


**Decision made under the Council's Urgency Procedure by
the Leader of the Council on 8 April 2020**

COVID-19 EARLY YEARS FUNDING

Lead Member	Leader of the Council Councillor Izzi Seccombe
Date of decision	8 April 2020
	Signed 

Decision

That the Leader of the Council authorises the Strategic Director for People to incur additional expenditure up to £1.1M to fund a network of childcare hubs based in PVI and school settings to ensure continuity of provision of care to meet the needs of COVID-19 key workers and to continue to fulfil the statutory duty of providing sufficient places including for the most vulnerable on terms and conditions satisfactory to the Strategic Director for Resources.

Reasons for decisions

An urgent decision is required of the Leader to ensure the Council can provide sufficient childcare places for keyworkers and vulnerable children during the Coronavirus emergency.

1.0 & 2.0 Background information

1.0 Key Issues

As a result of the impact of COVID-19 on the Private, Voluntary and Independent (PVI) sector, there is a critical need to respond to demand for Early Years and Childcare

places, ensuring capacity in the system to meet the demand for the children of key workers and vulnerable children.

The impact of COVID-19 has led to the closures of PVI provision as a result of depleted numbers arising from self-isolation and 'stay at home' guidance and the impact of financial support measures, not least the opportunity to furlough workers.

Of the c.500 PVI providers, it is known that 133 have already closed the doors and anecdotal evidence is that many more will follow suit in order to preserve the business for the longer term.

The need to make provision for sufficient childcare is a statutory duty. This is essentially narrowed to a need, in current circumstances, to ensure sufficient childcare provision for children of key workers and vulnerable children; but is still a duty and requires a continuity of service on a rationalised, geographically spread and viable basis.

2.0 Options and Proposal

A hub model is proposed which is based upon the use of existing PVI provider sites together with school sites from the maintained sector. This brings together the need to coordinate two sets of emergency provision:

- the temporary financial support of PVI **hubs** located at PVI sites (in the first instance from April to July 2020)
- the rationalised continuity of **school sites** not requiring additional funding because no additional staffing costs are involved.

The hubs based on PVI sites form a critical response since they offer the full range of provision and can cater for the needs of under 2-year olds. Maintained school sites are unable to offer this.

In order to achieve this there is a need for temporary financial support for PVI hubs located at existing PVI provider sites and the funding will secure the necessary skilled staff. Without this support, staffing is highly likely to be furloughed/removed resulting in poor capacity to provide childcare in critical locations. The settings will continue to fund all other running costs.

The proposal for funding support for the PVI hub staffing costs is based on the following arrangements:

- A flexible model which can be scaled up/down proportionately to meet demand;
- Financial support is provided based on actual place take-up and staff levels required;
- Financial support will be released on a month-by-month basis against an agreed invoicing and payment procedure;
- Financial support is planned to cover a 4-month period in the first instance (April to July 2020) and will be reviewed monthly;

- Assessment of support need (demand) will be monitored weekly and evaluated at the end of each month to inform the subsequent month's supply of places;
- The overall arrangements will be reviewed on a month-by-month basis and adjusted appropriately depending on take up of places and known demand;
- In terms of adjustments, the cost per hub of a 3-person team per day is £484 (up to 15 places) and for a 5-person team is £758 per day (up to 24 places). The model used is based on Early Years Foundation Stage statutory staff-child ratios for children aged 0-2 and 3-4. The 15 and 24 place models will be required to be able to accommodate the different age groups.

Full details of the proposal are in Appendix 1

3.0 Financial implications

The investment proposed (circa £1.1m) will ensure up to **1680** places in total over a 4-month period.

