority of 600 hour ELC places in council settings are less than four hours per session. Guidance from the Care Inspectorate states where children aged 3 and over attend settings for less than four hours in any one day the adult: child ratio can be 1 adult to 10 children. Children receiving 1,140 hours of early learning and childcare will attend settings for between four to ten hours per session and the adult: child ratio is required to be 1 adult to 8 children. Reducing the adult: child ratios without additional staffing, would have an implication on the number of 1,140 places available for children as settings would need to operate below the registered capacity.
- 3.4 There is no requirement to provide lunch for children attending settings for less than four hours in one day. Children attending for between four to ten hours are entitled to a meal, which will require additional staffing to support the delivery of lunches and cover for staff breaks.

Can the Council recruit the staff required to allow delivery of 1140 hour for August 2020?

- 3.5 Yes. Approximately 650 additional staff will be required to deliver 1,140 hours by August 2020. Since August 2018, over one hundred and forty full time equivalent staff have been recruited to the Early Years service to support the delivery of 1,140 hours. National and local campaigns to raise the profile of a career in early learning and childcare have led to an increase in applications to join the service. Recruitment for Edinburgh's, Early Learning and Childcare Academy (EELCA) Modern Apprentice and Trainee programme attracted over five hundred applications for the ninety posts available. Our recruitment requirements for August 2019 will be supported by the next phase of national activity which will include a focus on over 25 year olds, career changers/returners to work and those from under-represented groups.

Infrastructure

Can the Council deliver 1140 hours from August 2020 without delivering any new infrastructure?

- 3.6 In theory yes. However, there would be significant implications in terms of providing the necessary flexibility and choice of Early Years services for families. Under the expansion plan, 41 of our Early Years facilities (existing and new) would operate from 8am to 6pm 50 weeks of the year offering flexible places – allowing parents to choose between a 38 or 50-week model. If we could not deliver any of the infrastructure in the expansion plan, then only 17 of our Early Years facilities would offer flexible places the rest would offer 50 weeks only.
- 3.7 In a “no new infrastructure” scenario, the Council would not be in a position to fulfil its commitment (and the commitment of the Scottish Government) to offer parents flexibility and choice in the Early Years services they can access from August 2020. Parents would not be able to access hours to suit their needs at a facility conveniently located for them. Accordingly, parents may need to travel further and the hours available to them may not suit working patterns. There is also a potential environmental impact which would be contrary to Council commitments to Active Travel and the lack of flexibility would be contrary to Council commitments to encourage parents into work.
- 3.8 Most of the Council’s Early Years establishments currently offer places in the morning or afternoon but the increase to 1140 hours will mean a requirement to offer lunches and, in some cases, spaces for sleep. Many existing Council establishments are not easily adapted or have the space to offer these facilities.
- 3.9 Additional time required (for example opening the building outside of term time) would represent additional revenue costs which are not accounted for within the financial package received from the Scottish Government. The impact of this will depend on the extent of delays in the delivery of individual infrastructure projects and are yet to be quantified.

Can the Council deliver all the infrastructure in its expansion strategy for August 2020?

- 3.10 No. The Council will offer all children 1140 hours of care from August 2020 but the transition to a service that also offers optimum flexibility within each Council locality will be delivered in phases. New standalone nursery buildings within the boundaries of Craigentenny, Echline, Granton, Nether Currie, St Mark’s RC and St John Vianney RC Primary Schools are on target for delivery before August 2020. Refurbishment works at 12 Early Years establishments have been completed or are programmed to be complete by August 2020. The Communities and Families Service is also working with colleagues within the Council’s Parks service as well as private landowners to establish additional Forest Kindergarten settings by August 2020.
- 3.11 Proposals for new nurseries on the Kirkliston Leisure Centre site, Carrick Knowe Primary School and Ratho Primary School are all also being developed. These could be available within the 2020/21 academic year. However, these sites have additional complexities which mean that their programmed delivery will be subject

to technical assessment of their viability and/or consultation with the communities concerned about the services offered from these sites.

