Aberdeenshire
C O U N C I L   **Education & Children's Services**

REPORT TO EDUCATION AND CHILDREN'S SERVICES COMMITTEE – 1 FEBRUARY 2024

ABERDEENSHIRE OUT OF SCHOOL CARE (OOSC) PROVISION

1   Executive Summary/Recommendations

1.1   This report supplements previous reporting to the Education and Children's Services (ECS) Committee (23rd March 2023), providing updated information on Aberdeenshire Council's out-of-school care (OOSC) services and recommending a date for implementing the decision approved by ECS Committee in March 2023, namely for Aberdeenshire Council to withdraw from direct OOSC service provision. It provides further information on other actions approved by the Committee, including an update on ongoing engagement with private, voluntary and independent (PVI) OOSC providers and progress on the development and delivery of a strategic framework for school-aged childcare in Aberdeenshire.

1.2   The Committee is recommended to:

1.2.1   Consider and comment on the current situation of Aberdeenshire Council's out-of-school care (OOSC) services;

1.2.2   Approve the proposed date of 6 July 2023 for Aberdeenshire Council to withdraw from direct OOSC service provision, in line with the decision taken by ECS Committee on 23 May 2023; and

1.2.3   Instruct officers to prepare a progress report on the development and delivery of a strategic framework for childcare in Aberdeenshire in collaboration with relevant Council services and the wider sector for consideration by all policy committees prior to approval by Aberdeenshire Council.

2   Decision Making Route

2.1   On 23rd May 2023, Education and Children's Services (ECS) Committee considered a report on OOSC (Item 11 – Aberdeenshire Out of School Care Provision) and an amendment was carried whereby the Committee agreed to:

   a.   note the information and key points provided within the report, regarding the sustainability of Aberdeenshire Council Out of School Care (OOSC);

   b.   endorse the cross-service approach to the development and delivery of the future of school-aged childcare within a draft framework, which should be considered by all Policy Committees prior to approval by Aberdeenshire Council recognising the criticality of childcare to the economy and tackling poverty and inequalities;

    c.   approve the officer recommendation for Aberdeenshire Council to withdraw from the direct delivery of school-aged care and to initiate engagement with private, independent and third sector providers to explore alternative delivery models; and

    d.   instruct the Education and Children's Services to present to the Committee the progress report at the end of the year.

3.   Discussion

Statutory and regulatory context

3.1   Out of School Care (OOSC) is the generic term given to childcare provided before and after school and during holiday periods to children of primary school age. OOSC provision is not a statutory requirement and is sometimes referred to as 'wraparound care' for school-aged children. In Aberdeenshire, OOSC services are mainly operated by private, voluntary or independent (PVI) providers with a small number being run by Aberdeenshire Council. For the purposes of this report, OOSC services or provision will refer to registered, 'formal' service provision by either Aberdeenshire Council or the PVI sector, not including childminding.

3.2   OOSC services are regulated in line with legislation to ensure the safety & wellbeing of the children and to ensure quality of service provision. However, the regulation of the OOSC sector also presents operational challenges with impacts on the sustainability, resilience, availability and accessibility of OOSC services in Aberdeenshire. Key aspects of the regulation of OOSC are provided in Appendix A.

Policy context

3.3   There are a number of key Scottish Government policy and strategy commitments relating to the expansion of OOSC services for school-aged children (See Appendix B).

3.4   To date, there has been no confirmation of future funding streams from the Scottish Government targeted directly for OOSC roll-out, although other related poverty and employability funding streams are available to support development of the sector. Further it remains unclear how the above referenced policies and funding will result in changes to regulation of OOSC services and strategic workforce planning for the sector.

Aberdeenshire context

3.5   Aberdeenshire Council's OOSC service was concluded in 2018, with charges increasing in 2019, to ensure cost recovery, with charges re-set in line with expenditure and inflation and changes made to the staffing model. Charges increase was agreed at Aberdeenshire Council Committee on 8th February 2018. Despite these changes, cost recovery has not been achieved due to

several factors, including staffing challenges impacting on supply and changes in levels and patterns of uptake impacting on demand.

