

To: Audit, Risk and Scrutiny Board

On: 27 August 2018

Report by: Head of Early Years and Inclusion

Heading: Audit Scotland Report – Early Learning and Childcare

1. Summary

- 1.1. Audit Scotland published a report, [Early learning and childcare](#) on 17 February 2018. The report considered the implementation of the policy to provide children aged 3 and 4 and eligible 2-year olds with 600 hours of funded early learning and childcare. The report also looked at the planning for the expansion of funded early learning and childcare to 1140 hours in 2020.
- 1.2. Audit Scotland set the following question: How effectively are the Scottish Government and councils working together to improve outcomes for children and support parents by expanding access to funded ELC? The report produced focused on two areas:
 - delivering the expansion to 600 hours of funded early learning and childcare; and
 - planning for the extension to 1140 hours of funded early learning and childcare.
- 1.3. The Audit Scotland report considers the position in Scotland up to the end of December 2017. The Scottish Government announced the financial settlement for local authorities to implement the expansion of funded early learning and childcare from the present 600 hours to 1140 hours on 1 May 2018.

- 1.4. Audit Scotland highlight actions required by the Scottish Government and local authorities to ensure delivery of the current 600 hours of funded early learning and childcare. Section 4 of this report notes the actions and indicates the position in Renfrewshire.
 - 1.5. Section 5 of this report highlights the recommendations from Audit Scotland in relation to the planning for the delivery of the expansion of funded hours from the present 600 hours to 1140 hours. The Renfrewshire position is noted in Section 5.
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2. Recommendations

- 2.1 It is recommended that the Board notes the contents of this report.
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3. Background

- 3.1 Currently, under the Children and Young People (Scotland) Act 2014, children aged 3 and 4 years and eligible 2-year olds are entitled to 600 hours of funded early learning and childcare per annum. Renfrewshire Council has fulfilled this duty by ensuring that parents can access their child's entitlement from the following services:
 - 12 local authority pre-five centres;
 - 22 nursery classes; or
 - 33 partner providers in the independent or voluntary sector.
- 3.2 The Scottish Government is committed to increasing the level of funded early learning and childcare from the current level of 600 hours to 1140 hours per annum by 2020. Children's Services submitted an expansion plan to the Scottish Government in March 2018. The work on delivering the expansion plan for Renfrewshire is being progressed by Children's Services supported by other services across the Council.
- 3.3 Audit Scotland reviewed the delivery of the current policy of 600 hours of funded early learning and childcare. The audit also considered the planning for expansion to 1140 hours of funded early learning and childcare. The report, Audit Scotland set the following question: How effectively are the Scottish Government and councils working together to improve outcomes for children and support parents by expanding access to funded ELC? The report produced focused on two areas:
 - delivering the expansion to 600 hours of funded early learning and childcare; and
 - planning for the extension to 1140 hours of funded early learning and childcare.

3.4 The specific audit questions were:

- What are the objectives of, and evidence underpinning, the policy of increased public funding of ELC, and how does this link with wider Scottish Government policy goals?
- How effectively are the Scottish Government and councils working together to deliver the policy objectives of expanding funded hours of ELC, and how are they assessing the cost and impact?
- How is 600 hours of ELC being implemented locally and what are the views of parents and carers about the impact it has on their lives?
- What are the main challenges around expanding provision to 1,140 hours and are there plans in place to address these?

3.5 The audit found that the policy was consistent with the Scottish Government's strategic objective of improving the lives of children and families. Audit Scotland found that the Scottish Government and councils are working well together to deliver the funded early learning and childcare provision. The views of parents around the provision of funded early learning and childcare was in the main positive. Finally Audit Scotland highlighted risks around the ability of local government to deliver the increase in funded early learning and childcare by 2020. The two major risks identified are the ability to deliver the infrastructure and availability of the workforce. These two risks have been identified in the Renfrewshire plan.

4. Implementation of 600 hours of funded early learning and childcare

4.1 Audit Scotland highlighted a number of actions they consider require to be taken to ensure the delivery of the current 600 hours of funded early learning and childcare in line with the national policy. Two recommendations were for the Scottish Government, two jointly for the Scottish Government and councils and one for councils.