Payment of support by WCC:

- Financial contributions on an agreed and contracted basis to the PVI hubs for staff costs will be closely controlled including payment on receipt of invoice from PVI providers for the staff used.
- Copies of attendance registers of children to be supplied alongside invoices
- Payment made monthly in arrears (no up-front costs to WCC, based on actual needed / used staff only)
- Only paid if required, protection to over funding any surplus places
- Protection measure: Total maximum cover of 5 staff costs paid per day
- **SEND** children will receive additional "Inclusion Grant" funding:
 - Total inclusion grant fund for next 4 months = £176,000 (this is based upon an average cost per child of £1000)
 - During the COVID-19 crisis, **it is proposed that inclusion grants are allocated to each of the 25 hubs as follows; £1760 per month for each of the 25 hubs** (Total per hub over four months = £7040 per hub).

Many of the PVI settings are facing material reductions in their income as a result of the closure of their facilities for all but children of key workers and vulnerable children. As stated above, this has led to many of the PVI settings closing. The government has put in place a range of funding schemes to support PVI settings and businesses. These include the continuation of Early Years DSG funding, business rate relief, small business grants, furloughing compensation, income from key worker parents/carers who continue use the settings. This proposal provides a further source of funding to ensure the required number of places remain available. The key financial risk, and why the proposals are necessarily complex, is to ensure, in light of the disparate sources of funding available to the PVI settings, the potential to overcompensate settings is minimised.

It is to ensure the best use of public money that the monitoring and payment arrangements have been drawn tightly and will be regularly reviewed. This will ensure the Council achieves value for money from its contribution whilst ensuring the required level of facilities are available when required, given the potential risk of more closures.

4.0 Environmental implications

4.1 None

5.0 Timescales Associated with the Decision and Next Steps

5.1 There is a need for the decision to be made urgently to ensure the sufficient provision of childcare services to families of keyworkers and vulnerable children during the coronavirus emergency.

Report Author	Hayley Good
Assistant Director	Ian Budd
Lead Director	Mark Ryder
Lead Member	Leader of the Council

Urgent matter?	Yes
Confidential or exempt?	No
Is the decision contrary to the budget and policy framework?	No

Lists of reports considered

Not applicable

List of background papers

None

Members and officers consulted and informed

Portfolio Holder – Councillor Izzi Seccombe

Corporate Board – N/A

Legal – Jane Pollard and Nichola Vine

Finance – Andy Felton and Rob Powell, Virginia Rennie

Equality – N/A

Democratic Services – Paul Williams

Councillors –
Councillor Dahmash (For consent to urgency)
Councillor Izzi Seccombe
Opposition Leaders

APPENDIX Detailed Calculations

Monthly workings below for 3 and 5-staff teams per number of hubs: -

3-Staff Team

3 x staff = £483.69 p/day (Multiplier = £484)

Manager 182.28

Deputy Manager 164.45

3rd in Charge 136.96

Total 483.69 per day

5-Staff Team

5 x staff = £757.62 p/day (Multiplier = £758)

Manager 182.28

Deputy Manager 164.45

3rd in Charge x 3 410.89

Total 757.62 per day

Summary Staff Cost Chart for Number of Hubs

April = Staff costs over 18 working days

Hubs	15 places hub = 3 staff team	24 places hub = 5 staff team
1	8,712	13,644
5	43,560	68,220
10	87,120	136,440
15	130,680	204,660
20	174,240	272,880
25	217,800	341,100

May = Staff costs over 20 working days

Hubs	15 places hub = 3 staff team	24 places hub = 5 staff team
1	9,680	15,160
5	48,400	75,800
10	96,800	151,600
15	145,200	227,400
20	193,600	303,200
25	242,000	379,000

June = Staff costs over 22 working days

Hubs	15 places = 3 staff	24 places = 5 staff
1	10,648	16,676
5	53,240	83,380
10	106,480	166,760
15	159,720	250,140
20	212,960	333,520
25	266,200	416,900

July = Staff costs over 23 working days

Hubs	15 places = 3 staff	24 places = 5 staff
1	11,132	17,434
5	55,660	87,170
10	111,320	174,340
15	166,980	261,510
20	222,640	348,680
25	278,300	435,850