

**Education and Families Committee****20 March 2013****Progress on the Implementation of Curriculum for Excellence in the Secondary Sector of Shetland's Schools****CS-10-F2****Director of Children's Services****Children's Services****1.0 Summary**

- 1.1 The purpose of this report is to outline the progress made towards the implementation of Curriculum for Excellence (CfE) in Shetland's secondary schools and secondary departments, with particular reference to the Senior Phase (S4 to S6).
- 1.2 Eddie Broadley, Senior Education Officer, Education Scotland, has been invited to this Committee meeting to provide information on the Scotland wide implementation of CfE and to answer Members' questions.

**2.0 Decision Required**

- 2.1 This report does not require a decision from Education and Families Committee, but requests that progress with the implementation of Curriculum for Excellence in the secondary sector of Shetland's schools be noted.

**3.0 Detail**

- 3.1 Curriculum for Excellence aims to achieve a transformation in education in Scotland by providing a coherent, more flexible and enriched curriculum from age 3 to 18. The curriculum includes the totality of experiences which are planned for children and young people through their education.

- 3.2 The first guidance documents were published in 2004, and further guidance has been issued regularly, depending on the focus of the stage of development (see links to publications at end of this report). Schools in Scotland have been planning, developing and implementing Curriculum for Excellence since 2005. Implementation began in the primary school sector and, whilst there remain some areas for development, by 2010 Curriculum for Excellence was being delivered in all primary school education establishments.
- 3.3 In the secondary sector Curriculum for Excellence is delivered in two phases:
- the Broad General Education (secondary one to secondary three), and
  - the Senior Phase (secondary four to secondary six).
- 3.4 Shetland's secondary schools and departments are implementing the Broad General Education. The next stage for development is the Senior Phase. Appendix 1 to this report describes the key features of Curriculum for Excellence in the secondary sector, and describes the key challenges for implementation.
- 3.5 The main issues which have emerged to date are explained at point 6 in Appendix 1 as discussion points, and mainly centre around the timing that pupils choose their subjects to study for National Four or National Five qualifications, and how many of these to study for examination in secondary four. Shetland's transition point from the end of secondary four at a junior high school to secondary five at a high school influences how this is taken forward.

#### **4.0 Background**

- 4.1 There is a Curriculum for Excellence Management Board that meets to discuss aspects of its implementation and recommend guidance for authorities. Representatives on that board include the Scottish Qualifications Agency (SQA), General Teaching Council for Scotland (GTCS), the Educational Institute of Scotland (EIS), Scotland's Colleges, Universities Scotland, Scottish Government, Association of Directors of Education Scotland (ADES), Education Scotland, National Parent Forum of Scotland, National Association of Schoolmasters Union of Women Teachers (NASUWT), Association of Headteachers and Deputies in Scotland (AHDS).

#### **5.0 Implications**

##### Strategic

- 5.1 Delivery On Corporate Priorities – this report helps achieve the aims of: Council Action Plan, Single Outcome Agreement area and Shetland Islands Council Improvement Plan 12/13

- To ensure our young people are successful learners, confident individuals, effective contributors and responsible citizens.

Area 5.1 Objective, Shetland Islands Council Improvement Plan:

- To support schools in their developments towards a Curriculum for Excellence. The specific actions referred to are:
- To fully implement all areas of Curriculum for Excellence, including the new national qualifications in all schools by 2014.
- To begin to work with secondary departments, schools and partners in learning with regard to the structure and provision of the Senior Phase
- To support secondary departments/schools in the development of National 4 and National 5 courses and other revised qualifications as appropriate

Children's Services Directorate Plan

- To ensure efficient use of the resources to deliver the best possible services, and to deliver the agreed budget strategy within the timescales agreed by Council.

5.2 Community /Stakeholder Issues – As the implementation progresses, appropriate consultation and communication is taking place with Head Teachers, groups of staff and their representatives and Parent Councils.

5.3 Policy And/Or Delegated Authority – in accordance with Section 2.3.1 of the Council's Scheme of Administration and Delegations, the Education and Families Committee has responsibility and delegated authority for decision making on matters within its remit which includes school education. This report is related to the function of an education authority.

5.4 Risk Management – Work undertaken to implement Curriculum for Excellence will account for any risk to Shetland Islands Council of not implementing Scottish Government policy.

5.5 Equalities, Health And Human Rights – None

5.6 Environmental – None

Resources

5.7 Financial – The implementation of Curriculum for Excellence in secondary schools and departments will not incur any additional costs.

5.8 Legal – None arising directly from this report.

5.9 Human Resources – None arising directly from this report.

5.10 Assets And Property – None

## 6.0 Conclusions

- 6.1 The implementation of Curriculum for Excellence in Shetland's secondary schools and departments is progressing along its agreed timescale. A number of areas have begun to emerge for further exploration and development. If addressed, these have the potential to provide Shetland's young people with an excellent Senior Phase in which to achieve qualifications and recognition for achievements.

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*Report Finalised: 8 March 2013*

### List of Appendices

Appendix 1 - Progress Report on the Implementation of Curriculum for Excellence in Shetland's schools.

