

ABERDEEN CITY COUNCIL

COMMITTEE	Education and Children's Services Committee
DATE	17 February 2026
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Early Learning and Childcare Concession Agreements – Flexible Childcare Services Scotland (FCSS)
REPORT NUMBER	F&C/26/006
EXECUTIVE DIRECTOR	Eleanor Sheppard
CHIEF OFFICER	Shona Milne
REPORT AUTHOR	Louise Beaton
TERMS OF REFERENCE	1.1.1

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update Committee on the operations of the concession agreements at Cummings Park and Tillydrone Early Learning and Childcare (ELC) / Nursery settings run by Flexible Childcare Services Scotland (FCSS).

2. RECOMMENDATIONS

That the Committee:-

- 2.1 Notes the contents of the report and instructs Officers to report back to Committee at the end of the next Concession Contract period; and
- 2.2 Agrees to extend the concession agreements with Flexible Childcare Scotland Services (FCSS) for another 4 years based on the positive evaluations and their ability to offer a choice of flexible services in areas where there are a limited number of funded providers operating.

3. CURRENT SITUATION

- 3.1 Officers previously updated Committee on 24 January 2023 (CFS/23/019) and were requested to continue to monitor the concession agreements and report back to Committee at the end of the contract period.

Tillydrone and Northfield Localities

- 3.2 Engagement with parents and carers prior to the expansion of ELC identified there was a limited choice of more flexible provision for 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 and 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.

- 3.3 The expansion of ELC was an opportunity to remove barriers, engage parents/carers and enhance the choice available to families. To this end, and as part of the ELC capital programme, two new purpose standalone nursery / ELC settings were built in Cummings Park in Northfield and in Tillydrone. In line with the ambition of the ELC Delivery Plan, the Early Years Team sought to increase choice and flexibility within our priority regeneration areas by appointing an ELC provider to occupy and deliver ELC services in the two aforementioned Council owned, new build nurseries.
- 3.4 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 Cummings Park and Tillydrone nursery / ELC settings. 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 to increase choice for families.
- 3.5 The concession contracts 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).

Flexible Childcare Services Scotland (FCSS)

- 3.6 FCSS is the operator of the concession agreements at Cummings Park and Tillydrone ELC / Nursery settings. It offers a unique, fully flexible model of ELC delivery, which has no minimum booking requirements, allows for changing work patterns and thereby can remove barriers to families, particularly those with lower income and/or insecure work and those entering employment, education and training. FCSS works in partnership with Aberdeen City Council, as a funded provider, to deliver the ELC funded entitlement to eligible children (eligible 2 year olds and 3-5 year olds) in the Northfield and St Machar ASGs.
- 3.7 The contract was approved for a duration of 4 years with the option to extend by a further 4 years. We are pleased to report a very positive picture for the concession agreements overall, with improved quality, improved inspection evaluations, more funded children placed and beneficial impacts for children and families reported.

Number of Funded ELC Placements

- 3.8 FCSS welcomed families to the new ELC / nursery settings in the Cummings Park and Tillydrone areas from January 2022.

Cummings Park

- 3.9 Cummings Park ELC / Nursery is registered to provide a care service to a maximum of 80 children at any one time, from the age of two years to those not yet attending primary school, within the Northfield ASG. The number of funded

children has increased year on year since it opened. In particular, the opening of this setting has significantly helped to support the high demand for Eligible 2's placements in the Northfield area with a large proportion of our eligible 2 year population now placed there.

Year	3-5s	Eligible 2's
2021/22 *from January 2022	15*	18*
2022/23	41	27
2023/24	48	42
2024/25	67	58
2025/26 **year to date	78**	30**

Tillydrone

- 3.10 Tillydrone ELC / Nursery is registered to provide a care service to a maximum of 56 children at any one time, from the age of two years to those not yet attending primary school. The number of funded children attending has also increased at Tillydrone ELC / Nursery.

