

ABERDEEN CITY COUNCIL

COMMITTEE	Education and Children's Services Committee
DATE	24 January 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	ELC Concession Agreements Update
REPORT NUMBER	CFS/23/019
DIRECTOR	Eleanor Sheppard
CHIEF OFFICER	Shona Milne
REPORT AUTHOR	Louise Beaton and Fiona Lawrie
TERMS OF REFERENCE	1.1.1

1. PURPOSE OF REPORT

- 1.1 The report provides an update to the Committee on the operations of the concession agreements at Tillydrone and Cumming Parks Early Learning and Childcare (ELC) settings, as per the instruction of the former Strategic Commissioning Committee, that a report be submitted to this committee following 12 months of operation.

2. RECOMMENDATIONS

That Committee:-

- 2.1 Notes the contents of this report; and
- 2.2 Instructs the Chief Education Officer to continue to monitor the concession contracts and report back to Committee at the end of the first 3 full years of the current concession agreement.

3. CURRENT SITUATION

3.1 Background

- 3.1.1 From August 2021 all three and four year olds, and eligible two year olds have been receiving up to 1140 hours of funded Early Learning and Childcare (ELC) per annum.
- 3.1.2 Aberdeen City Council ELC Delivery plan, which was approved at the then Education and Children's Services Committee in 2017, set out an ambitious strategic plan to deliver 1140 hours of funded ELC across Aberdeen City. The Early Years team worked closely with colleagues across Capital and Corporate Landlord clusters in delivering the Plan which included the delivery of several new Early Learning and Childcare buildings.

3.2 Tillydrone and Northfield Localities

- 3.2.1 Engagement with parents and carers prior to the expansion identified there was a limited choice of provision available to families. In some localities across the city there was a higher concentration of Funded Providers, whilst other areas had very few, which restricted the choice available to parents and carers. The latter was the case in our priority areas. Consultations with parents/carers revealed in priority areas, funded providers are often more sought after than school-based provision. Some parents/carers reported they felt more comfortable building a relationship with a Funded Provider than with a school-based setting.
- 3.2.2 The expansion of ELC was an opportunity to remove barriers, engage parents/carers and enhance the choice available to families. To this end, as part of the ELC capital programme two new purpose standalone nurseries were built in Tillydrone and Cummings Park in Northfield. In line with the ambition of the ELC Delivery Plan, the Early Years Team sought to increase choice and flexibility within our priority areas by appointing an ELC provider to occupy and deliver ELC services in the two aforementioned Council owned, new build nurseries.
- 3.2.3 An open tender was undertaken in Spring 2021 and conducted in line with the Concession Contracts (Scotland) Regulations 2016. Following this process, Flexible Childcare Services Scotland (FCSS), a registered charity operating across Scotland, was awarded the contract for Tillydrone and Cummings Park nurseries. This approach presented an excellent opportunity to support the Funded Provider sector, enabling access to a purpose-built facility without incurring the upfront/capital costs and increase choice for families.
- 3.2.4 The concession contract allows the Council to charge the provider for the use of the property and/or a percentage of any profit generated above a threshold value, whichever is higher. As part of the agreement, it is expected the provider throughout the duration of the contract meets the Council's prescribed outcomes, which are aligned with the ELC Delivery Plan and the Local Outcome Improvement Plan (LOIP). The proposed duration of the contract is four years with the flexibility to extend by a further four years.
- 3.2.5 In Year 1, Tillydrone is charged £10K and Northfield is charged £15K per annum. In Year 2 of the contract, the charge changes to a percentage of the Provider turnover, specifically 5% if that is higher than the amount above. If it is not, then the amount above will continue to be paid.

3.3 Flexible Childcare Services Scotland (FCSS)

- 3.3.1 FCSS welcomed families to the new nurseries in Tillydrone and Cummings Park from January 2022 onwards and offered a fully flexible model to families of eligible 2 year old and 3 and 4 year old children seeking to access up to 1140 hours of ELC. In their first year, the provider has been establishing the setting and seeking to build relationships with the wider community. Recruitment challenges have restricted the capacity of the provider to embed within the

community fully and this work is on-going. These challenges are steadily being overcome by the Service.

3.4 Quality Assurance

- 3.4.1 The Early Years team have supported FCSS in their inaugural year at the Tillydrone and Cummings Park settings. Regular quality assurance visits by the Early Years team have confirmed that there are areas for improvement, with a greater focus on Cummings Park nursery. The Early Years team are working closely with the provider to improve the quality of the service and rapid progress is being made. An update on progress at Cummings Park Nursery will be reported to the March meeting of the Education and Children's Services Committee as part of our regular inspection reporting.
- 3.4.2 The local authority has the statutory responsibility for ensuring that funded entitlement is available to all eligible children in areas across the city. Where a registered setting does not receive evaluations of 'good' (Grade 4) or better by the Care Inspectorate, the local authority place the setting in a Service Improvement Period (SIP). The Cummings Park Nursery has been set a Service Improvement Period and the Early Years team are confident that the Service has the capacity and ability to sustain improvement. The Early Years team are monitoring progress on a weekly basis. As of 7 December 2022, FCSS has met 16 out of 18 requirements at a follow up inspection.
- 3.4.3 If it becomes evident that insufficient progress has been made at any point, there is the option within the concession contract to reject/terminate the agreement currently in place and the service can look at re-tendering if required. Any such decision would be reported to Committee.