Appendix 2 - Curriculum for Excellence Levels of Learning

Appendix 3 - Qualifications are Changing: SQA publication for parents

Appendix 4 - Circular 10/2013/I: Senior Phase Position Statement

### Background documents

Building the Curriculum 1: The contribution of curriculum areas

Building the Curriculum 2: Active learning in the early years

Building the Curriculum 3: A framework for learning and teaching

Building the Curriculum 4: Skills for learning, skills for life and skills for work

Building the Curriculum 5: A framework for assessment

Curriculum for Excellence Briefing 1: Broad General Education in secondary schools

Curriculum for Excellence Briefing 2: Assessing progress and achievement in the 3-15 broad general education

Curriculum for Excellence Briefing 3: Profiling and the S3 profile

Curriculum for Excellence Briefing 4: Interdisciplinary Learning

Curriculum for Excellence Briefing 5: Personalised Learning

Curriculum for Excellence Briefing 6: Progression from the Broad General Education to the Senior Phase

Curriculum for Excellence Briefing 7: Progression from the Broad General Education to the Senior Phase: Part 2

END

**Shetland Islands Council - Children's Services  
Schools/Quality Improvement**

**Progress on the implementation of Curriculum for Excellence in the secondary sector of Shetland's schools**

**1. Introduction**

- 1.1 Curriculum for Excellence (CfE) aims to provide a coherent, more flexible and enriched curriculum from 3 to 18. The curriculum includes the totality of experiences which are planned for children and young people through their education, wherever they are being educated. CfE emphasises the provision of excellent teaching and learning experiences that enable pupils to gain a deep understanding that enables them to apply their learning to unfamiliar circumstances.
- 1.2 The purpose of the curriculum is encapsulated in the four capacities - to enable each child or young person to be a successful learner, a confident individual, a responsible citizen and an effective contributor.
- 1.3 The curriculum aims to ensure that all children and young people in Scotland develop the knowledge, skills and attributes they will need if they are to flourish in life, learning and work, now and in the future. The attributes and capabilities of the four capacities are outlined below:

successful learners	confident individuals	responsible citizens	effective contributors
<p><b>attributes</b></p> <ul style="list-style-type: none"> <li>enthusiasm and motivation for learning</li> <li>determination to reach high standards of achievement</li> <li>openness to new thinking and ideas</li> </ul> <p><b>capabilities</b></p> <ul style="list-style-type: none"> <li>use literacy, communication and numeracy skills</li> <li>use technology for learning</li> <li>think creatively and independently</li> <li>learn independently and as part of a group</li> <li>make reasoned evaluations</li> <li>link and apply different kinds of learning in new situations.</li> </ul>	<p><b>attributes</b></p> <ul style="list-style-type: none"> <li>self-respect</li> <li>a sense of physical, mental and emotional well-being</li> <li>secure values and beliefs</li> <li>ambition</li> </ul> <p><b>capabilities</b></p> <ul style="list-style-type: none"> <li>relate to others and manage themselves</li> <li>pursue a healthy and active lifestyle</li> <li>be self-aware</li> <li>develop and communicate their own beliefs and view of the world</li> <li>live as independently as they can</li> <li>assess risk and make informed decisions</li> <li>achieve success in different areas of activity.</li> </ul>	<p><b>attributes</b></p> <ul style="list-style-type: none"> <li>respect for others</li> <li>commitment to participate responsibly in political, economic, social and cultural life</li> </ul> <p><b>capabilities</b></p> <ul style="list-style-type: none"> <li>develop knowledge and understanding of the world and Scotland's place in it</li> <li>understand different beliefs and cultures</li> <li>make informed choices and decisions</li> <li>evaluate environmental, scientific and technological issues</li> <li>develop informed, ethical views of complex issues.</li> </ul>	<p><b>attributes</b></p> <ul style="list-style-type: none"> <li>an enterprising attitude</li> <li>resilience</li> <li>self-reliance</li> </ul> <p><b>capabilities</b></p> <ul style="list-style-type: none"> <li>communicate in different ways and in different settings</li> <li>work in partnership and in teams</li> <li>take the initiative and lead</li> <li>apply critical thinking in new contexts</li> <li>create and develop</li> <li>solve problems</li> </ul>

- 1.4 There is no “National Curriculum” that sets out what a child or young person will learn in school in Scotland. However, the Scottish Government describes the main features of Curriculum for Excellence as follows:

“Children and young people are **entitled** to a curriculum that includes a range of features at the different stages. The framework expands on these; in summary, children and young people are entitled to experience:

- a curriculum which is **coherent** from 3 to 18
- a **broad general education**, including the experiences and outcomes which are well planned across all the curriculum areas, from early years through to S3
- a **senior phase** of education after S3 which provides opportunity to obtain qualifications as well as to continue to develop the four capacities
- opportunities for developing **skills for learning, skills for life and skills for work** with a continuous focus on **literacy, numeracy and health and wellbeing**
- personal support to enable them to gain as much as possible from the opportunities which *Curriculum for Excellence* can provide
- support in moving into **positive and sustained destinations** beyond school”.

## 2. Entitlements for all children and young people:

- 2.1 Children and young people have six entitlements to their education. Education Scotland (HMIE as was) will make judgements on how schools are delivering these entitlements when they inspect schools. Appendix 2 shows the levels of learning at different stages.