- 3.12 In September 2018, Finance and Resources Committee approved that all new capital investment projects, through a Service Design approach, should identify how co-located community facilities can be delivered as an integral feature of each project. The delivery of five further Early Years infrastructure projects will adopt this approach (Calderglen Nursery, The Royal High Primary School, Gilmerton Primary School and in the Gracemount and Craigmount High School cluster areas). These projects will incorporate new Early Years provision alongside other service provision through a process of service redesign, integration, and co-location to offer the Council improved service delivery and longer-term cost savings through the efficient use of its assets. It will provide potential opportunities to collocate Early Years services within a community hub offering greater partnership working with other Council services and partners such as the NHS. A programme for the necessary consultation and delivery of this process is currently in development, with consultation on these opportunities being expected between January and May 2019.
- 3.13 The Communities and Families service is also working with colleagues in the Council's Housing service to identify potential developments offering opportunities to deliver integrated and intergenerational facilities. The development of the Waste Transfer and bowling green sites at Powderhall presents such an opportunity and, following significant consultation this project has progressed to the production of a Strategic Planning brief which will be considered by the Planning Committee on 12 December 2018. Detailed design and cost analysis will take place once the public consultation has concluded in the first half of 2019. Accordingly, should development of a new Early Years facility on this site progress, it is likely to be operational around Easter 2021.
- 3.14 As part of the ongoing Council led regeneration of Pennywell and Muirhouse, the potential to co-locate an Early Years facility alongside the library to create a new learning hub at the heart of the new town centre is being explored. This project is in feasibility stages with an overall cost estimated of around £3.5m. There is currently £2.65m budget available for expansion of Early Years services in this area and £0.65m external funding secured to support place making. These two budgets will be combined to help meet costs of replacing the existing library with a new hub at the heart of the new civic square. There is currently an estimated £0.2m funding shortfall for delivery of this integrated project and the intention is that this will be addressed through the Service Design approach now being progressed for this type of project
- 3.15 Finally, in some areas of the city, most notably in Leith, it has not been possible to identify an appropriate site for a nursery and work here to consider the options that may be available is ongoing. This will include closer working with partners in this area and will require that demand be met by existing facilities.

4. Measures of success

- 4.1 Overall progress measured using a suite of indicators within the Communities and Families Service Plan to ensure that our children have the best start in life, are able to sustain relationships and are ready to succeed.
- 4.2 Outcomes from Inspections from Education Scotland and the Care Inspectorate provide information on quality across the service.
- 4.3 Feedback on the Council's commitments 32 and 33.
- 4.4 The delivery of the Council Early Years infrastructure expansion plan within allocated budgets.

5. Financial impact

- 5.1 Edinburgh currently has a baseline revenue budget of £30,000,000 to deliver 600 hours of Early Learning and Childcare. The Scottish Government has allocated £5,420,242 revenue funding to Edinburgh for 2018/19 to meet the cost of delivering the next phase of the expansion.
- 5.2 Following the agreement of the multi-year funding package, Edinburgh has been allocated a total recurring revenue of £48,025,000 by 2021-22. This will be issued as a specific grant annually as follows:

Table 1: Edinburgh's revenue funding package

Financial Year	Revenue Funding
2019-20	£26,019,000
2020-21	£17,035,000
2021-22	£4,971,000.

- 5.3 Edinburgh has been allocated a total capital funding of £39,480,000 to support the expansion.

Table 2: Edinburgh's capital funding package

Financial Year	Capital Funding
2017-18	£2,580,000
2018-19	£12,400,000
2019-20	£14,500,000

2020-21	£10,000,000
---------	-------------

Capital Costs

- 5.4 The Scottish Government capital funding for Early Years expansion is based on a m² metric. To remain within this metric the reference designs prepared by the Scottish Futures Trust (SFT) make provision for standalone facilities that, compared to the five new nurseries Edinburgh delivered in August 2018, have a relatively low build specification.
- 5.5 The SFT metric is based on delivering new buildings on sites that do not require to be purchased, are flat and already serviced by utilities. According, there is no allowance for site complexities and individual differences between sites (“abnormals”). The SFT metric also does not allow for the delivery of some items that City of Edinburgh Council regard as technically necessary to provide operational efficiencies within its estate, provide user comfort or for the delivery of a quality Early Years’ service. This includes items such as CCTV, access controls, Building Management Systems (BMS), folding partitions, acoustic treatments, wireless connectivity and lighting controls.
- 5.6 The approach taken by Edinburgh’s Early Years 1140 project has been to protect the quality of the learning and teaching environment and reduce costs by developing a standard design for one and two playroom nurseries, driving efficiencies in the construction process and the supply of parts, fittings and equipment. Furthermore, the Council’s appointed architects also designed the SFT reference model and are able to take the learning from that and apply it to the Edinburgh model.
- 5.7 However, the inclusion of these necessary enhancements to the SFT model and the “abnormals” associated with each of the individual sites mean that individual projects within Edinburgh’s expansion programme are likely to exceed the budget they have been allocated within the Scottish Government grant. Accordingly, the delivery of the 6 new nurseries at Craigentenny, Echline, Granton, Nether Currie, St Mark’s RC and St John Vianney RC Primary Schools is currently estimated to be £11.8m compared to a budget within the Scottish Government grant of £11.6m. This shortfall will be funded from other parts of the Scottish Government grant.
- 5.8 The impact of using funding from other parts of the Scottish Government grant will be on the delivery of items in later phases of the programme. This will be assessed as further details of the costs associated with later phases of the programme become clearer. The costs of these later phases will largely depend on the costs arising from the bespoke nursery designs and solutions which will arise from the wider Service Review being undertaken by Strategic Asset Management and the projects being progressed with Housing. It is expected that an integrated approach, partnering Early Years services with other service providers will offer efficiencies in terms of building running costs and may also reduce capital expenditure as the costs for the shell of the building will be shared.