Year	3-5s	Eligible 2's
2021/22	7*	10*
2022/23	37	4
2023/24	51	6
2024/25	44	12
2025/26 *year to date	39**	7**

Quality Assurance

- 3.11 The Early Years team have supported FCSS at both Cummings Park and Tillydrone ELC / Nursery settings. Regular quality assurance visits by the Early Years Team are undertaken. Care Inspectorate evaluations for both settings have improved since their inception and are detailed below:

Cummings Park ELC / Nursery

Aspect being inspected	Initial evaluation 28 July 2022	Second evaluation 2 June 2023	Third evaluation 11 September 2023	Most recent evaluation 24 April 2024
How good is our care, play and learning?	1 – Unsatisfactory	3 – Adequate	Not evaluated	4 – Good
How good is our setting?	2 – Weak	2 – Weak	3 – Adequate	4 – Good
How good is our leadership?	1 – Unsatisfactory	3 – Adequate	Not evaluated	4 – Good
How good is our staff team?	2 – Weak	3 – Adequate	Not evaluated	4 – Good

3.12 The Early Years Team have worked closely with FCSS to support the improvement of the quality of their services and positive progress has been made. Progress at Cummings Park Nursery has been reported at Education and Children’s Services Committee as part of our regular inspection reporting.

Tillydrone ELC / Nursery

Aspect being inspected	Initial evaluation 16 February 2023	Second evaluation 10 October 2023	Most recent evaluation 1 August 2024
How good is our care, play and learning?	4 – Good	4 – Good	4 – Good
How good is our setting?	5 – Very Good	4 – Good	5 – Very Good
How good is our leadership?	3 – Adequate	4 – Good	5 – Very Good
How good is our staff team?	4 – Good	3 – Adequate	4 – Good

3.13 FCSS has sought to develop partnership links with community groups and projects and local services. It is recognised that engaging with the local community and understanding the context in which they are operating helps FCSS meet the needs of families. There has been a commitment from FCSS to build relationships with community groups and other local organisations.

3.14 A Health Visitor visits the Cummings Park Nursery frequently throughout the week, supporting 107 families. Positive feedback from parents has been received. Flexible Childcare Services Scotland also works in partnership with CFine and Fareshare at both Cummings Park and Tillydrone ELC / Nursery settings to offer a food larder which is well used and provides excellent support for families.

Impact

3.15 The concession agreements have created local employment, training and career progression opportunities in the Cummings Park and Tillydrone ELC / Nursery settings.

3.16 Parents and carers were surveyed as part of the FCSS Impact Report 2025 (Appendix 3). When asked “how flexible childcare helps you and your family”:

- 77% of respondents reported that they could work more;
- 68% of respondents highlighted that it helps them save money on childcare;
- 36% of respondents reported that they had more time to themselves which in turn improves their mental health;
- 18% of respondents indicated that they could increase their other caring responsibilities; and

- 14% of respondents reported that they could study more.

3.17 Parents highlighted the following positive impacts as a result of using FCSS:

“I wouldn’t have been able to go back to work as quickly without these services. They have given me the opportunity to take care of my family financially and also have the odd couple of hours to myself, which improves my mental health.”

“It allows me to have my child in for 4 days (per week) throughout the whole year and not cost me a fortune.”

“Navigating autism, ADHD, working and studying part-time – all on a low income – has been extraordinarily difficult with a toddler in the mix. My mental health was really tanking before we found the service and could buy a few hours here and there throughout the week where I could breathe a bit easier.”

“ Provided flexibility for my and my husband’s work. It was an affordable option too.”

“Before we found FCSS we were struggling to pay typical nursery fees. Paying only for the hours we need has really improved our financial situation and overall wellbeing.”

4. FINANCIAL IMPLICATIONS

4.1 Aberdeen City Council, as primary guarantor of quality and key enabler of flexibility and choice, is funded by the Scottish Government to deliver ELC, as part of Grant Aided Expenditure (GAE).