1. Every child and young person is entitled to experience a curriculum which is coherent from 3 to 18
2. Every child and young person is entitled to experience a broad general education.  
*Learning in the broad general education (BGE) is described by a series of statements that are called “learning outcomes and experiences”. Teachers are responsible for the content of a curriculum that covers the outcomes and experiences. The BGE is experienced by pupils from pre-school (aged 3) to secondary three (aged 15).*
3. Every young person is entitled to experience a senior phase where he or she can continue to develop the four capacities and also obtain qualifications. *The Senior Phase describes secondary four to secondary six.*
4. Every child and young person is entitled to develop skills for learning, skills for life and skills for work, with a continuous focus on literacy and numeracy and health and wellbeing

5. Every child and young person is entitled to personal support to enable them to gain as much as possible from the opportunities which Curriculum for Excellence can provide
6. Every young person is entitled to support in moving into a positive and sustained destination

### 3. Main Features of Curriculum for Excellence (CfE)

- Pupils have six entitlements within CfE (as described at point 3);
- CfE describes learning from ages three to eighteen. Pupils experience a “Broad General Education (BGE)” from pre-school to secondary three (age three to fifteen), and a “Senior Phase” of education from secondary four to secondary six (age sixteen to eighteen or nineteen). During the BGE teachers are guided by published “Experiences and Outcomes”. During the Senior Phase pupils are able to take qualifications;
- CfE focuses on enhanced teaching strategies that involve and engage pupils in their learning so that they develop a deep understanding of concepts, and can apply their knowledge;
- There is a focus on helping pupils to develop the skills that they need in learning, in life and for work;
- Pupils are continuously assessed on their learning, and they are encouraged to develop the skills to assess themselves and other pupils and to fully understand how to improve their learning;
- All teachers have a responsibility to ensure that the standard of pupils’ learning reflects national standards – this is done through moderation activities at a school, authority and national level;
- All teachers have a responsibility to help pupils to develop literacy and numeracy skills and to contribute to their health and wellbeing;
- Teachers support pupils to reflect on their learning and to develop profiles that describe their achievements in and out of school at the key transition points of Primary seven and Secondary three – these are called the P7 and S3 Profiles.
- New qualifications have been developed that reflect the emphasis on skills and the application of knowledge. These are National Qualifications from one to five, where National Five (N5) broadly equates to a credit level Standard Grade. Highers and Advanced Highers will also be revised. The first pupils will sit the new National Qualifications in S4 in 2014. One of the aims of the new qualifications is to streamline the progression route (see SQA leaflet, Appendix 5).

#### 4. Primary Education

- 4.1 Shetland's primary schools and departments have implemented the Early, First and Second Levels (appendix 2 shows the levels) of the stages Curriculum for Excellence within the Scottish Government's timescales. While there remain some areas for development, all these schools are delivering a curriculum that is based on the Experiences and Outcomes of Curriculum for Excellence and aim to deliver the four capacities as described in 1.3 above.

#### 5. Secondary Education

- 5.1 The current phase of implementation is in the secondary sector.
- 5.2 This report focuses on the implementation of Curriculum for Excellence from S1 to S6. S1 to S3 is referred to as The Broad General Education and S4 to S6 as The Senior Phase. Scottish secondary schools are required to implement all of the six entitlements listed above.
- 5.3 Scottish Local Authorities are given the freedom to ensure that pupils receive their entitlements in a way that suits their school communities and local environment best, taking into account economic and structural factors, such as a local authority's resources and the make-up of the school estate.
- 5.4 This freedom has led to local interpretations of how best to deliver the entitlements. There is currently a national and local emphasis on Entitlement 3: "Every young person is entitled to experience a senior phase where he or she can continue to develop the four capacities and also achieve qualifications" and how that Senior Phase interfaces with the Broad General Education phase.
- 5.5 It is helpful to quote the full text of: *Building the Curriculum 3: A framework for learning and teaching, p15*

"All young people in Scotland have an entitlement to a senior phase of education which:

- provides specialisation, depth and rigour
- prepares them well for achieving qualifications to the highest level of which they are capable
- continues to develop skills for learning, skills for life and skills for work
- continues to provide a range of activities which develop the four capacities
- supports them to achieve a positive and sustained destination.

The Senior Phase, which takes place from S4 to S6 in schools and includes ages 16 to 18 out of school, is the phase when the young person will build up a portfolio of qualifications. It is the stage of education at which the relationship between the curriculum and National Qualifications becomes of key significance.

The curriculum framework and the qualifications system will provide a range of opportunities to meet the needs of all learners, whether aspiring to achievements at SCQF level 1 or at SCQF level 7.

The curriculum in the senior phase comprises more than programmes which lead to qualifications. There is a continuing emphasis, for example, on health and wellbeing appropriate to this phase, including physical activity and opportunities for personal achievement, service to others and practical experience of the world of work.”

### 5.6 Summary of the main changes, with the key issue in bold:

The features of the structure before CfE in our secondary schools include:

- Comprehensive type education delivered in S1 and S2 in which the curriculum and subject content is designed around 5-14 guidelines (these are no longer in use);
- Standard Grade qualifications and Intermediate qualifications are delivered over two years in S3 and S4;
- Higher Courses (one-year course) are delivered and exams taken in S5;
- Advanced Higher and additional Higher courses are usually taken in S6;
- **Pupils make choices at the end of S2 that enables them to sit up to eight Standard Grade and Intermediate qualifications;**
- Each Standard Grade and Intermediate course is designed to be delivered in 160 hours of class time, over two years in S3 and S4.

A structure of secondary education that includes these features has become known as the 2+2+2 model, where the delivery exemplifies two years where pupils study all secondary subjects, two years to study for Standard Grade (or equivalent) qualifications, and two years of non-compulsory school education in which Higher and Advanced Higher courses can be taken.