3.5 Community Engagement

- 3.5.1 FCSS in its opening year has sought to develop partnership links with community groups and projects. It is recognised that engaging with the local community and understanding the context in which they are operating will help FCSS meet the needs of families. While the provider's priority is to address areas for improvement following the Service and Care Inspectorate evaluation, there is a commitment from FCSS to build relationships with community groups and other local organisations. FCSS Tillydrone nursery team are exploring how they can partner with local partners to develop their community garden, such as working with local organisation 'Earth and Worms'.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications from this report.

5. LEGAL IMPLICATIONS

- 5.1 The local authority has a statutory responsibility for ensuring that funded entitlement is available to all eligible children in their area and are the primary guarantors of quality and key enablers of flexibility and choice. The Early Years

team are working closely with the provider to support them on their improvement journey to meet the National Standard.

6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no direct environmental implications arising from the recommendations in this report.

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	Potential for children to not have access to quality education experience.	Close monitoring of progress by the Education Service.	L	Yes
Compliance	Risk of not meeting statutory obligations around 1140 hours	The Early Years team continue to quality assure and support both settings to deliver improvement.	L	Yes
Operational	Quality assurance processes are not robust.	More robust quality assurance process now implemented by the provider. Close monitoring of progress by the Early Years team. Support in place from the Early Years team and commitment from the provider to implement recommendations made by Care Inspectorate.	L	Yes
Financial	N/A	There are no financial risks arising from the recommendations in this report.		No

Reputational	Risk of not delivering on legal obligations of 1140 hours.	Mitigated by oversight Early Years' Service Managers and regular Locality Lead meetings with the provider.	L	Yes
Environment / Climate	Risk of not utilising spaces effectively to create an enabling and positive environment for learners.	Mitigated through targeted support of Locality Lead and modelling on how to enhance the learning environment and utilise the outdoor learning spaces.	L	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2022-2023</u>	
Aberdeen City Council Policy Statement	Impact of Report
<u>Working in Partnership for Aberdeen</u>	The proposals within this report support the delivery of the Policy Statements – ‘Supporting People with the Cost of Living’ by providing flexible and affordable childcare for families to support working parents and those seeking to return to work or training. The report also seeks to deliver on ‘Improving Educational Choices’, ‘Creating Better Learning Environments’ and ‘Caring for Young People’, by seeking to create enabling and positive learning environments for children.
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	
Prosperous Economy Stretch Outcomes	<p>The Expansion of Early Learning and Childcare (ELC) will have a positive impact on this priority theme and will help to deliver the LOIP Stretch Outcome 1 ‘10% increase in employment across priority and volume growth sectors by 2026’. The establishment of two purpose-built nurseries in the priority communities supports families in employment, seeking to return to work or study by delivering flexible, affordable, and accessible ELC to families.</p> <p>The nurseries also offer local employment and career progression opportunities for the communities within which they are located.</p>

<p>Prosperous People Stretch Outcomes</p> <p>Prosperous People - 95% of all our children, including those living in our priority neighbourhoods, will sustain a positive destination upon leaving school by 2026</p> <p>Mitigating the causes of immediate and acute poverty</p> <p>Supporting vulnerable and disadvantaged people, families and group</p> <p>Improving health and reducing inequalities.</p> <p>Increasing children's knowledge and understanding of their own physical and mental wellbeing and take an early intervention and prevention approach.</p>	<p>The detail within this report supports the delivery of the Children and Young People Stretch Outcomes 4 to 9 in the refreshed LOIP. This includes providing ELC provision that supports early speech, language and literacy develop. Delivery of family support to ensure families receive parenting and family support, aligned to an early intervention and prevention agenda and develop a relational approach that is family centred. The provision of extended ELC also supports families to take up employment and training opportunities.</p> <p>ELC provision also offers local employment and career progression opportunities for the communities within which they are located.</p>
<p>Prosperous Place Stretch Outcomes</p>	<p>The provision of ELC will also contribute to the delivery of the LOIP Stretch Aim 13: 'No one in Aberdeen will go without food due to poverty by 2026.'</p> <p>The increase in funded ELC will support families seeking to take up employment and training opportunities and reduce the cost pressures of family incomes by providing up to 1140 hours of funded hours. The delivery of local, flexible and affordable ELC provides more choice greater choice, where previously this may not have been an affordable option.</p> <p>Every child who attends ELC receives a minimum of one free meal per session attended as part of their statutory entitlement, as well as a portion of milk and fruit or vegetables daily via the Scottish Milk and Healthy Snack Scheme.</p>

Regional and City Strategies	The details in this report are aligned with the Strategic Development Plan by supporting the workforce. The provision of expanded ELC will: <ol style="list-style-type: none"> 1. Support families to take up employment and training opportunities; 2. Develop the Young Workforce; and 3. Support business to recruit and retain staff.
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9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Required and Submitted.
Data Protection Impact Assessment	Not required
Other	Not required

10. BACKGROUND PAPERS

- 10.1 Education and Children's Services Committee – Thursday 14th September 2017: ECS/17/042 Early Learning and Childcare Delivery Plan
- 10.2 Strategic Commissioning Committee – Friday 26th March 2021: 00-BVQD8856 Early Learning and Childcare Concession (Tillydrone and Northfield Cummings Park Nurseries)
- 10.3 Education Operational Delivery Committee – Wednesday 26th January 2022: OPE/22/001 Evaluation of the Expansion of Early Learning and Childcare

11. APPENDICES

None.

12. REPORT AUTHOR CONTACT DETAILS

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