Revenue

- 5.9 The revenue funding for the increase in funded early learning and childcare hours is based on the estimated cost of delivery submitted to the Scottish Government in March 2018. Key information gathered to derive the estimated revenue cost included workforce requirements, population projections, the uptake of places for eligible 2 year olds and the rate paid to providers in partnership with the local authority to deliver early learning and childcare. The additional costs associated with the physical running and maintenance of settings and other expected central costs were also included. The cost of running the additional floor space is expected to be £211,00 per annum which is expected to be covered by the additional revenue grant. This excludes non-domestic rates as the facilities will be exempt, however this new exemption is subject to review in three years' time.
- 5.10 Any factors that delay or prevent the physical expansion of the early years estate will not lead to a reduction in the revenue required for workforce.
- 5.11 The estimated cost of the hourly rate to be paid to providers in partnership with the council is based on the Scottish Government's assumption that £5.31 per hour is a sustainable rate for funded providers to pay the living wage.

6. Risk, policy, compliance and governance impact

- 6.1 This report sets out the risks associated with the delivery of Edinburgh's Early Years 1140 expansion plan. Principally these risks relate to the commitments made by the Council and the Scottish Government to deliver 1140 hours of free Early Learning and Childcare and to ensure that the new provision made is accessible and flexible to meet the needs of Edinburgh's families.
- 6.2 Conditions within the construction industry may also present a risk to the delivery of the Council's proposed infrastructure strategy. There is high demand nationally for contractors to deliver new nursery facilities both within the private and public sectors to meet the demands of expansion to 1140 hours. Edinburgh has sought to mitigate this risk by working swiftly to develop a clear strategy to allow this expansion; by using its recent experience of delivering new nurseries and by appointing a design team also experienced in the delivery of new nurseries to develop standardised designs for a new generation of facilities. The first of these new nurseries have been submitted for planning and it is anticipated that by putting this first package of nurseries out to tender quickly, Edinburgh will be one of the first authorities to take such a package to the market. There is however a risk of market saturation for contractors already being reached with other large scale projects on-going in the city. The Council is already experiencing high tender returns on other capital projects.

7. Equalities impact

- 7.1 The Council's Early Years 1140 expansion plan is designed to provide all families in Edinburgh with choice and flexibility in the ELC they can access. The degree to which this can be offered will depend upon the availability of the staff and the infrastructure to support it. The impact on equalities groups of not delivering on this programme will relate to the restrictions some parents may face in the hours they can be offered and the locations where these can be provided. This may impact most on some working parents and would be counter to Council and Government policy to support parents returning to work.

8. Sustainability impact

- 8.1 This report outlines some of the risks associated with delivery of the Council's Early Years 1140 expansion plan. The plan offers parents choice and flexibility in the ELC they can access. If the service parents wanted to access was not available in a particular area then this may lead to parents travelling further to access places that better suit their needs. This may increase the journeys parents take, impacting on emissions arising from an increase in traffic and discouraging active travel.
- 8.2 In regard to the impact new infrastructure may have on carbon outputs and sustainability, these will be considered as part of planning, design and of each phase of the expansion of the provision.

9. Consultation and engagement

- 9.1 Necessary consultation has been undertaken with key stakeholders in the development and delivery of the expansion. This includes an authority wide consultation with parents/carers, local authority and partner provider ELC settings and childminders.
- 9.2 Consultation will continue throughout the expansion programme.