The features of the Curriculum for Excellence model for secondary education include:

- A Broad General Education that delivers CfE Experiences and Outcomes at level 3 and 4 in S1 – S3;
- The Level 4 Experiences and Outcomes provide learning towards national qualifications;
- Pupils develop the skills to recognise and celebrate their achievements – academic, sporting, vocational and recreational, throughout S1 to S3 that is finalised in a profile towards the end of S3 (the S3 Profile);
- Pupils use this S3 Profile to help them to make choices regarding which subjects to study to achieve National 4 and 5 qualifications (N4 and N5);
- **Pupils make choices at the end of S3 that enables them to sit N4 and N5 qualifications – the number of qualifications is decided in by agreement with each local authority – as these are designed to be one-year courses of 160 hours of teaching time, there is a debate over the number of courses and when to start the teaching;**
- At S4 some young people may opt to study a Higher course over 1 or 2 years without taking a N5 qualification first;

- S5 and S6 pupils will have a range of qualification options. These will include Highers, Advanced Highers but can also include additional N4 and N5 courses;
- Pupils will still have the opportunity to study for 5 Highers (in one sitting or over the three years of the Senior Phase);
- In addition to the National Qualifications, options within the senior phase should include vocational courses offered by other providers (such as further education), work experience placements, volunteering placements, and other accredited and non-accredited opportunities for young people to develop the skills for life, work and learning;
- There is an obligation to provide one period of Religious Education and two periods of core Physical Education from S1 to S6.

A structure of secondary education that includes these features has become known as the 3+3 model, as the Broad General Education is delivered in S1 to S3 and the Senior Phase is delivered in S4 to S6.

### 6. Discussion Points

- 6.1 The Scottish Government have published a series of five main guidance documents called Building the Curriculum 1 to 5 and Briefing Papers 1 to 7. The guidance is helpful in that it describes the main features of Curriculum for Excellence as it applies to teaching for ages three to eighteen. These documents (particularly the Briefing Papers) describe the main features of the Senior Phase.
- 6.2 The Scottish Qualifications Agency (SQA) has been developing the new qualifications (National 1 to 5, Revised Highers and Revised Advanced Highers, Baccalaureates). The first of these are N1 to N5 and the first pupils to take these will do so in 2014. See Appendix 3 for SQA explanation leaflet on new qualifications.
- 6.3 In Shetland secondary teachers have been working in subject development groups to prepare courses in readiness for this change. Representatives have been attending events on the Scottish mainland for support. This activity has been facilitated by additional funding for this purpose from the Scottish Government.
- 6.4 The number of national qualifications that pupils can take in one sitting at the end of S4 is a matter for each local authority and will depend upon many factors such as the structure of the school estate, the resources available, the expertise available, and the stage at which the authority is at with the implementation of CfE.
- 6.5 This has led to different positions being adopted across Scotland. Some authorities, (for example, East Renfrewshire) are currently continuing to offer pupils the opportunity to take eight National Qualifications in S4. Some (for example Glasgow) are currently planning to offer seven National Qualifications in S4. Some (for example Highland and Moray) are implementing a model that offers six National Qualifications in S4.

- 6.6 In Shetland, a feasibility study will be undertaken in all secondary settings in April-May 2013 which will provide information on the viability of offering up to seven N4 or N5 qualifications, and on the staffing required to fulfil this. Appendix 4 is the circular that explains Shetland's position with regard to how we intend to deliver the Senior Phase.
- 6.7 Shetland's position is influenced by several factors:
- If the pupils who attend Junior High Schools wish to continue to gain qualifications beyond S4, they need to transfer to the Anderson High School or Brae High School. Progression pathways within subjects need to be managed carefully;
  - There are challenges for pupils to have the opportunity to begin a Higher course in S4 at a Junior High School and continue that in S5 at a High School. The two-year Higher which begins in S4 becomes difficult (but not impossible);
  - The number of pupils at Shetland's very small secondary departments, together with the financial position of Shetland Islands Council may limit the availability of some subjects in some schools.

## 7. Conclusion

- 7.1 Children's Services is comfortable with the implementation of Curriculum for Excellence from the Early Stage to the end of the Second Level in its nurseries and primary schools and departments. Our Quality Assurance visits provide the evidence that demonstrates this.
- 7.2 Children's Services is comfortable with the progress of implementation of Curriculum for Excellence with regard to the Experiences and Outcomes of the Broad General Education. The deep audit of CfE provides the evidence that demonstrates this.
- 7.3 Children's Services is now working with secondary schools and departments on the implementation of a Senior Phase that enables pupils to receive their entitlement to a Senior Phase where they can continue to develop the four capacities and also obtain qualifications in a way that our school estate and financial position allows.



## Curriculum for Excellence Levels of Learning

Curriculum for Excellence defines five levels of learning. The first four levels are described in the experiences and outcomes, with progression to qualifications described under a fifth level, the [senior phase](#).

Level	Stage
<b>Early</b>	The pre-school years and P1, or later for some.
<b>First</b>	To the end of P4, but earlier or later for some.
<b>Second</b>	To the end of P7, but earlier or later for some.
<b>Third and Fourth</b>	<p>S1 to S3, but earlier for some. The fourth level broadly equates to Scottish Credit and Qualifications Framework level 4.</p> <p>The fourth level experiences and outcomes are intended to provide possibilities for choice and young people's programmes will not include all of the fourth level outcomes.</p>
<b>Senior phase</b>	S4 to S6, and college or other means of study.





**Education and Families Committee  
Executive Committee  
National Health Service Shetland – Strategy Redesign**

**20 March 2013  
15 April 2013  
12 March 2013**

## **Getting it Right For Every Child Policy**

**CS-11-13-F**

**Report Presented by  
Director of Children's Services**

**Children's Services**

### **1.0 Summary**

- 1.1 Since 2001, the Getting it Right for Every Child (GIRFEC) approach to delivering services to children and their families has been promoted by successive Scottish governments. GIRFEC centres around an agreed approach to joint communication, planning and review of services to children. Its aims are to support practitioners across all services to work together better and ensure all children and young people in Scotland are given the best possible opportunity to reach their full potential.
- 1.2 Work in local authorities across Scotland has progressed at different rates and practice has developed according to individual local arrangements. As a result, aspects of the GIRFEC approach will be legislated for in the forthcoming Children and Young People's Bill to secure a consistent approach to support and planning to meet children's needs.
- 1.3 A review of Shetland's progress in implementing GIRFEC was carried out in 2012. As a result, an action plan to refresh local practice was written and an implementation group was set up to take the plan forward. A key initial piece of work done by the Implementation Group is the policy document which is here today for your approval.