Supply

3.6. As of 2019, there were 15 Council-run OOSC services. In the last 5 years 4 settings have closed (Tarland, Insch, Rothienorman and Cruden Bay), 6 settings have merged into 3 settings (Westhill, Banchory and Ellon) and 1 setting has recently reduced to part-time service offer (Banchory). There are a range of inter-related factors behind these closures, mergers and reduction but in general terms this is due to significant issues with the recruitment and retention of staff and to changing demand from parents/carers.

3.7 As of January 2024, the remaining 8 Council-run OOSC settings only serve 15 of the 146 operational primary schools in Aberdeenshire, providing a service to 349 children, around 2% of a total of 20,000 primary-aged pupils.

3.8 There are also 23 private, voluntary and independent (PVI) OOSC services operating across Aberdeenshire.

3.9 There are also approximately 280 childminders operating across Aberdeenshire, who offer a range of OOSC provision.

Alternative Provision

3.10 There are a range of alternative or informal provisions across Aberdeenshire, including Active Schools, sports clubs and extra-curricular activity clubs. While these clubs and activities do not provide registered childcare provision, they still offer a service that meets the needs of many working parents. PEF funding allows for targeted interventions in areas to support children and families through breakfast clubs and homework clubs. Other models that exist in Aberdeenshire also include parent and volunteer-led activities.

Inequities in service provision

3.11 In terms of supply, there are significant geographical and poverty-related inequities. It should be noted that with the exception of childminders, there are no Council-run or PVI OOSC services operating in the Peterhead, Fraserburgh or Turriff areas. There is no Council-run OOSC service in remote rural or very remote rural, and most are located in larger settlements meaning that our service delivery model is not addressing rural barriers to access to childcare and employment.

3.12 Further, the current Council-run OOSC provision is not addressing deprivation and poverty-related inequalities, either through the location of settings or through the children and families we provide a service to. Aberdeenshire Council provide no OOSC services in the 3 most deprived settlements in Aberdeenshire, namely Peterhead, Fraserburgh and Banff. Further, there is a clear inequity in access to Council-run OOSC provision, with the vast majority (82%) of children accessing local authority provision coming from Scottish

Index of Multiple Deprivation (SIMD) Deciles 8, 9 and 10 (least deprived) and no children from Deciles 1, 2 and 3 (most deprived).

Demand

3.13   The demand for OOSC services is a complex picture. There has been a year-on-year reduction in levels of Council-run OOSC service take-up. In FY 2023-24, the monthly take-up is approximately 2800 sessions (after-school). This represents a 24% reduction in take-up from FY 2022-23 (4,920 sessions) and a 55% reduction from FY 2018/19 (6190 sessions). See Appendix C for a data comparison between 2019 and 2024 data. This relates to not only a general reduction in take-up of places but also a reduction in the proportion of families that are taking up two or more sessions in a week. There are many factors related to this, including changing patterns of parent/carer work patterns including increased levels of (part-time) working from home and the cost-of-living crisis.

3.14   This reduction in take-up is not only due to changing patterns of demand by parents/carers, but also our inability to respond to demand in specific localities by increasing our operational capacity due to staffing recruitment and retention challenges. The waiting list data provided in Appendix D indicates there are specific localities with high levels of demand for Council-run OOSC provision that we are unable to respond to and other areas where there is a low-level of demand.

3.15   The longest waiting lists are in Banchory, Ellon and Westhill, all areas where we have had to merge settings or reduce service offers due to staffing challenges. Previously, there was a long waiting list in Portlethen, but this has reduced since 2 PVI providers have established OOSC services in the locality.

3.16   It should be noted that the waiting list does not only reflect only unmet need but also those families who are looking for lower cost childcare, as Aberdeenshire Council is lower than the sector average and does not require parents/carers to book full-time places as a prerequisite for registration as is the case for many PVI providers. This is further compounded by the specific needs of parents/carers who may be seeking specific sessions and will wait until these can be offered.