4.2 Aberdeen City Council works in partnership with Flexible Childcare Services Scotland (FCSS) to deliver fully flexible funded ELC places in the Cummings Park and Tillydrone areas of the city, in line with the commitment in our ELC Delivery Plan 2024-26 to deliver a mixed model of ELC provision in every area of the city.

4.3 The concession agreements also generate additional income for the Council. FCSS Tillydrone is charged £10K per annum and FCSS Cummings Park is charged £15K per annum. From Year 2 of the contract, the charge changed 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 be continue to be paid. With the increase in the number of children placed at both ELC / Nursery settings the annual amount charged by the Council has increased.

5. LEGAL IMPLICATIONS

5.1 The expansion of ELC has brought a number of duties on the Local Authority under the Children and Young People (Scotland) Act 2014:

- The provision of 1140 hours of Early Learning and Childcare for eligible two year olds and all three and four year olds.

- Aberdeen City Council will retain the statutory responsibility for ensuring that funded ELC entitlement is available to all eligible children in the city.
- Aberdeen City Council will continue to be the primary guarantor of quality and key enabler of flexibility and choice, ensuring that there is a range of options for all families in the city.
- Aberdeen City Council is responsible for engaging and consulting with parents and carers on a regular basis (minimum of every 2 years) on the provision of ELC delivered locally.
- Aberdeen City Council is responsible for preparing and publishing an Early Learning and Childcare Delivery Plan every 2 years.

5.2 The concession agreements assist the Council to continue to develop and deliver high quality ELC in the city and, in particular, in two of our priority regeneration areas.

6. ENVIRONMENTAL IMPLICATIONS

6.1 No negative environmental impacts have been identified. Across all ELC settings, good use is made of outdoor and green spaces where practicable and where feasible to do so.

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	No risks identified	N/A	N/A	N/A
Compliance	Risk of not meeting statutory obligations around 1140 hours.	Mitigated through delivery of the Expansion Programme and subsequent annual monitoring of supply and demand of ELC places.	L	Yes
Operational	Risk of not attracting enough new practitioners into the workforce.	Mitigated through the ongoing activities being undertaken to support workforce development, as outlined in ELC Delivery Plan 2024-26.	L	Yes
	Quality assurance	More robust quality assurance process		

	processes are not robust	<p>now implemented by the provider.</p> <p>Close monitoring of progress by the Early Years team.</p> <p>Support in place from the Early Years team and commitment from the provider to implement recommendations made by Care Inspectorate.</p>		
Financial	Risk of building a financially unsustainable model.	<p>Care has been taken to redesign ELC around improving quality rather than simply doubling to reflect the additional hours and a more sustainable staffing model has been put in place.</p> <p>Officers monitor supply and demand on an annual basis in order to maximise resources and achieve best value.</p>	M	Yes
Reputational	Risk of not delivering on legal obligations	Mitigated through delivery of the Expansion Programme and subsequent annual monitoring of supply and demand of ELC places.	L	Yes
Environment / Climate	No risks identified	N/A	N/A	N/A

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2025-26</u>	
Impact of Report	
Aberdeen City Council Policy Statement	The proposals within this report support the delivery of the policy statement " <i>Aberdeen – A place where all people can prosper</i> ".