### **2.0 Decision Required**

- 2.1 That Education and Families Committee **RESOLVES** to recommend to Shetland Islands Council approval of the draft Getting it Right for Every Child Policy which is attached as Appendix A.

### 3.0 Detail

3.1 In Scotland the GIRFEC approach to joint working by services to support better outcomes for children, has its origins in a number of key policy documents, including some which support the delivery of services to children who have additional needs:

- The Children's Charter (2004);
- The United Nations Convention on the Rights of the Child (1989);
- For Scotland's Children (Scottish Government 2001);
- The Early Years Framework (Scottish Government 2008);
- Curriculum for Excellence (Scottish Government 2004 onwards);
- Better Health, Better Care (Scottish Government 2007).

The approach is built around planning to ensure all children in Scotland are:

- Safe,
- Healthy,
- Achieving,
- Nurtured,
- Active,
- Respected,
- Responsible,
- Included.

3.2 Implementation of the GIRFEC approach has had differing levels of success across Scotland in changing the way services work together. As a result, in order to secure consistency of approach, the Scottish Government intends to legislate for aspects of the approach in the Children and Young People's Bill 2013. Specifically these aspects are:

- Planning to Meet Needs;
- The role of a Named Person for every child;
- The role of a Lead Professional for those children who require a multi-agency approach to improve their circumstances.

3.3 Locally the Joint inspection of services to protect children and young people in the Shetland Islands Council area published in January 2012, led by the Care Inspectorate, made the following evaluation of local implementation of the GIRFEC approach:

*"The introduction of a new approach to practice is helping staff work together more regularly and understand each other's roles and responsibilities more clearly. More work is needed to further promote a joint approach to supporting vulnerable children and families. Health staff have greatly improved their record keeping and assessment of risk and needs. However, staff across services need to be more consistent in their use of assessment formats and improve the quality of their plans."*

3.4 As a result of this area for improvement being identified, the local Integrated Children and Young People's Strategic Planning Group

commissioned a review of the implementation of GIRFEC. This work has produced a Implementation Group, comprised of representation from:

- Police;
- Shetland Islands Council, Children's Services;
- National Health Service, Shetland;
- Voluntary Action Shetland.

3.5 The Group will:

- refresh local policy;
- draft supporting documentation to be used by all services for children;
- agree a common approach to planning and review for children;
- plan and deliver training;
- put in place a quality assurance system to secure consistency and improvement;
- ensure work to implement Getting it Right For Every Child is ongoing and kept under regular review.

3.6 As a first step to fulfilling its remit, the GIRFEC Implementation Group has drafted a GIRFEC Policy. The Integrated Children and Young People's Strategic Planning Group have approved this Policy and have recommended that it now goes forward to NHS Shetland and Shetland Islands Council for agreement. Its approval today will enable the Group to then progress the other related pieces of work.

## 4.0 Implications

### Strategic

4.1 Delivery On Corporate Priorities – This report helps to achieve the aims of the:

#### Shetland Islands Council Improvement Plan 2012/13:

- We have a clear vision and sense of purpose which reflects local needs; and we can demonstrate joined-up planning and resourcing to deliver that vision.
- We have a strong improvement led and performance driven culture and systems; and we have a systematic approach to identify risks and develop effective responses.
- We lead equality improvements, provide equality of opportunity and fair outcomes.

#### Shetland's Community Plan 2012-2020 – Objectives:

5. Our young people are successful learners, confident individuals, effective contributors and responsible citizens.
6. We have improved the life chances for children, young people and families at risk.
7. We have reduced key risk factors for poor health outcomes.
8. We have supported people to achieve their full potential at all life stages – from birth and early years through working lives to old age.

9. We have tackled inequalities by ensuring the needs of the most vulnerable and hard to reach groups are identified and met, and that services are targeted at those most in need.
10. Shetland stays a safe place to live, and we have strong, resilient and supportive communities.
15. We deliver sustainable services and make sustainable decisions, which reduce harmful impacts on the environment.

Integrated Children and Young People's Plan 2012-2015:

- Embed the GIRFEC ethos and values across agencies.
- Through the GIRFEC approach, all children and young people with an identified need for support will have: an appropriate assessment of their needs; a plan put in place to meet their needs; access to the services they require; and a regular review of their needs.

- 4.2 Community /Stakeholder Issues – The Getting it Right for Every Child Audit Review Report was written following on extensive consultation with a wide range of service providers in Shetland and input from service users.
- 4.3 Policy And/Or Delegated Authority – In accordance with Section 2.3.1 of the Council's Scheme of Administration and Delegations, the Education and Families Committee has responsibility and delegated authority for decision making on matters within its remit which includes children and families, school education, pre-school education, child protection and young people. This report is related to the function of an education authority. Proposals to introduce new, or vary existing policies or strategies which form part of the Constitutional Strategy Framework Documents, requires a decision of the Council (Section 2.1.3-2 of the Scheme of Administration and Delegations).
- 4.4 Risk Management – If Members decide not to agree the Getting it Right for Every Child Policy at this time, a key recommended improvement from the Integrated Care Inspectorate Report on Child Protection Services in Shetland will not be met. In addition, such a decision may put at risk the opportunity to ensure every child in Shetland has the opportunity to reach their full potential.
- 4.5 Equalities, Health And Human Rights – An Equality Impact Assessment has been carried out on the policy, and at this stage there are no equalities, health and human rights impacts. This will be continually monitored.
- 4.6 Environmental – None.