3.17   In summary, the past 5 years have seen a marked reduction in the supply of Council-run OOSC provision and changing and inconsistent patterns of demand with persistent waiting lists in specific localities. Appendix C provides data on the Council-run settings uptake, registered capacity, operational capacity and % take-up of places which demonstrates both the supply and demand related challenges. It demonstrates in most settings we are unable to staff up to registered capacity and further demonstrates that parents/carers do not have demand for the spaces we can offer. A setting has to staff to a minimum of 16 and ratio numbers are 1:8 (staff to children) to meet Care Inspectorate requirements. The ratios operate 1:4 for supporting children walking from school to OOSC location.

Staffing challenges

3.18   Aberdeenshire Council are experiencing the same staffing recruitment and retention challenges as experienced across many local authorities and indeed the wider OOSC sector. The number of times that a job opening is advertised before a vacancy is filled has increased, e.g. Playworker posts for Banchory are advertised 4 times on average for each vacancy. Further, the qualification requirements for those working in OOSC have increased and once staff have the qualifications, they are more likely to move onto working in Early Learning and Childcare, due to the difference in salaries and more favourable working hours. Out of School Coordinators are required to hold a base qualification prior to starting in the role (e.g. SVQ level 3) and must work towards a degree qualification (e.g. BA in Childhood Practice)

Financial performance

3.19   As of November 2023, and in line with financial performance to ECS Committee on 1 February 2024, the OOSC budget line is forecast to be an overspend of £685,000 at end-of-year. Appendix E also provides financial data on setting specific expenditure and income and demonstrates that all operational Council-run OOSC settings are running at a loss.

3.20   Despite efforts to achieve cost recovery, the ongoing provision of Council-run OOSC results in a significant budget pressure with the result that Aberdeenshire Council is effectively subsidising OOSC services for a small number of children and families. On average, each of the 349 children currently accessing OOSC provision through Aberdeenshire Council is 'subsidised' by £1,427. These budget pressures have been long-standing but were previously absorbed by underspends in the wider Early Years budgets. Given the current Early Years staffing budget pressures, this means that the OOSC related pressure will have to be offset by other areas of core budgets across ECS.

Research

3.21   Aberdeenshire Council has commissioned research with the aim to provide an evidence base and recommendations to develop a strategic framework for childcare in Aberdeenshire to ensure the provision of accessible, affordable childcare in Aberdeenshire that meets the needs of households and contributes to reducing child poverty and increasing employability. Through a place-based approach, strategies and solutions that are implemented will reflect the specific needs of Aberdeenshire's communities and will be part of the solution to building and sustaining thriving, empowered and resilient communities. The research included 9 consultations, over 200 survey responses from parents/carers and childcare providers.

3.22   The initial findings have identified a gap in provision of school aged childcare support mechanisms in place across Aberdeenshire. This is having an adverse impact on supporting families with regards to tackling poverty and inclusion and is limiting the economic potential of Aberdeenshire residents. Other key findings from the research includes:

- Currently there is only 1 OOSC place across the sector, including childminders, for every 12 primary aged children.
- Between 2017 and 2021, the number of childminders has reduced in Aberdeenshire by approx. 25%. This is similar to the national picture of 26% over the same period.
- Almost half of the parents surveyed struggle to afford childcare.
- Almost half of the parents/carers surveyed reported to need at least 21 hours of childcare per week. The average uptake of childcare by those families accessing Council OOSC is 9.5 hours per week.
- 71% of families responded stating that the current provision is either not capable or not satisfactory in meeting their needs.
- More work is required to enable/facilitate an increase in capacity across the sector.
- 78% of families responded stating that they were working towards career advancement and that childcare is a main limiting factor.
- Providers reported challenges in being able to meet the needs of children with additional support needs.

3.23 The research findings and recommendations, due for publication in early 2024, will inform and support the development of the strategic framework for childcare in Aberdeenshire and will be reported in due course.

