

Agenda Item	4.
Report No	EDU 09/20

HIGHLAND COUNCIL

Committee: Education

Date: 2 July 2020

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

Report By: Executive Chief Officer for Education and Learning

1. Purpose/ Executive Summary

1.1 This report provides an update on key developments relating to the ELC expansion programme, in light of COVID-19 implications and recent Scottish Government guidance and recommends next steps in relation to ELC delivery.

1.2 Since the initial drafting of this paper, The Deputy First Minister, on 23 June, addressed the Scottish Parliament, to provide an update on plans for the reopening of schools across Scotland in August. The full text of that Parliamentary statement is set out on the preceding agenda item, relating to schools return. Furthermore, on 24 June, the First Minister made a statement to the Scottish Parliament regarding updates to Scotland's route map, and that same day Scottish Government issued advice to all registered childcare providers advising that "*subject to scientific and public health advice that all childcare providers will be able to reopen from 15 July 2020, if they wish to do so.*" These recent developments have been considered in the context of this report and are taken account of in the recommendations presented to Members.

1.3 The Scottish Government has removed the duty on local authorities to make available 1140 hours of ELC per annum to all eligible 2-year olds and all 3 and 4-year-old children from August 2020. The Highland Council programme of work to deliver 1140 hours has been disrupted due to the coronavirus (Covid-19) restrictions and the ongoing response to the pandemic. The Scottish Government has indicated that legislation will in the future be brought back to the Scottish Parliament to secure the 1140-hour entitlement, but as yet they are unable to provide a revised timeline. Local authorities have been asked to review their own expansion plans in order to assess the impact of the current restrictions on the ELC expansion programme.

1.4 The removal of the duty on local authorities to make available 1140 hours per annum from August 2020 enables the Council to redirect the uncommitted grant funding to support children and families as described in the Scottish Government guidance.

2. Recommendations

2.1 Members are asked to:

- i. note the recent national and local level developments in relation to ELC, the financial context and also the implications arising from COVID-19, as set out within this report;
- ii. agree that from August 2020 onwards, the Council will continue to fund existing ELC settings delivering 600 or 1140 hours, at those levels, to provide sustainability and allow settings to continue funding ELC funded provision as and when circumstances allow;
- iii. note that this would continue to support over 50% of Highland ELC settings funded to deliver the 1140 agenda, with actual delivery subject to permissible capacity and COVID-19 circumstances;
- iv. note that a further report taking cognisance of the change to legislation regarding the expansion of ELC (that was invoked during COVID-19 lockdown) will be subject to discussion at the Education committee in August once a complete impact assessment of the Council's financial position and the recovery programme is finalised;
- v. note that the re-opening of ELC settings, Council and Partner/Childminders, is being taken forward as part of the Council's overall schools return programme, as detailed as a separate agenda item for this Committee;
- vi. note that the Council will continue to engage with Partner Providers, Childminders, and Council staff, relating to ELC developments; and
- vii. agree the design principles that have been prepared to shape the Council's planning around ELC, that are set out in section 4.6.

3. Implications

3.1 Resource

3.1.1 An up to date impact assessed resource implications paper will be shared with the Education Committee for the August meeting to inform wider strategic discussion. Following recent Scottish Government announcements for this area of focus, Highland Council Officers are currently consulting with Scottish Government personnel and comparing with other local authority ELC leads to help inform the detail that will be necessary to shape the required impact assessment and key discussion paper.

3.1.2 A key part of this report highlights the areas of additional cost, financial implications and uncertainties relating to Early Learning and Childcare (ELC) and keyworker childcare delivery. A comprehensive report on Keyworker childcare costs and funding was previously considered by the Corporate Resources Committee in June 2020, highlighting the additional costs arising from COVID-19. The recommendations within this report, take account of available funding, known commitments, risks and uncertainties, and look to ensure there is sufficient contingency and flexibility to allow the Council to manage emerging financial implications in a prudent and sustainable manner.

3.2 Legal

The ELC proposals provided in this paper reflect the latest statutory position relating to the delivery of funded ELC, and the recent removal of the Statutory requirement to deliver 1140 funded hours from August 2020.

3.3 **Community (Equality, Poverty and Rural)**

The ELC proposals would sustain funding at levels pre COVID-19, and allow ongoing delivery of 600/1140 hours provision within settings, as and when capacity and circumstances permit.

3.4 **Climate Change / Carbon Clever**

The recommendations outlined within this report would be expected to have a neutral, or potentially positive impact.

3.5 **Risk**

As highlighted within this report, there remains a number of uncertainties and financial risks associated with ELC, keyworker childcare and COVID-19. The recommendations contained within this report take account of such risks and take a prudent and proportionate approach which looks to maintain funding at pre COVID level and provide a platform to support future expansion beyond 2020/21. While the Scottish Government has recently removed the statutory requirement for 1140 funded hours from August 2020, this remains a clear priority for them, and with ELC funding still being provided to councils, the Highland Council will have to further review its planning for future ELC expansion, to ensure proposals are aligned with the funding provided, local needs and national expectations.

3.6 **Gaelic**

ELC settings include GME provision, and as outlined within this paper, the intent would be to sustain funding at pre-COVID-19 levels, and therefore allow delivery of funded 600- or 1140-hours provision in those settings when capacity and circumstances permit with a phased and gradual approach.

4. **ELC Expansion Programme**

4.1 The Council had made very good progress in its planning for ELC expansion, and the target that had existed for delivering 1140 funded hours by August 2020. The expansion programme was funded by Scottish Government revenue and capital funding, over and above the pre-existing baseline Council ELC budget.

