

ABERDEEN CITY COUNCIL

COMMITTEE	Education, Culture and Sport
DATE	24 November 2011
DIRECTOR	Annette Bruton
TITLE OF REPORT	Community Development Fund – Childcare & Out of School Provision
REPORT NUMBER:	ECS/11/074

1. PURPOSE OF REPORT

Further to a report considered at the Finance and Resources Committee on Kaimhill Community Facilities, officers were instructed to report back on establishing a community development fund of £50,000 per annum that can be bid for by community groups to provide not for profit registered childcare and out of school provision.

This report provides information on the implications of establishing such a development fund.

2. RECOMMENDATION(S)

It is recommended that the Committee:

Confirm that the current Council policies (Out of School Care Policy and Bookings and Lettings Policy) in relation to providing free access for non-profit making registered childcare and pre-school providers will continue to apply in relation to those Council establishments that become leased or equivalent.

3. FINANCIAL IMPLICATIONS

If Management Committees were to charge for childcare provision in community centres, the financial implication to existing childcare providers could be an increase of between approximately £100,000 and £700,000 per year. Current provision is delivered by the Council and other non-profit making bodies. Parents contribute to the service through childcare fees and fundraising. For the Council provided services, there is no available budget to cover hire charges within community centres.

The establishment of a development fund would cost £50,000 per year. There is no available budget for this within the Education, Culture and Sport budget. The establishment of such a development fund would also result in administrative costs, which are not budgeted for. A development fund budget of £50,000 would not meet all the potential additional hire charges as detailed above.

Currently the provision and maintenance of high quality childcare in communities characterised by high Scottish index of Multiple deprivation scores or to vulnerable children and families is supported through service budgets including Surestart and Childcare Strategy funding totalling £696,000 per year.

4. OTHER IMPLICATIONS

If a funding scheme were to be put in place, mechanisms would be required to ensure that organisations awarded funding used it for the intended purpose and complied with the Council's Following the Public Pound Policy.

5. BACKGROUND/MAIN ISSUES

5.1 Current Position

There are a range of childcare activities provided throughout the Council's community centres. The childcare activities include before and after school care, holiday care, playgroups, crèches and PEEP groups. These services are delivered directly by the Council and through other not for profit organisations.

This provision currently incurs no charge for the use of council premises. This is in line with the Council's Bookings and Lettings Policy, approved at the Education, Culture and Sport Committee on 18 February 2010 which states that there will be no charge levied for Non-profit making registered childcare and pre-school providers, and the Council's Out of School Care Policy, 7 October 2008 which states that "the Council will....provide free access to local authority establishments."

5.2 Benefits of Child Care

The fundamental principle of investing in early years and in early identification and intervention services and support to parents is to improve the long term outcomes for all children and in particular, for those children who need additional support.

5.2.1 Out of School Care

There are a range of benefits of providing out of school care as part of the city's social and economic priorities: to improve outcomes for children; to make the city an attractive place to live and work; to attract inward investment; and to meet the needs of existing working parents and those returning to employment and as part of the Council's policy commitment to fully integrated children's services.

The Council's Out of School Care Policy, agreed 7 October 2008 and reaffirmed in 2009, states that the Council will:

- promote the value that quality childcare services has as part of integrated children's services;
- provide free access to local authority establishments as Aberdeen City Council's contribution to the economic development of the city;
- ensure that local authority establishments are accessible for the provision of wrap around childcare services including breakfast clubs, holiday play

schemes and after school clubs and that these are accessible to children with disabilities;

- ensure that where out of school care is based in schools, community centres or family centres that staff work in partnership with the providers to overcome any organisational barriers which could prevent quality services being delivered to children and parents;
- ensure that local authority establishments and childcare providers jointly participate in planning to create wrap around childcare services that meet Care Commission requirements;
- ensure that effective communication systems are established between local authority establishment staff and the childcare provider to allow regular discussion on the needs of the children attending the service;
- promote childcare services as a positive aspect of the school/centre's package of services to working parents; and
- recognise the value and qualities of play centred childcare provision, as a positive addition to the child's daily learning experience and as a significant contribution to the Curriculum for Excellence.

