



---

**REPORT TO: EDUCATION, CHILDREN'S AND LEISURE SERVICES  
COMMITTEE 8 JUNE 2022**

**SUBJECT: MORAY EDUCATION – EARLY LEARNING AND CHILDCARE  
INCOME GENERATION**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND  
ORGANISATIONAL DEVELOPMENT)**

**1. REASON FOR REPORT**

- 1.1 To inform the Committee of the success of the Early Learning and Childcare (ELC) top up hours currently being offered at Linkwood Nursery.
- 1.2 To seek approval to extend the ELC top up offer to all year round services in Moray.
- 1.3 This report is submitted to Committee in terms of Section III (D) (1) of the Council's Scheme of Administration relating to exercising the functions of the Council as an Education Authority.

**2. RECOMMENDATION**

**2.1 It is recommended that Committee:**

- i) **note the ongoing success of the ELC top up hours at Linkwood nursery;**
- ii) **agree to the extension of the top up offer to include all year round settings. This would also extend to offering top up hours on the occasional day within each Associated School Group (ASG); and**
- iii) **note that the impact of the above offer will be assessed as part of the ongoing work to manage the cost of the ELC service downward to come within budget and any future adjustments will be considered based on the operating experience and income generated.**

### **3. BACKGROUND**

- 3.1 To date the Scottish Government have provided a capital and a revenue element to support the provision of the expansion of ELC to 1140 hours, as per the statutory requirement referred to in a previous report to this Committee on 26 January 2022 (para 16 of the minute refers). A key priority of this commitment was to provide a flexible service which provides parents/carers with choice of times and provider to allow them to return to, or continue with, work.
- 3.2 In Moray there was a phased approach taken to expand all services by August 2020. The impact of the COVID pandemic meant that this was not realised until August 2021.
- 3.3 When the delivery plan for 1140 hours was developed by the ELC expansion team, it was recognised that there would be potential scope to generate income however work was never done around this due to the COVID pandemic.
- 3.4 From inception the delivery plan noted that 8 of the 24 local authority settings would offer a year round service with varying hours between 8am and 6pm. The remaining 16 settings remained term time with an offer replicating the 6 hour day that is followed by schools.
- 3.5 The initial 8 year round settings were; Seafield Nursery, Millbank Nursery, Lady Cathcart Nursery, Lhanbryde Nursery, Linkwood Nursery, Cullen Nursery, Pilmuir Nursery and Aberlour Nursery.
- 3.6 The 8 year round settings monitored the uptake of 1140 hours throughout the phased approach, including during the COVID pandemic and recovery. The monitoring of child figures highlighted 2 settings where families were not using the full, year round offer. However the remaining 6 saw an increased uptake in the 1140 hours.
- 3.7 Both Millbank Nursery, Buckie and Aberlour Nursery, Aberlour families are not using the year round offer and we are currently working on a Change Management Plan (CMP) to potentially revert these services back to term time. If the CMP is agreed then this would start in August 2022, at the start of the new academic year.
- 3.8 The remaining 6 nurseries are experiencing a high volume of uptake for year round 1140 hours but nursery managers are also receiving requests for additional top up hours to meet childcare needs.
- 3.9 Following agreement at this Committee on 9 March 2022 (para 14 of the minute refers) work started to trial top up hours at Linkwood Nursery, Elgin. The success of this work is showcased with actual and projected income generation and parental feedback in **Appendix 1**.

- 3.10 After research amongst partner ELC providers, including childminders, proposed costings for the top up are based on available session times and would not require additional cost/staffing as already within contracted hours. The basis of this would be;

Timings	Indicative cost (families)	Average hourly rate
1-3pm	£9.50	£4.75
3-5pm	£9.50	£4.75
5-6pm	£5.00	£5

