

NATIONAL CHILDCARE STRATEGY FUNDING 2007/08

1. Reason for Report

1.1 This report relates to the decision of the Education and Community Services Committee on 26 October 2007 to approve allocations to seven voluntary sector childcare organisations totalling £186,269, which had demonstrated a need for support.

1.2 This report provides an update on the allocation of available funding, which was to be paid on a phased basis, subject to compliance with a written agreement between the childcare provider and the Local Authority.

2. Report Summary

2.1 The report outlines the payments made to individual organisations to date and the timetable for subsequent payments to the financial year end 2007/08.

2.2 The report outlines the progress of the seven childcare organisations in generating SMART (Specific, Measurable, Achievable, Realistic and Timebound) Action Plans, as per the written agreement with the local authority, the outcome of this process to date and implications for financial year 2008/09.

2.3 The report outlines the ongoing dialogue with individual groups and their collective representative organisation VOICE, in relation to current and future development of individual services.

3. Glossary of Terms

SMART (Specific, Measurable, Achievable, Realistic and Timebound) action plan

VOICE Voluntary Organisations Influencing Childcare Environments is a local support network representing voluntary sector childcare organisations throughout Dumfries and Galloway.

4. Recommendations

Members are asked to:

4.1 note the payment plan for the financial year 2007/08;

Group Name	Allocated funding	Payment to date	Agreed Future payments	Total for 2007/08
Galloway Childcare Company	93,186	44,340	44,192	88,532
Georgetown Playcare Ltd	20,000	13,000	0	13,000
Langholm Playcare Ltd	15,533	5,677	9,178	14,855
Laurieknowe Out of School Care	7,750	5,700	TBC	5,700
Lincluden After School Group	15,000	5,718	9,282	15,000
Lochmaben Playcare	15,000	6,000	9,000	15,000
Moffat Small 'n Tall	19,800	14,800	5,000	19,800
TOTAL	186,269	95,235	76,652	171,887

4.2 note the position in relation to predicted financial deficits for 2008/09 as follows:

- Georgetown Playcare Limited and Moffat Small 'n Tall – both organisations have advised that they do not expect to require funding from the Council
 - Galloway Childcare Company – predicted deficit - £43,250
 - Lincluden After School Group – predicted deficit - £11,356
- Langholm Playcare Ltd, Laurieknowe Out of School Care and Lochmaben Playcare – position not confirmed.

4.3 agree to receive a further report on the final outcome of the generation of SMART Action Plans, to include actual funding needs of organisations for the financial year 2008/09.

5. Corporate Plan Links and Contribution

National Childcare Strategy funding is dedicated to supporting the development of high quality affordable childcare where there is a defined need for such services. This directly relates to the "Smarter" objective in the Corporate Plan 2007-11 .i.e. to provide all children and young people with access to positive learning environments. It also contributes to the following areas:

- Values - partnership working and exploring different ways of delivering services with public, third sector and private sectors.
- Wealthier and Fairer - ensure key services are available across the region.
- Healthier - Maintain and improve health and wellbeing services.
- Safer and Stronger, - provide facilities fit for purpose and accessible for all and make this an inclusive society.

6. Resources/Value for Money Assessment

6.1 The Child Care Strategy Funding is part of the Council's Grant Aided Expenditure. The element identified for Development Funding in the 2007/08 budget amounts to £192K and Members have agreed to reduce this by £50K, as a contribution to the service's 2008/09 savings target. The 2008/09 budget will also be the subject of further consideration through the Childcare Review

6.2 The generation of SMART Action Plans by individual groups, which are ongoing, is intended to enable groups to identify underlying reasons for their reliance on deficit funding and, where possible, to implement action to address these issues.

6.3 In a number of cases, areas identified for particular focus within SMART Action Plans are:

- The number of children and families using available services.
- The length of time for which available services are used by children and families.
- The use of available services during holiday periods by children and families.
- The staffing requirements associated with service provision.

6.4 VOICE have written to the Office of the Chief Executive advising that Childcare organisations engaged in this process are undertaking financial and operational reviews of their organisation in order to ensure that services are as cost effective as possible. VOICE further advise that some organisations will never be independently sustainable without some form of external subsidy and request that consideration is given to making funding available during financial year 2008/09.

7. Risk Assessment

7.1 Meetings between Local Authority officers and individual childcare organisations to progress the SMART Action Plans have provided the opportunity to further explore the risks for providers of closure of services. Individual groups engaged in the process have advised that risks to the local area include:

- Impact upon provision of services to vulnerable children and families
- Inability to provide services such as Pre School Education.
- Impact upon Economic and Community regeneration activities

7.2 The generation of SMART Action Plans have provided the opportunity to further explore barriers to individual services becoming financially viable. Individual groups engaged in the process have advised that factors which are out with their direct control include:

- Fragility of Voluntary Sector Management Committees and difficulties attracting new Voluntary Sector Management Committee members.
- Premises costs, suitability and access.
- Ability or willingness of local population to pay for service provision.
- High use of informal childcare networks e.g. extended family
- Local competition by other types of service provision, including Local Authority Services.