5.2.2 Playgroups and crèche provision

The range of benefits of supporting the provision of crèches and playgroups includes: meeting the needs of working parents; enabling parents and carers to improve their skills to support a return to or to commence employment; enabling parents and carers to participate in local community and democratic activities; developing the bond between parent/ carer and child; realising the importance of play within a child's learning experience; supporting the creation of bonds within families and neighbourhoods to help develop cohesive communities; and as part of the Council's policy commitment to fully integrated children's services.

5.2 Budget Decision

5.2.1 In February 2011, as part of its budget process, the Council agreed to move all community centres to leased centre status. As a result of this decision, some representatives from volunteer Management Committees, who will be responsible for running local authority establishments have intimated through meetings and forums that they feel that it would be unreasonable for the Council to limit their ability to generate revenue from non-profit making registered childcare and pre-school providers through the continuation of these policies.

5.2.2 There are a number of costs associated with the provision of childcare and pre-school activities. Currently the most significant cost for these providers is in providing suitably qualified and trained staff. Statutory requirements for minimum levels of qualifications for staff working in childcare provision are increasing (from December 2011, lead practitioners will require to be degree qualified.) There is concern that the costs associated with ensuring appropriately qualified staff are in place, along with potentially increasing room hire charges for these services may make them unviable.

5.2.4 Research of fees charged for playgroups which currently utilise non-Aberdeen City Council facilities (Appendix A) shows that there is a large variation in rental charges (£5 - £33 per session.) At the current time, there is no information from

Management Committees about what they might charge for the use of Community facilities for these activities.

- 5.2.5 Aberdeen City Council provided childcare activities currently have an uptake of around 108,250 childcare places per year covering over almost 15,000 hours per year. These include pre and after school care (uptake of 56,360 child places per year), holiday clubs (uptake of 4,850 places per year), and a range of playgroups and crèches (uptake of 47,050 places per year.) Using the information above about charges currently being levied by non Aberdeen City Council facilities: if Management Committees were to charge £5 per hour for these activities, this would cost the service an additional £75,000; If Management Committees were to charge £33 per session, the cost to the service would be an additional £495,000 per year.
- 5.2.6 An independent not for profit charitable organisation, provides 37,144 childcare places per year, in community centres, over around 3,360 hours. This provision includes pre and after school care and childcare during holidays and in service days. Using the information above about charges currently being levied by non Aberdeen City Council facilities: if Management Committees were to charge £5 per hour for these activities, this would cost the independent not for profit charitable organisation an additional £16,800; If Management Committees were to charge £33 per session, the cost would be an additional £110,880 per year.
- 5.2.5 In addition, three services, which are either privately run or managed by parent committees exist within Community Centres. These provide around 35,000 childcare places per year, during 3,200 hours. If management committees were to charge £5 per hour for these activities, this would cost an additional £16,000, or at £33 per hour £105,600.

5.3 Community Development Fund

To mitigate against the risk that if the existing Council policy were to be dis-applied, the implementation of charging by Management Committees within community centres could make childcare provision unsustainable, it has been suggested that a Community Development Fund could be set up. This fund would be available for non-profitmaking registered childcare and pre-school providers to apply for funding to help subsidise charges implemented by Management Committees. At the Finance and Resources Committee on 16 June 2011, it was suggested that the value of such a fund would be £50,000.

There would also be a cost to the service in promoting and administering such a fund, which is not budgeted for.

If members wished to pursue the implementation of such a Community Development Fund, given that there is no budget available within the Education Culture and Sport service, it would be recommended that this report be remitted to the Finance and Resources Committee with a recommendation that the funding for this development fund be sourced from an agreed alternative budget. If approved, officers would then seek to develop criteria and an operational system for the equitable disbursement of this fund while prioritising areas of greatest need.