- 3.11 Given the remaining 5 year round nurseries are also receiving similar requests and interest from parents/carers there would be scope to generate income for ELC that would potentially offset some of the budget pressures as previously highlighted in the report to this Committee on 9 March 2022 (para 14 of the minute refers). **Appendix 2** highlights costings and how this compares with privately funded ELC settings.
- 3.12 Each of the 5 year round nursery managers have services that are open 50 weeks and staff are already employed, on a rota basis, to cover Monday to Friday typically between the hours of 8am and 6pm. There is a legislative requirement to offer families a year round model to incorporate the 1140 hours however we have identified timings where there are less children. The aim is to optimise the childcare non-funded offer without incurring additional staff costs.
- 3.13 Reduced costs could also be achieved by reducing the operating hours of these nurseries which would reduce staff costs. However, the 8am to 6pm hours enable more places to be offered and there is a risk that a reduction in operating hours provides insufficient places to enable the delivery of 1140 hours to all eligible children. Therefore, preference has been given to the income generation option which provides the benefit of a more flexible service to parents, supporting employment options for them and ensures the provision of sufficient 1140 hours places. This approach will be reviewed and assessed based on experience as part of the wider work to manage the ELC budget pressures.

3.14 The table below gives an example of capacity for offering non-funded hours at 2 of the proposed settings;

<b>Example setting</b>	<b>No of spaces for additional chargeable hours (within current staffing complement)</b>	<b>No of existing staff to support additional chargeable hours</b>	<b>Potential hours on offer for “top up”</b>
Seafield Nursery, Elgin <i>Accommodates 3-5 year olds</i>	Up to 25 additional spaces (depending on day and needs of child)	Staffed to capacity	8:00am – 12:45 pm 12:45 – 5:45pm 8:00am – 5:30pm
Lhanbryde Nursery, Lhanbryde <i>Accommodates Eligible 2’s and 3-5 year olds</i>	20-28 additional spaces (depending on day/needs and age)	10 perm staff 3 temp staff	1-6pm

3.15 The income generation would also offer parents/carers additional childcare on occasional days in each ASG. Staff will still be working on these days however children will not be entitled to use funded hours therefore top up fees could be applied.

#### **4. SUMMARY OF IMPLICATIONS**

**(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

This report relates to the priority ‘Provide a sustainable education service aiming for excellence’ from the Corporate Plan and to ‘Building a better future for our children and young people in Moray’ from the LOIP.

**(b) Policy and Legal**

The Care Inspectorate inspects all registered services regulated under the Public Services Reform (Scotland) Act 2010, which includes nursery classes and playgroups.

The authority has a duty to provide a quality early learning and childcare place for every 3 and 4 year old whose parents wish it and for eligible 2 year olds.

**(c) Financial implications**

The Financial implications would be for income generation rather than expenditure.

**(d) Risk Implications**

The risk implications could be that ELC services offer top up hours and are not able to meet legislative requirement for funded 3 and 4 year olds. Nursery Managers will ensure spaces for funded children are protected to mitigate this risk.

**(e) Staffing Implications**

No staffing implications as Nursery Managers will ensure that top up hours are only offered within current staffing structures and session times.

**(f) Property**

There are no property implications arising directly from this report.

**(g) Equalities/Socio Economic Impact**

There are no implications arising directly from this report, however equalities impacts and considerations have been taken into account in previous ELC reports.

**(h) Climate Change and Biodiversity Impacts**

There are no climate change or biodiversity implications arising directly from this report.

**(i) Consultations**

Depute Chief Executive, Head of Education (Chief Education Officer), Head of Education Resources and Communities, Chief Financial Officer, Head of Human Resources, ICT and Organisational Development Manager, Equal Opportunities Manager and Tracey Sutherland, Committee Services Officer have been consulted and are in agreement with the contents of this report as regards their respective responsibilities.

**5. CONCLUSION**

- 5.1 The option to offer top up hours at local authority year round services aims to provide a more flexible option of wrap around childcare for parents and carers of pre-school children whilst also generating income for the Council. Although the initial projected income from Linkwood Nursery, Elgin is not a substantial amount when factored in an additional 6 settings providing this offer, including the occasional day, a steadier stream of income generation is anticipated.**

Author of Report: Hazel Sly

Background Papers:

Ref:

SPMAN-1315769894-308 / SPMAN-1315769894-310 /  
SPMAN-1315769894-309