Resources

- 4.7 Financial – The changes to the way services work together in the policy will be dealt within the existing resources each partner agency has. No additional financial resources will be required to deliver this policy.
- 4.8 Legal – Legal Services assists and guides Children's Services through statutory requirements around the delivery of services for children. Aspects of the Getting it Right for Every Child will be legislated for in the forthcoming Children and Young People's Bill.

4.9 Human Resources – None.

4.10 Assets And Property – None.

## **5.0 Conclusions**

5.1 The Getting it Right for Every Child Policy will enable Shetland Partnership agencies with responsibility for delivery of services to children to respond consistently and timely to children's needs. It will secure better partnership working to secure improved outcomes for any child in need of support.

5.2 If approved, work will commence in producing supporting guidance documents for service providers delivering services to children and training will be planned and delivered during summer and autumn 2013.

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*Report Finalised: 8 March 2013*

### List of Appendices

Appendix A – Draft Policy on Getting it Right For Every Child

### Background documents:

Care Inspectorate Report on Child Protection in Shetland: Publication Date 19 January 2012

[http://www.scswis.com/index.php?option=com\\_docman&task=cat\\_view&gid=473&Itemid=716](http://www.scswis.com/index.php?option=com_docman&task=cat_view&gid=473&Itemid=716)

Scottish Government Guidance on Getting it Right for Every Child: Publication Date June 2012.

<http://www.scotland.gov.uk/Resource/0041/00411151.pdf>

END



## Shetland Getting it Right For Every Child (GIRFEC) Policy

### Introduction

Getting it Right for Every Child is a national approach, “ensuring that *anyone* providing support puts the child or young person – and their family – at the centre.”<sup>1</sup>. Aspects of this approach will form part of the Children’s and Young People’s Bill (due to be introduced in 2013).

Getting it Right for Every Child is integrated assessment and planning around the needs of the child/young person, working jointly with children and their families to take early action at the first signs of any difficulty. This means working with partners in a consistent way that is holistic, using common tools, language and processes.

Getting it Right for Every Child in Shetland will produce guidance for children, young people, their families and practitioners to support this common method of assessment and planning.

All agencies in Shetland have a responsibility to deliver Getting it Right for Every Child, with appropriate development support and training and performance management.

The proposed Children and Young People’s Bill, Children’s Plan, Curriculum for Excellence and the Single Outcome Agreement are based on the child’s ‘wellbeing’ as defined by the SHANARRI indicators. (Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible, Included).

Shetland partners have embedded Getting it Right for Every Child in local strategies and plans which will enable the delivery of the objectives of the Shetland Partnership. Children and young people may have temporary difficulties, live with ongoing challenges or experience more complex issues. Getting it Right for Every Child in Shetland will enable those children, and their families, to know where they can find help, what support may be available and what is right for them, and to get the services that they need.

The Shetland Partnership Community Plan<sup>2</sup> has strategic objectives which Getting it Right for Every Child will enable:

5. Our young people are successful learners, confident individuals, effective contributors and responsible citizens.
6. We have improved the life chances for children, young people and families at risk.
7. We have reduced key risk factors for poor health outcomes.
8. We have supported people to achieve their full potential at all life stages – from birth and early years through working lives to old age.

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<sup>1</sup> A Guide to Getting it right for every child – Scottish Government (June 2012)

<sup>2</sup> Shetland Partnership Community Plan 2012 - 2020

9. We have tackled inequalities by ensuring the needs of the most vulnerable and hard to reach groups are identified and met, and that services are targeted at those most in need.
10. Shetland stays a safe place to live, and we have strong, resilient and supportive communities.
15. We deliver sustainable services and make sustainable decisions, which reduce harmful impacts on the environment.

### **Vision**

A better brighter future for all children and young people in Shetland.

### **Aims**

Embedding Getting it right for every child in all agencies in Shetland will ensure the best outcomes for all our children and young people.

The Integrated Children and Young People's Plan<sup>3</sup> places an emphasis on early intervention, a parenting strategy, developing capacity and resilience, wellbeing in families and communities, and, respect and engagement of young people and children.

### **Objectives**

Earliest help at the right time to meet the particular needs of the child/young person which is appropriate and proportionate.

Every child/young person in need of support has an Assessment and Child's Plan.

### **Commitment**

Accepting collective responsibility for child and family centred decision making.<sup>4</sup>

- ✓ *We will* work together effectively.
- ✓ *We will* share information.
- ✓ *We will* listen to what people have to say.
- ✓ *We will* respect confidentiality.
- ✓ *We will* promote a shared value base.
- ✓ *We will* set standards for achievable outcomes.
- ✓ *We will* ensure good systems of communication.
- ✓ *We will* involve, consult and actively build good relationships.
- ✓ *We will* be competent, confident appropriately trained and supported.