	<p>The provision of funded Early Learning and Childcare has the potential to be transformational for many families, but especially for those with the lowest incomes in the city, and it contributes to our high level priority to reduce child poverty.</p>
<p style="text-align: center;"><u>Aberdeen City Local Outcome Improvement Plan</u></p>	
<p>Prosperous People Stretch Outcomes</p>	<p>74% employment rate for Aberdeen City by 2026 (Stretch Outcome 2)</p>
	<p>The Early Learning and Childcare Delivery Plan 2024-26 continues to have a positive impact on this priority theme and helps to deliver the LOIP.</p> <p>The workforce has increased significantly in order to deliver the increase in ELC provision and, importantly, has offered local employment opportunities in the Cummings Park and Tillydrone Nursery / ELC settings.</p> <p>At Cummings Park Nursery, 2 members of staff are undertaking the BA Degree in Childhood Practice, whilst 3 team members have commenced SVQ Level 4 and 6 team members are currently undertaking SVQ Level 3 qualifications.</p> <p>At Tillydrone Nursery, one member of staff is currently undertaking the BA Degree in Childhood Practice and 4 team members are undertaking SVQ Level 3 qualifications.</p> <p>95% of all children will reach their expected developmental milestones by their 27-30 month review by 2026 (Stretch Outcome 3)</p> <p>Our work in partnership with families and communities including through a Peep offer in all settings as part of a partnership Family Support offer will support children to reach their expected milestones. It will also increase the number of parents and carers who have awareness of how to support their children's learning and development at home.</p> <p>Furthermore, every child who attends Early Learning and Childcare over a lunchtime period 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>

	<p>A Health Visitor visits the Cummings Park Nursery frequently throughout the week, supporting 107 families. Positive feedback from parents has been received.</p> <p>Flexible Childcare Services Scotland works in partnership with CFine and Fareshare at both Cummings Park and Tillydrone ELC / Nursery settings to offer a food larder which is well used and provides excellent support for families.</p> <p>Early Learning and Childcare can improve long term outcomes for children and families.</p> <p>95% of children, living in our priority neighbourhoods (Quintiles 1&2), will sustain a positive destination upon leaving school by 2026 (Stretch Outcome 6)</p> <p>The expansion of Early Learning and Childcare has contributed positively to supporting positive destinations.</p> <p>We now have a Modern Apprenticeship (MA) position within our ELC staffing structure in Aberdeen City Council ELC settings. This involves training young people to become Early Years Practitioners as part of our 'Grow Our Own' workforce strategy. This provides a positive destination and career pathway for our young people as well as strengthening our workforce across all ELC sectors. We currently have 30 Modern Apprenticeships working across the city and are in the process of recruiting 2 new MA's.</p> <p>34 young people completed their training in 2023-2024 and 13 completed in 2024-2025. On completion, young people can apply for ELC posts in either Local Authority or Private, Voluntary and Independent sectors, therefore supporting recruitment and retention across all ELC sectors.</p>
<p>Regional and City Strategies</p> <p>Strategic Development Plan</p> <p>Children's Services Plan</p> <p>National Improvement Framework Plan</p>	<p>The proposals within this report support the Strategic Development Plan by supporting the workforce. The provision of high quality Early Learning and Childcare:</p> <ol style="list-style-type: none"> 1. Supports families to take up employment and training opportunities; 2. Develops the Young Workforce; and

	<p>3. Supports businesses to recruit and retain staff.</p> <p>The Early Learning and Childcare Delivery Plan 2024-26 is aligned to the Children’s Services Plan and the National Improvement Framework Plan and work to address poverty in the Child Poverty Action Plan.</p>
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9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Previous Integrated Impact Assessment relating to the provision of Early Learning and Childcare has been reviewed and no changes are required: ED-07R~1.PDF
Data Protection Impact Assessment	Not required as no personal information will be shared.
Other	None

10. BACKGROUND PAPERS

10.1 Aberdeen City Council Early Learning and Childcare Delivery Plan 2024-26

11. APPENDICES

11.1 Appendix 1 – Care Inspectorate Report

[FCSS Cummings Park Inspection Report April 2024](#)

11.2 Appendix 2 – Care Inspectorate Report

[FCSS Tillydrone Nursery Inspection Report August 2024](#)

11.3 Appendix 3 – Flexible Childcare Services Scotland (FCSS) Social Impact Report 2024-25

[FCSS Social Impact Report 2024-2025](#)

12. REPORT AUTHOR CONTACT DETAILS

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