



SCRUTINY COMMITTEE REPORT

Date Written	29 th June 2021
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Service Area	Learning
Committee Date	12 th July 2021

To: Chair, Ladies and Gentlemen

Early Years and Flying Start Update

1.0 SUMMARY OF THE REPORT

- 1.1 Consideration of the population trends and impact on demand for Flying Start provision in the context of future childcare commissioning and outreach arrangements.
- 1.2 Update position on Flying Start childcare provision in the Penydarren area following the notice to withdraw from two existing childcare providers.

2.0 RECOMMENDATIONS

- 2.1 Scrutiny Members consider the content of the report and to note and debate the challenges facing the delivery of childcare within the context of the Flying Start programme.

3.0 INTRODUCTION AND BACKGROUND

- 3.1 Flying Start is the Welsh Government's flagship Early Years programme for families with children aged under four years. It is a geographically targeted programme aimed at the most deprived communities with 15 Lower Super Output Areas (LSOAs) included in the programme in Merthyr Tydfil covering 41% of the 0–4 year-old population which equates to a cap figure of 1204.
- 3.2 Flying Start includes the following four core entitlements: funded part time childcare for two to three year-olds; an enhanced health visiting service, access to parenting support and access to Early Language Development support. Flying Start locally also offers a number of other elements in response to identified need including family support and targeted midwifery services.

- 3.3 It is important that the supply and demand for childcare provision is kept under review so that the Flying Start programme can be responsive to the needs of families whilst ensuring value for money. The local authority has a statutory responsibility to produce a Childcare Sufficiency Assessment (CSA) every five years and the last full CSA was produced in 2017 with the next full assessment due in June 2022. The assessment considers the supply and demand for childcare provision.
- 3.4 Section 22 of the Childcare Act places a duty on local authorities to secure as far is reasonably practicable, provision of childcare that is sufficient to meet the requirements of parents in the area to; take up or remain in work, undertake education or training that could reasonably be expected to assist them to obtain work. It is worth noting that the local authority is not expected to deliver the childcare directly but has a role in stimulating and supporting the sector to ensure sufficiency of provision.

4.0 WHERE WE WERE

- 4.1 Flying Start support has been delivered in Merthyr Tydfil since 2007 and has once again been included in the latest programme for Government. When the programme expanded its reach in 2012, the commissioning model for childcare was revised. The original childcare commissioning model fully funded six childcare providers to exclusively offer childcare for Flying Start children. The funding arrangements implemented at the time of the expansion established a model based on Core Flying Start Providers that are funded for 40% of their Care Inspectorate for Wales (CIW) registered places and for any additional children that attend and Approved Providers who are funded as and when an eligible Flying Start child attends. However, this model was not applied retrospectively to the six original settings.
- 4.2 As a result of the approach to commissioning childcare 98% of all early year's providers across the County Borough can offer Flying Start places. This approach supports mixed economy provision, increases the quality across the wider sector and allows for greater parental choice.
- 4.3 The Flying Start programme for a number of years operated over its cap figure, due to the expansion, however through discussions with Welsh Government a way forward was secured through additional Welsh Government investment in the programme. The impact of this however was that there was no flexibility within the allocated resources to support an outreach model beyond LSOA boundaries within Flying Start.
- 4.4 Availability of childcare during the height of the pandemic was a critical service to children and families. Since the start of the pandemic in March 2020, ten providers remained open as hub provision offering Coronavirus Childcare Assistance Scheme (CSAS) funded places for children of key workers and vulnerable children. In June 2020, following the publishing of Protective Measures guidance for the sector, the majority of providers re-opened their doors and welcomed the return of all children.

5.0 WHERE WE ARE NOW

- 5.1 Population trends project a decrease in birth rates with Borough wide projections showing a 6% decrease in the 0-3 population from 2020- 2025 with a further 3% reduction predicted up to 2030.

This has been reflected in the cap number in Flying Start with 1,190 allocated to a Flying Start Health Visitor in 2018-19, 1,152 in 2019-20 and 1,141 in 2020-21 which equates to a 5% reduction over three years. It is expected that the new Childcare Sufficiency Assessment for 2022 will reaffirm the position and will be able to identify the areas of the Borough where the greatest changes are to be expected in the future.