4.2 Audit Scotland indicated that the Scottish Government should:

- Work with the Department for Work and Pensions (DWP) and HM Revenue and Customs (HMRC) to allow councils to receive information on eligible two-year-olds so they can more accurately target eligible families.
- Update the statutory guidance to clarify the distinction between flexibility and choice. This will help ensure councils understand what is required and parents understand what they can reasonably expect from their council.

4.3 Audit Scotland recommended that the Scottish Government and councils should:

- Develop better links between the increase in funded hours and programmes to support parents, at a local and national level, into work, training or study.

Renfrewshire has the highest level of take up for entitled 2-year olds in Scotland. In Renfrewshire we are reaching 19% of entitled 2-year olds against 7% across Scotland. Children's Services continues to promote access to funded early learning and childcare for entitled 2-year olds through a variety of medium and links with employability services.

- provide clearer information for parents to help them understand how funded early learning and childcare is provided locally.

The Children's Services website has been updated to provide clear information for parents on the entitlement to funded early learning and childcare.

4.4 Audit Scotland recommended that Councils should:

- Develop commissioning strategies for funded early learning and childcare that set out information on demand, capacity, cost, quality, flexibility and parental preferences.

Renfrewshire has a framework arrangement in place to ensure that parents have a range of choices when considering how to access the funded early learning and childcare entitlement. Renfrewshire has one of the highest levels of provision provided by independent and third sector partners in Scotland. The present framework expires at the end of July 2019 and the new commissioning framework will reflect the recommendation from Audit Scotland.

5. Planning for the expansion of funded early learning and childcare to 1140 hours and reduce the risks of failing to deliver on time.

5.1 Audit Scotland made two specific recommendations for the Scottish Government on the planning for the expansion of funded early learning and childcare. Three joint recommendations were made for the Scottish Government and councils to respond to.

5.2 The recommendations for the Scottish Government are they should:

- Update the statutory guidance following agreement on important aspects of 1140 hours, such as funding follows the child and delivering flexibility.

- Continue to develop the detail of how they will evaluate the expansion to 1140 hours and ensure baseline data is available.

5.3 Audit Scotland recommended that 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.

Renfrewshire is working on the expansion plan with specific workstreams focusing on workforce planning and infrastructure. A Steering Board has been established to oversee the planning and delivery of the expansion of funded early learning and childcare.

- Collect better information on the cost of different models of early learning and childcare and their impact on children's outcomes to allow them to better plan for the expansion.

Renfrewshire Children's Services is developing a range of key performance indicators for consideration by the Steering Board which will address this recommendation.

- Work with partner providers of both funded and non-funded early learning and childcare to understand the impact of decisions on the wider system of early learning and childcare and reduce the risk of unanticipated consequences for these providers.

Children's Services has established a regular forum with independent and third sector providers on the partnership framework to review the impact of the expansion of funded early learning and childcare on their services. The plan is to extend an invitation to other providers not presently on the framework to ensure that they are able to contribute to planning for expansion in Renfrewshire.

Implications of the Report

1. **Financial** - The Scottish Government has advised local authorities of the level of funding for the expansion of funded early learning and childcare. The costs of expansion in Renfrewshire will be contained within the available resources.
2. **HR & Organisational Development** - The Early Years Steering Board is presently developing a workforce plan to ensure that there are sufficient staff available to the authority to allow delivery of the expansion of funded early learning and childcare.

3. **Community/Council Planning –**
4. **Legal** - Renfrewshire will comply with the duty to provide funded early learning and childcare for all 3 and 4 year and eligible 2-year olds.
5. **Property/Assets** - The Steering Board is reviewing the implications of the expansion of funded early learning and childcare. There are plans being progressed to ensure that Renfrewshire's property portfolio is suitable to meet the needs of children and deliver the expansion in funded hours.
6. **Information Technology** - None
7. **Equality & Human Rights** - The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** - None
9. **Procurement** – There will be a need to develop a framework with providers in the independent and third sector for the delivery of funded early learning and childcare. Work on this is being progressed as part of the expansion planning being overseen by the Steering Board.
10. **Risk** – The major risks are failing to deliver the infrastructure and staff required to support the expansion and the ability of the independent and third sector to meet the needs identified. These three areas are being addressed under the expansion planning and overseen by the Steering Board.
11. **Privacy Impact** – None.
12. **Cosla Policy Position** – None

List of Background Papers

None

JT/LG
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