Given the complexities of implementing such a system and the likelihood that the fund would be oversubscribed, officers would recommend that the current policies

should be continued, which would allow current provision to continue with no additional costs.

6. IMPACT

This report relates to the Combined Community Plan and Single Outcome Agreement as follows:

- People of all ages take an active part in their own learning to achieve their full potential Learning and training is appropriate and accessible to learner's needs
- Children and young people access positive learning environments and develop their skills, confidence and self esteem to the fullest potential
- Children, young people and their families/carers are involved in decisions that affect them. Their voices heard and they play an active and responsible role in their communities
- Children's learning and educational attainment in Aberdeen is continuously sustained and improved
- School leavers enter positive destination of employment, training or further and higher education with a focus on and support for young people who require More Choices and More Chances
- Children and young people actively participate in their communities and have optimum involvement in decision making
- All children, young people and their families have access to high quality services when required and services provide timely, proportionate and appropriate response that meeting the needs of children and young people within Getting it Right for Every Child, (GIRFEC) requirements
- Improve the quality of life in our most deprived areas
- Citizens are increasingly more active in their communities regardless of age, gender, sexual orientation, ethnic origin, where they live, disability or faith/religion/belief and contribute to 'active citizenship'
- Develop pathways to participation which enhance the diversity of local representation at and engagement with regional, national and international arts, heritage and sporting events
- Our public services are consistently high quality, continually improving, efficient and responsive to local people's needs

Public – This report will be of interest to the public, as the recommendations will impact on services delivered throughout the city.

7. BACKGROUND PAPERS

17/6/11 Finance & Resources Committee, Kaimhill Community Facilities – Update on Progress of Management Agreement

8. REPORT AUTHOR DETAILS

Gail Woodcock
Service Manager Communities
gwoodcock@aberdeencity.gov.uk
01224 522732

Overview of Aberdeen City Playgroup Rent Costs - September 2011

<u>Group Name</u>	<u>Number of Sessions</u>	<u>Cost per Session</u>	<u>Annual Cost</u>	<u>No of Children Registered to Care for</u>	<u>Additional Information</u>
Community Playgroup A	5 Playgroup 1 Admin 1 Rising 5's	£33 Playgroup £28.50 other	£8880	20 per session	5% increase each year.
Community Playgroup B	4	£14	£2240	22 per session	Issues as Community Centre has over £99k in bank.
Playgroup C	5 Playgroup	£18.41	£3682	14 per session	
Playgroup D	7 Playgroup 1 Admin	£7.50	£2400	21 per session	
Playgroup E	3 Playgroup	£11.20	£1344	20 per session	70p per child per session, based on 16 children
Playgroup F	3 Playgroup	£5	£600	20 per session	
Playgroup G	5 Playgroup	£26	£5782	24 per session	
Nursery H			£60000		Private Nursery
Playgroup I	4 Playgroup 1 Admin	£9.50 Playgroup £20 Admin/Cleaning	£2320	20 per session	
Playgroup J	10 Playgroup	£10	£4000	21	
Group K	3 Playgroup	£10	£1200	21	
Playgroup L	5 Playgroup	£18	£3600	21	

Please find above information from some of the Playgroups within Aberdeen City with regards to their average rent costs.

There are a number of factors affecting the financial stability of play groups. These include:

- Due to the current financial climate many parents do not have the disposable income to contribute to fundraising ventures planned to buy resources and cover rents.
- The increase in minimum staff qualifications has led to employees being paid a far higher rate of pay than ever before.

But the main worry for most of these groups is increasing rent costs.

Apart from staff wage costs, rent is the largest outgoing to these groups. Currently all of the above groups apply for a grant through the SPPA from the Aberdeen Early Years and Childcare Partnership.

Overview of Aberdeen City Playgroup Rent Costs - September 2011

This is for between £1000 and £2000 and goes directly towards rent/staffing costs. Without this these groups would currently be running at a deficit.

As can be seen from the above information there is a huge variation in rent charges, currently ranging from £5 - £33 per session.