10. Background reading/external references

- 10.1 ["Expansion of Early Learning and Childcare from 600-1140 hours by 2020"](#), Education, Children and Families Committee, 14 August 2018
- 10.2 ["A Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland"](#)

Alistair Gaw

Executive Director for Communities and Families

Contact: Lynn Paterson, Quality Improvement Education Manager

E-mail: lynn.paterson@edinburgh.gov.uk | Tel: 0131 469 3131

Contact: Robbie Crockatt, Acting School Estate Planning Manager

E-mail: Robbie Crockatt@edinburgh.gov.uk | Tel: 0131 469 3051

11. Appendices

11.1 Appendix 1 Early Years 1140 Project Risk Register

APPENDIX 1: Early Years 1140 Project Risk Register

Communities and Families



Generated on: November 2018

Ref	Category	Key Risks	Risk Owner	I	L	Inherent Risk	Key Controls in place	I	L	Current Risk	Approach to Risk	Further Actions	Action Owner	Due Date
EY1	Strategic / Financial	Partner levels of provision (40% of all places) falls. This could be, for example, due to concerns about sustainability of £5.31 hourly rate. This could lead to requirement for CEC EY service expansion beyond that planned or funded and/or to independent sector coming out of partnership.	Early Years Team	3	3	9	<ul style="list-style-type: none"> Regular meetings with Partners Monitoring Group. Discussions with partner providers have been positive as the hourly rate excludes lunch provision. Childminders have been brought into partnership. 	3	1	3	Treat	<ul style="list-style-type: none"> Consultation with Partner Providers about how the Council can support partner expansion to be undertaken. 	Early Years Team / School Estate Planning	Ongoing
EY2	Strategic	Phasing of funding from Scottish Government to 21/22 means not all parents able to access 1140 from 2020 resulting in reputational damage to the Council.	Early Years Team	3	2	6	<ul style="list-style-type: none"> Alternative models for delivery (e.g. opening additional settings for longer hours) being developed. Working with Partner Providers to build capacity. Many parents will not access services until April 2021 due to intakes ages split. 	2	1	2	Treat	<ul style="list-style-type: none"> Ensure alternative models are sufficiently developed to allow delivery should they be required. Build agreement on service delivery through the Partners Monitoring Group. 	Early Years Team / School Estate Planning	Ongoing
EY3	Operational	Parental expectations of how 1140 hours delivered not met resulting in reputational damage to the Council.	Early Years Team	2	3	6	<ul style="list-style-type: none"> Communication Strategy providing parents with details of different models of delivery will help parents understand services available – booklet for parents. Phased approach means models of 1140 being delivered – live examples available for parents to see. 	2	1	2	Tolerate	<ul style="list-style-type: none"> Promotion of existing facilities and services. Build agreement on service delivery through the Partners Monitoring Group. 	Early Years Team	Ongoing
EY4	Staff	The ability to recruit sufficient staff meeting the required standard to allow services to operate. Failure to widely offer 1140 hours resulting in reputational damage to the Council.	Early Years Team	4	5	20	<ul style="list-style-type: none"> Training centre established at WHEC – 90 places this year; Advertising campaign targeting getting more people into Early Years; Recruiting now to front fill places at establishments where 1140 to be delivered in future phase. 	4	3	12	Treat	<ul style="list-style-type: none"> Consider sustainability of recruitment in future years. Consider impact of new staffing arrangements on existing school staffing structures. 	Early Years Team	Ongoing

Ref	Category	Key Risks	Risk Owner	I	L	Inherent Risk	Key Controls in place	I	L	Current Risk	Approach to Risk	Further Actions	Action Owner	Due Date
EY5	Strategic / Financial	<p>Delivery of new infrastructure delayed beyond 2020 due to:</p> <ul style="list-style-type: none"> • Inclusion of Early Years facilities in Strategic Asset Management service review; • Lack of capacity within construction industry; • Community objection / Planning <p>This results in reduced capacity and flexibility in Early Years provision in some areas of city – less parental choice. Potential financial pressure if temporary facilities required. Short-term reputational risk to Council.</p>	School Estate Planning Team	3	5	15	<ul style="list-style-type: none"> • Refurbishment works, Forest Kindergarten and standalone new build solutions not part of service review being progressed. • Alternative models for delivery (e.g. opening additional settings for longer hours) being developed – particularly in areas where expansion strategy relies on outcomes of Strategic Asset Management service review. • Designs for standardised one and two playroom models developed to allow quicker delivery and reduce costs. • Early discussions with Planning Service to discuss Early Years projects. 	2	5	10	Tolerate	<ul style="list-style-type: none"> • School Estate Planning Team working with SAM to progress Early Years projects as part of service review; • Risk associated with late delivery of EY1140 projects to form part of risk profile for service review. 	School Estate Planning Team / Strategic Asset Management Team	Ongoing
EY6	Financial	<p>Scottish Government capital grant insufficient to allow delivery of all infrastructure within 1140 expansion plan. This may place pressure on Council's own capital budgets.</p>	School Estate Planning Team	3	4	12	<ul style="list-style-type: none"> • Where possible to do so, alternative sources of funding (such as developers contributions / LDP funding) being investigated. • Designs for all new facilities being developed in line with SFT metrics (where possible to do so). • Designs for new standalone facilities standardised. • Finance representation on project ISGs. 	3	3	9	Treat			