Withdrawal from direct service delivery

3.24 In summary, despite efforts to secure full cost recovery since 2019 for what is a non-statutory service, the last 5 years have seen a reduction in the Council-run OOSC service supply and changing patterns of demand that the Council are unable to respond to. This has resulted on a year-on-year budget pressure which can no longer before offset by wider Early Years underspend and will now impact on other areas of core service delivery. The Council-run OOSC services are effectively subsidising childcare for a small number of children and families in Aberdeenshire and there are significant issues around fairness and equity, as Council-run OOSC services are provided neither in Aberdeenshire's areas of deprivation nor for specific children living in SIMD 1-3.

3.25 Given these issues and indeed the emerging recommendations from the commissioned research, it is clear there is an urgent need to refocus the resources and capacity of the local authority to supporting the development of a strategic framework for childcare across Aberdeenshire.

3.26 The ongoing delivery of Council-run OOSC is limiting the scope of opportunity for developing the wider childcare sector, due to the following reasons:

- Valuable resources are being spent on subsidising a service in some of the least deprived areas in Aberdeenshire.
- Staffing resource and expertise is being used to lead and manage the Council-run OOSC services, including dealing with intractable staffing issues. Staffing resources that could be better deployed in enabling and facilitating the development and expansion of OOSC across Aberdeenshire.

- The 'subsidised' provision in the current areas that Aberdeenshire Council operates is limiting the supply in these areas. There are PVI providers who either deliver OOSC and who cannot expand or those who would be able to move into the areas but are limited, as it wouldn't be financially sustainable to operate/expand into an area where Council provision exists. This has the adverse effect of not allowing PVI OOSC providers to increase their sustainability and limiting availability of places for families.

3.27 In line with the decision taken by ECS Committee on 23 March 2023, it is recommended that Aberdeenshire Council identify the date for the withdrawal from direct OOSC service delivery as 6 July 2023, at the end of the current academic year. Officers can then refocus activity on developing and delivering the proposed strategic framework for school-aged childcare in Aberdeenshire.

3.28 It is acknowledged that this withdrawal will impact on the families of the 349 children currently accessing Council-run OOSC services, but it is considered that by confirming the date for withdrawal of service 6 months in advance, this will allow parents/carers to make alternative arrangements either on an individual or group basis, or indeed for the wider PVI sector to step into the operating space vacated by Aberdeenshire Council.

Engagement with PVI Sector

3.29 To that end and to progress the action agreed by ECS Committee on 23 March 2023, informal discussions have taken place between officers and PVI providers. Whilst there is interest and appetite from PVI providers to expand their current OOSC service delivery offer into the localities where Aberdeenshire Council operate, these discussions have been constrained by a lack of clarity on the intent of Aberdeenshire Council. A clear decision to withdraw on 6 July 2024 will provide impetus to further discussion, decision-making and planning by the PVI providers. The 6-month window will also for an appropriate lead-in time for registration with the Care Inspectorate as required.

3.30 The Early Years team has been reviewing the possibilities and pathways for the PVI sector to move into the areas that Aberdeenshire Council currently delivers in, and whilst it is acknowledged that our withdrawal may impact negatively on those families currently accessing Council-run OOSC services in the short-term, there will also be longer-term benefits for communities and the wider sector.

3.31 The following scenarios are currently being explored:

1. Reviewing which PVI providers could diversify their Early Learning and Childcare (ELC) service offer to also deliver of school aged childcare. There are several PVI providers already operating in localities where Aberdeenshire Council currently operates in.

2. Reviewing which PVI providers that could expand into those localities where Aberdeenshire Council currently operates in i.e. OOSC PVI providers based in Aberdeen that can expand into areas of Aberdeenshire, such as Westhill,

Banchory and Portlethen. Also, there are Aberdeenshire OOSC PVI providers that have the capacity to be able to expand with Aberdeenshire.

Considering the waiting lists, both scenarios 1 and 2 would involve 'economies of scale' that providers looking to expand and/or diversify would benefit from.

3. Facilitating community-led solutions through informal alternative provision, blended offer models and partnerships with other community organisations.