4.2 COVID-19 has impacted on ELC, as it has in so many aspects of Council service delivery, with Council and Partner settings closed during lockdown, other than those operating as hubs for Keyworker Childcare, and capital investment projects impacted as construction works were ceased. Recognising the impact of lockdown on expansion plans, the Scottish Parliament¹, agreed to remove the statutory requirement for delivery of 1140 hours from August. However, this was with the Scottish Government still clearly stating this remained a key priority, that it would look to re-introduce the requirement for 1140 hours when it was possible to do so.
[¹Legislation was laid in the Scottish Parliament on 30 March 2020 to revoke the Children and Young People (Scotland) Act 2014 (Modification) (No.2) Order 2019, which will have the effect of removing the statutory duty on education authorities to make 1140 hours of ELC available to each eligible child from 1 August 2020.]

4.3 In relation to funding, despite the removal of the statutory requirement for 1140 hours, Scottish Government indicated it would not remove or amend the ELC funding allocated to Councils for 2020/21. This was in recognition of plans and expenditure commitments already in place in many settings, and a Scottish Government priority to sustain the partner and childminder sector. In addition, Councils were given flexibility

around ELC and other funding streams, given additional COVID-19 related costs being incurred. While such flexibility is welcome, there is no specific additional COVID-19 funding being allocated to Local Authorities for keyworker childcare. A comprehensive report on ELC and keyworker funding was considered by the Corporate Resources Committee on 3 June 2020.

https://www.highland.gov.uk/download/meetings/id/76662/item_6_elc_key_worker_childcare_provision_%E2%80%93_costs_and_risks

4.4 In light of developments as outlined within this report, and as part of the wider planning for schools and ELC return, there is a requirement to consider next steps during 2020/21 in relation to the Council's delivery of ELC and its expansion plans. Given the wider financial challenges facing the Council, no decisions in relation to ELC can be made without considering that wider financial impact, and the need for the Council to carefully scrutinise any financial decisions in terms of affordability and ongoing sustainability. While a report on the planning for schools and ELC return is set out separately on this Committee agenda, this report considers some of the more specific issues and implications relating to ELC expansion.

4.5 In relation to ELC, it is quite clear that there are a number of factors impacting on further expansion to 1140 hours funded childcare:

- delay in recruitment plans to increase the workforce, due to COVID-19;
- impact on existing workforce availability due to COVID-19;
- delay in capital investment plans due to COVID-19;
- similar implications for partner settings in relation to their own planning;
- the need for ongoing contingency planning for potentially reduced capacity and social distancing and safety requirements, should full time opening and return not be possible;
- education recovery remains subject to review as part of the Statutory 3-weekly review process of Scottish Government, and as such the full re-opening of ELC settings remains subject to that review process and prevailing scientific and public health advice;
- additional costs, and service delivery implications, from the provision of Keyworker Childcare;
- considering all of the above, the removal of the Statutory duty for delivery of 1140 hours from August 2020; and
- financial risks and implications arising from the above and COVID-19 generally.

4.6 **Design Principles**

Given the wider health and economic context the Council is now operating within, the following key principles have been prepared to shape the Council's planning around ELC:

- prioritisation and consideration of the health and wellbeing of children, staff, partners and their families;
- the need for a prudent and cautious approach to financial planning and service delivery;
- a recognition that a phased and measured approach is required, during these uncertain times;

- any planning to be focused on the short term and the ‘knowns’, and in expectation that there may be a rapid change in the environment and planning assumptions;
- the need to retain suitable contingency funding to deal with unknowns;
- the need to protect existing services, customers, jobs and ultimately the needs of local residents, ahead of any additional spending or recruitment;
- a recognition that it is easier and more manageable to scale up spending and service delivery, than to scale back;
- the need to follow relevant national advice and guidance relating to the safe resumption of service delivery;
- the additional costs of delivering safe and effective service delivery during COVID-19 are not fully known as yet; and
- planning must take account of the full and wider costs and implications of service delivery, across all Council Services, which in the context of ELC would include factors such as any additional property, cleaning, FM etc. costs which may also be impacted by COVID-19 and safe re-opening and delivery of services.

4.7 **Next Steps**

4.7.1 In response to local needs a number of options will need to be considered, in relation to ELC planning for the remainder of this financial year and assessed. These will come forward to the Education Committee in August.

4.7.2 The context set out within this report and the clarification for stakeholders enables the following:

- a commitment to continue funding those settings at pre-COVID levels, whether that be 600 or 1140 hours, where they had been contracted and providing those funded hours prior to COVID-19;
- as a result, over 50% of Highland settings would still be funded to deliver 1140 hours, and in a position to deliver when safe and permissible to do so (but recognising short term COVID-19 may continue to impact on capacity);
- protecting a significant number of Local Authority, Partner Provider and Childminder jobs and incomes;
- providing some continuity and clarity to parents and families in relation to ELC plans;
- a pause to any further expansion of settings to 1140 hours from August 2020 as had been planned until such matters are fully impact assessed within the wider context of the Council’s Recovery, sustainability and financial framework;
- ELC capital projects, where already contractually committed would proceed, with onsite work commencing when safe and practicable to do so. Design and development work would continue on other projects assessed as critical;
- time for further engagement and impact assessment linked to COVID-19 with partner providers and childminders in relation to ELC delivery, future expansion, and any staffing or financial implications that may arise; and
- further discussions with the Scottish Government regarding a new timetable for further expansion to 1140 hours.

Designation: Executive Chief Officer – Education and Learning

Date: 22 June 2020

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Background Papers:

https://www.highland.gov.uk/download/meetings/id/76662/item_6_elc_key_worker_childcare_provision_%E2%80%93_costs_and_risks