<sup>3</sup> A Better Brighter Future for All Children and Young People in Shetland, - Shetland's Integrated Children and Young People's Service Plan 2011 -2014

<sup>4</sup> Lanarkshire's Learning Experience – Getting it right for every child in Lanarkshire, Charter for Multi Agency Working

### Responsibilities

#### Shetland Partnership:

- “Act as a method of communication between strategic partnerships and sub-groups to ensure improved joint working...”<sup>5</sup>
- “Champion partnership working and lead by example.”<sup>5</sup>
- “Commitment to consultation and working with customers.”<sup>5</sup>

#### Integrated Children and Young People’s Strategic Planning Group:

- Responsible for ensuring quality and continuous improvement of GIRFEC practice in Shetland.
- “Monitor and evaluate performance against agreed outcome indicators, highlighting areas for improvement and development...”<sup>5</sup>
- “..monitor the effectiveness of partnership working arrangements...”<sup>5</sup>
- “Members represent their organisations and identify and respond to emerging issues. Manage barriers and risks to the achievement of the agreed outcomes.”<sup>5</sup>

#### Partners:

- Signing up to this policy.
- Full engagement to achieve the objectives listed above.
- Fully implement Getting it Right for Every Child in Shetland.

### Review

The Integrated Children and Young People’s Strategic Planning Group will arrange for review of this policy in one year or when required by Shetland Partnership, legislation or local circumstance.

Once fully implemented performance on Getting it Right for Every Child will be monitored via the quarterly progress report from the Integrated Children and Young People’s Forum. This will detail progress against outcome indicators. This report will identify good practice, emerging issues and effectiveness of partnership working. These may then lead to recommendations regarding strategies, policies or procedures.

### The Core

Integrated assessment and planning around the needs of the child, working jointly with children and families on early intervention, care and support.

Guidance for professionals and for children and families themselves in the processes of information sharing, assessment, care planning for improved outcomes.

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<sup>5</sup> Shetland Partnership, Partnership Guide (September 2012)



**Education and Families Committee****20 March 2013****Review of Shetland Islands Council Childcare Provision in Lerwick****CS-16-13-F2****Report Presented by  
Executive Manager, Children's Resources****Children's Services****1.0 Summary**

- 1.1 The purpose of this report is to enable the Education and Families Committee to consider the Review of Shetland Islands Council Childcare Provision in Lerwick. This review was carried out by Jennifer Russell, Consultant, Anderson Solutions, who has been invited to this Committee meeting to deliver a short presentation on the review and its recommendations.
- 1.2 The review took the form of an Options Appraisal. Five options were considered. These are outlined below at 3.6.
- 1.3 The strongest option that emerged is Option 2 - Rationalise Provision. This option would retain the services under Shetland Islands Council ownership and operation but seeks to eliminate inefficiencies in the service delivery.

**2.0 Decision required**

- 2.1 Education and Families Committee is asked to RESOLVE to recommend to the Council approval of Option 2- Rationalise Provision.

**3.0 Details***Background of the Review*

- 3.1 In September 2012, Anderson Solutions (Consulting) Ltd was commissioned to undertake a review of Shetland Island's Council Childcare Provision in Lerwick.

- 3.2 The services under review are Islesburgh Pre-School, Islesburgh Out of School Clubs and Blydehaven Nursery.
- 3.3 The different types of service that are provided by these organisations include:
- Pre-school education, a statutory service provided by local authorities for all 3-5 year olds;
  - 'Extended hours' childcare for 3-5 year olds which is wrapped around pre-school education;
  - Breakfast and After School Clubs predominantly for children at primary school in Lerwick. Children may attend until the age of 14 although this is uncommon.
  - Out of School Club for children of primary school age provided during main holiday periods. This can cater for children outside of Lerwick and again can take children aged up to 14.
- 3.4 The stated aims of the review were to reduce the financial burden to Shetland Islands Council and enable third sector or private sector organisations to pursue opportunities to expand or enter into the provision of childcare services.
- 3.5 The requirements of the review were:
- To review childcare provision in Lerwick, taking account of earlier studies;
  - To ensure all childcare providers in Lerwick were consulted;
  - To identify options for service delivery (including costs to the Authority where relevant); and
  - To make recommendations.

### *Structure of the Review*

- 3.6 To best meet the needs of the review, an approach was developed which was structured around an options appraisal process. The five options under consideration are:
- Option 1 – Continue with Current Mode of Operation  
Option 1 provides the baseline against which all other options are compared.
  - Option 2 – Rationalise Provision  
Option 2 would retain the services under Shetland Islands Council ownership and operation but seeks to eliminate inefficiencies in the service delivery.
  - Option 3 – Close all Non-Statutory Services  
Option 3 proposes the closure of all Out of School club services and extended hours services. The only service under review that would remain is pre-school education.
  - Option 4 – Transfer Shetland Islands Council Services to an External Provider  
This involves the withdrawal of Shetland Islands Council from the provision of childcare services and transfers those services, including the pre-school education element of the existing

services, to an external provider either in the private or third sector.

- Option 5 – Create an Arms Length External Organisation (ALEO)

This option proposes the transfer of Shetland Islands Council childcare services to an ALEO which would be owned by Shetland Islands Council but managed as a distinct entity.

3.7 Anderson Solutions prepared a Report (Appendix 1) which was presented in draft to key stakeholders and Elected Members in January 2013. This was followed with a progress report presented by Executive Manager, Children's Resources to Education and Families Committee on 1 February 2013 (Min Ref: E&F 07/13).

3.8 An Executive Summary of the Review is available at Appendix 2.

### *Conclusion of the Review*

3.9 The preferred option emerging from the review is Option 2. This option proposes the rationalisation of services and retaining these as Shetland Islands Council owned and operated services.

3.10 The research analysis undertaken for the review indicates that Option 2 is the most sustainable and readily achievable option. It is also the option which provides best value for the community from the level of investment required. It should also offer a resilient delivery model capable of adapting to the statutory provision of pre-school education.

3.11 August 2013 is considered to be the earliest implementation date due to refurbishment works which require to be carried out. It is also considered that this would achieve least disruption for children and families using the services.