4. Collaboration between Aberdeenshire Council service and teams (Early Years, LLA, Tackling Poverty and Inequalities and Economic Development) and organisations (Aberdeenshire Voluntary Action, Scottish Childminding Association) to increase recruitment of childminders, provide business support, and explore informal alternative services (Active Schools)

3.32 Given the geographical scale and diversity of Aberdeenshire, it is unrealistic to expect that a standardised approach will meet the needs of families, while remaining financially sustainable. Making childcare options for school-aged children more affordable, flexible and accessible can help provide families with the stability that they need to be able to secure employment and increase their earnings in order to achieve a good standard of living. It can also enable families to lift themselves out of poverty. There is a clear imperative to progress with pace and purpose the development and delivery of a strategic delivery framework for childcare in Aberdeenshire, focussing on the following 3 key areas:

1. **Sector Support and Development:**
   - Advice and guidance for new and established PVI settings including childminders, as they start up and expand, to meet local need.
   - Helping settings to develop flexible models of delivery, accessible payment and booking systems.
   - Seeking new and innovative models of delivery, including some short term/ mobile options, as required.

2. **Community Collaboration and Partnership**
   - Support communities to engage with developing and offering services that meet local need.
   - Through partnership with Employability and Tacking Poverty and Inequality develop a collaborative approach
   - h to promoting access for working parents and those wishing to return to work

3. **Financial Sustainability and Support**
   - Support settings through the availability of and application for start-up funding and key ongoing costs such as lets charges, to support sustainability.
   - Secure funding to offer spaces for the widest possible age range and need.

4 Council Priorities, Implications and Risk

4.1 The report helps deliver the following council priorities.

Pillar	Priority
Our People	Learning for Life
Our Environment	Resilient Communities
Our Economy	Economic Growth

4.2 The table below shows whether risks and implications apply if the recommendations are agreed.

Subject	Yes	No	N/A
Financial	x		
Staffing	x		
Equalities and Fairer Duty Scotland		x	
Children and Young People's Rights and Wellbeing		x	
Climate Change and Sustainability		x	
Health and Wellbeing		x	
Town Centre First		x	

4.3 Staffing implications have been considered. In relation to the qualifications and the experience of staff that are currently working in OOSC, there will be opportunities for redeployment into Early Learning and Childcare for those who wish to seek it. Also, for those who wish to remain in the school aged childcare sector, there will be opportunities developed across Aberdeenshire through the work with the PVI sector.

Financial Implications

4.4 Aberdeenshire Council OOSC is projecting an end-of-year position of £685,000 overspend. The costs of OOSC delivery, as shown in the table below are the direct running costs. This does not include HR, Finance, legal, central management costs etc. These costs would be challenging to quantify.

4.5 Withdrawal from direct service delivery would offset the year-on-year budget pressures that can no longer be absorbed by the Early Years budgets. It is acknowledged that some of this budget could be reallocated to support the development and delivery of the strategic framework for childcare in Aberdeenshire but these will be further detailed in future reporting.

4.6 An Impact Assessment has been carried out (IIA-001713). It is included as Appendix G and the following impacts have been identified, which can be mitigated to a degree, however the start-up of groups or expansion of groups operating in areas where the Council OOSC provision currently operates is not completely within the Council's control:

- Impact on protected groups – sex and age (younger)

- Socio-Economic – low income, low wealth, area deprivation and socioeconomic background.

4.7   The following Risks have been identified as relevant to this matter on a Corporate Level: ACORP001 (Budget Pressures) Corporate Risk register.

5   Scheme of Governance

5.1   The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and their comments are incorporated within the report and are satisfied that the report complies with the Scheme of Governance and relevant legislation.

5.2   The Committee is able to consider [and take a decision on] this item in terms of Section E1.1 of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to service delivery in respect of any function within its remit.

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Date:19th December 2023

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Appendix B - Out of School Care policy context
Appendix C - OOSC session take up comparison
Appendix D - Take up of OOSC sessions by setting – 2024 data
Appendix E - Percentage of children accessing Council OOSC by SIMD decile as a comparison with % of Aberdeenshire children accessing primary by decile
Appendix F - Waiting lists by Council-run OOSC setting (November 2023)
Appendix G - Financial performance information
Appendix H - Integrated Impact Assessment