8. Authorities and Legal Implications

The National Childcare Strategy Fund has been allocated to Local Authorities to enable the development of affordable, high quality childcare within every neighbourhood. However, the Local Authority does not have a legal obligation to support the direct ongoing provision of childcare services for children and families, through National Childcare Strategy funding.

9. Consultation

9.1 Local Authority officers have met with all organisations engaged in this process to support the generation of SMART Action Plans. Such meetings continue to take place with individual organisations as needs dictate.

9.2 The following were consulted during the preparation of this Committee report: School Services Management Team, Acting Director of Finance, Operations Manager Legal Services, Childcare Partnership Executive Group, Economic Regeneration, Integrated Children's Services Support and Governance Team. Respondents have been in agreement with the report and detailed changes have been incorporated. VOICE have also been consulted on the proposals outlined in this report.

10. National and Local Interest

10.1 Elected Members may be aware of the interest, at both a local and national level, as a result of the actions of VOICE, in relation to the provision of financial support to individual childcare organisations and the report to the Education and Community Services Committee, on 23 October 2007, which agreed the level and rationale for payments.

10.2 A petition, which resulted in a call for a response from a number of national and local organisations, was presented to the Scottish Government Petitions Committee by VOICE, following their meeting with Adam Ingram, Minister for Children and Early Years.

10.3 Following a meeting with representatives of VOICE, Adam Ingram, Minister for Children and Early Years wrote advising VOICE that "Childcare Strategy funding is provided to help ensure that there is sufficient childcare in the local area. It is the responsibility of the local authority; in conjunction with the local childcare partnership, to decide how best to allocate this funding".

11. Process and Timescale

11.1 Following the agreement at the Education and Community Services Committee on 23 October 2007, all individual groups were notified in writing of the process for:

- Establishing a Written Agreement with the Local Authority.
- Generating a SMART Action Plan.
- Requesting immediate funding to meet organisational needs, pending the generation of a SMART Action Plan.

11.2 Since that time Local Authority officers have met with individual groups to further clarify immediate funding needs and also to advise on the generation of SMART Action Plans which would govern the remainder of funding made available to individual groups.

11.3. As a result of these individual meetings, the majority of groups have generated SMART Action Plans, which include measures to implement organisational change to create financial viability. Progress is outlined in the following table.

Group	Written agreement signed	SMART Plan Generated	Schedule of 07/08 payments agreed
Galloway Childcare Company	14/11/07	10/12/07	TBC
Georgetown Playcare Ltd	06/12/07	Not generated (New business plan being submitted)	One off payment made to support relocation.
Langholm Playcare Ltd	8/11/07	05/12/07	Yes
Laurieknowe Out of School Care	5/11/07	23/01/08	TBC
Lincluden After School Group	22/11/07	07/02/08	Yes
Lochmaben Playcare	05/12/07	11/01/08	Yes
Moffat Small 'n Tall	10/12/07	05/12/07	Yes

11.4 A meeting was held with Georgetown Playcare on 19 December 2007 when a payment of £13K was agreed to support the relocation of Georgetown Playcare to new premises (Moffat Hall). This payment included support for financial year 2007/08. Assurances were given that this organisation would be financially viable for 2008/09 and a business plan, which will support this, is to be submitted to the Local Authority.

11.5 It has become apparent during this process that there are differing levels of support required by organisations to generate and implement SMART Action Plans. It is also recognised that the implementation of measures to ensure financial viability may not be achievable, in full, by all organisations within the current financial year.

11.6 Following a review of the SMART Action Plans, all individual groups engaged in this process have been requested, in writing, to confirm their requirement for funding during the remainder of financial year 2007/08 and projected financial position during 2008/09. A further report will be submitted to Members once the position with all organisations has been finalised.

11.7 The information received to date in relation to predicted financial deficits for 2008/09 is as follows –

- Georgetown Playcare Limited and Moffat Small 'n Tall – both organisations have advised that they do not expect to require funding from the Council
- Galloway Childcare Company – predicted deficit - £43,250
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- Langholm Playcare Ltd, Laurieknowe Out of School Care and Lochmaben Playcare – Position not confirmed.

11.8 As Members are aware, the service is currently conducting a review of Childcare which will inform the way forward for this sector. This Review will produce an Action Plan which will be taken forward by the service, in conjunction with its partners.

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