- 5.2 This downward trend in birth rates could eventually impact on the ability of the programme to reach the 1204 cap number. Whilst the Welsh Government allow for a 10% tolerance above or below this figure, it provides the local authority with an opportunity to further consider how we engage with additional children outside of the existing Flying Start LSOA's. The programme has in recent years included a small element of outreach capacity to enable up to 16 children living outside Flying Start areas to remain involved with the programme. This has been focused on supporting vulnerable children who have moved outside of a Flying Start area, ensuring continuity for these families.
- 5.3 It is also timely that we consider how the falling birth rates will impact on any future childcare commissioning arrangements to ensure that the number of surplus places are minimised and value for money is achieved. An early opportunity to review the childcare commissioning arrangements has arisen in the Penydarren LSOA because two independent childcare organisations have served notice to withdraw from the management and delivery of two current pre-school settings. The existing providers have indicated that they intend to cease delivery from 31 December 2021. The two providers are funded to provide a minimum of 31 Flying Start places between them with additional places purchased as required by Flying Start. Internal analysis work has identified that projections of eligible children in the Penydarren area show that by Spring term 2022, there will only be 22 Flying Start 'childcare' eligible children. It should be noted that one of the providers also accepts fee paying families within a mixed economy model.
- 5.4 Discussions have been ongoing with the providers to secure a way forward and to mitigate any potential impacts on the families utilising these services. It is therefore being proposed that the local authority tests the market, on behalf of the providers, to secure an alternative provider but on a reduced number of Flying Start commissioned places, to ensure best value. The authority is also implementing some interim arrangements to ensure the continuation of provision in the short term and this includes agreeing a secondment of a childcare leader to support both providers.
- 5.5 There are other areas of development in Flying Start areas where the numbers of eligible children accessing existing childcare provision is likely to be impacted over the coming years. Currently there are two local authority managed fully-funded pre-schools settings in the Gurnos; Seren Bach Pre-school at Gurnos Community Centre (50 places) and Busy Bees Pre-school at Penydre (24 places).

In January 2022, a new Cylch Meithrin is planned to open on the Gurnos at the Goetre Nursery site with a view to a pre-Nursery provision setting up on the same site in advance of the new Welsh Medium Primary opening. Flying Start eligible children will be funded to attend Cylch Meithrin Gurnos which could displace children who may otherwise have attended one of the other two Gurnos settings.

Another development to consider is Goetre Primary school moving to the Penydre site with the development of new pre-school facilities to relocate Busy Bees. More parents may choose for their pre-school child to attend Busy Bees due to the ease of dropping school age and pre-school children off at one site which will impact on the 50 place setting at Gurnos Community Centre.

6.0 WHERE WE WANT TO BE

- 6.1 We want to ensure that the childcare commissioning arrangements provide availability of childcare provision, support the childcare sector whilst at the same time ensuring value for money. The full Childcare Sufficiency Assessment due in June 2022 will provide an indication of future demand versus supply of Flying Start childcare. This will be used to inform the future commissioning model and it is anticipated that this would be applied universally across all Flying Start childcare.
- 6.2 We want to ensure that the programme reaches as many children as possible within the cap limit of 1,204 set by Welsh Government. In the context of the falling birth rate, consideration is being given to extending the outreach approach to include additional children in non-Flying Start LSOA's. Welsh Government guidance would suggest communities of interest (e.g. Gypsy traveller, women's refuge), however significant work has been done regionally on sharing of health data which could allow for an approach which would be based on need through a vulnerability profiling exercise.
- 6.3 We need to ensure that continuity of pre-school provision is at the very least available for Flying Start eligible children but preferably for all pre-school children in the Penydarren area.

7.0 WHAT WE NEED TO DO NEXT

- 7.1 The Childcare Sufficiency Assessment will be commissioned to an independent organisation to undertake and complete by June 2022. It will be important that the action plan clearly outlines the way forward for Flying Start childcare commissioning model in the context of local supply and demand for provision.
- 7.2 In response to the supply and demand assessment, work with the wider childcare sector to restructure the existing commissioning model ensuring this is applied universally across all independent settings and provides the most effective use of resources possible without destabilising the sector.
- 7.3 The approach to outreach and engaging with families outside of the identified LSOAs be reviewed and further developed to ensure that the maximum number of children possible are receiving Flying Start support. We suggest a model will come back to Scrutiny identifying the strengths and implications, prior to implementation.
- 7.4 Finalising of the secondment agreement to allow a Leader from Seren Bach, the local authority managed Flying Start pre-school, to go on secondment to Galon Uchaf pre-school and Plant bach Pre-school to cover maternity leave and ensure that the settings can remain open.

- 7.5 A testing the market exercise to be undertaken with a view to securing a new provider to deliver early years provision in the Penydarren area and should no providers register an interest a further paper to come back to Scrutiny on the potential implications for both Flying Start and the community of Penydarren.
- 7.6 In order to mitigate the impact of falling birth rate and the new provision being developed, it will be important to explore alternatives open to the local authority managed childcare settings and how this could impact on other providers in the community. This could include restructuring provision or looking at alternative business models.

8.0 CONTRIBUTION TO RAISING ASPIRATIONS RAISING STANDARDS (RARS) STRATEGY

8.1 The contents of this report relate to the following RARS Themes and Goals

- Theme – Partnership and Collaboration
- Goals – Performance Management and Systems Governance – Developing the Education Workforce – Supporting learners health and wellbeing – Improving achievement and progression and developing the environment for learning.

9.0 CONTRIBUTION TO WELLBEING OBJECTIVES

9.1 The contents of this report relate to the following Wellbeing Objectives:

- Best start to life

SUE WALKER
CHIEF OFFICER, LEARNING

COUNCILLOR LISA MYTTON
LEADER OF THE COUNCIL
PORTFOLIO LEAD

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
Does the report contain any issue that may impact the Council's Constitution?		