3.12 However, as with all options considered, there is a cost. This includes the cost of refurbishing the Old Infant School where the preschool and extended hours service would be based. This is estimated to be £55,000 and is detailed in the Report (Appendix 1). The out of school provision would continue to be based in Islesburgh Community Centre. Dedicated toilets are required for this service, the cost of which is estimated to be £9,000. This investment would enable significant efficiencies to be achieved. A Spend to Save application has been submitted to meet these costs. The implementation date will take into account any employee exits that may result from approval of Option 2 and the consultation and notice periods that might be required.

3.13 It is expected that Option 2 will require a reduction of 4.08 full-time equivalent staff to deliver the services. The framework and processes set out in the Policy on Organisational Restructuring will be followed to ensure that consultation with staff and Trade Unions take place at the appropriate time.

- 3.14 The cost of providing the services as proposed in Option 2 is summarised as:

<b>Cost Summary of Existing and Proposed Services</b>	
Total cost to SIC of current services	£ 279,022.00
Cost of current operations (excl. Income)	£ 365,959.00
Total estimated cost to SIC of proposed services	£ 99,517.20
Estimated cost of proposed operations (excl. Income)	£ 197,729.70

- 3.15 A financial appraisal is attached at Appendix 3. It should be noted that the proposed cost of Option 2 does not constitute an actual budget figure as the Option Appraisal did not prepare a full service delivery plan or propose a staffing structure. The actual cost of the service is not expected to exceed £126,908. This is the sum identified in the 2013/14 budget. However, this budget figure does not take account of any additional support requirements for children who may access either the extended hours element of the preschool service or the out of school provision.

- 3.16 Fees for 2013/14 would be set at £4.00 per hour for pre-school provision and £3.50 per hour for out of school provision. This reflects market rates. This may result in reduced demand as families experience childcare at a higher cost. It is unlikely that parents would find significantly lower cost childcare but some may reduce the hours that they work or use extended family for part of all of their childcare needs.

- 3.17 With regard to the other options which were considered, in summary the Review found:

3.17.1 Option 1 – Continue with Current Mode of Operation

This Option is a highly inefficient use of resources and will be unaffordable in 2013/14.

3.17.2 Option 3 – Close all Non-Statutory Services

This Option does not result in substantial savings for Shetland Islands Council in comparison to Option 2 which provides significantly more community value. In addition, there is not excess supply in the private sector that could absorb demand and the loss of significant childcare capacity would create negative impacts in the wider economy. Shetland Islands Council would no longer offer childcare services that can provide solutions to working parents.

3.17.3 Option 4 – Transfer Shetland Islands Council Services to an External Provider

There appears to be a significant barrier created by higher than average public sector wages which would make TUPE transfer difficult and unattractive. In addition it is likely that Shetland Islands Council would be asked to support further investment to either enable an existing business to expand or a new business to start up. Furthermore there is no obvious partner with the capacity to take on services of this nature and scale.

### 3.17.4 Option 5 – Create an Arms Length External Organisation (ALEO)

This Option has many merits but would in the short term lead to higher costs for Shetland Islands Council. It is also unlikely to be achievable in the timeframe required but might be worthy of further and more detailed consideration as a pathway to Shetland Islands Council withdrawal from direct provision in the longer term.

## 4 Implications

### *Strategic*

- 4.1 Delivery on Corporate Priorities – The Review of Shetland Islands Council Childcare Provision in Lerwick supports the delivery of the Childcare Strategy 2012-2015 and Shetland Islands Council Medium Term Financial Plan 2012-2017.
- 4.2 Community / Stakeholder Issues – A consultation programme was incorporated in the review. Consultees included business owners of childcare providers in Lerwick and representatives from various departments across Shetland Islands Council. Parents of children using the services were consulted, a summary of the findings is attached at Appendix 4.
- 4.3 Policy and/or Delegated Authority – In accordance with Section 2.3.1 of the Council’s Scheme of Administration and Delegations, the Education and Families Committee has responsibility and delegated authority for decision making on matters within its remit which includes childcare. This report is related to the function of an education authority.
- The Council resolved on 9 February 2012 that budget proposal reviews were agreed subject to formal reports being submitted to Committee with detailed options for change. However, it was also resolved that for areas of significant review where there is a requirement for policy, service standards or methods of delivery proposals to be further developed in detail, to report back to the Council for formal decisions, prior to implementing the budget proposal.
- 4.4 Risk Management – Failure to reduce the net ongoing running costs of the Council carries a significant risk of the Council’s financial policies not being adhered to and will require a further draw from the Reserves.
- The Review has taken the form of an Option Appraisal and includes a risk analysis of all options. This is set out on pages 43-61 in the Review Report at Appendix 1. The risk analysis for Option 2 is summarised on page 48 of the Report.
- 4.5 Equalities, Health and Human Rights – An Equalities Impact Assessment has been carried out and is attached at Appendix 5.
- 4.6 Environmental – None

## Resources

- 4.7 Financial – The Council set a budget on 9 February 2012 which included savings of £15.4 million. The review of childcare provision was included within that total.

The Council recently approved the Medium Term Financial Plan and it is assumed that all savings proposals, including the review of childcare provision, will be achieved to maintain Reserves at £125 million. At present the Council's level of expenditure is not sustainable and if left unchecked will result in Reserves becoming fully depleted by 2017-18.

It is estimated that the review of childcare provision would contribute £168,000 per annum to the Children's Services savings targets.

Any decision made by Council following the outcome of the Review should be implemented as quickly as possible, as the proposed budget for 2013-14 includes the full savings of £168,000. The earliest the changes proposed in Option 2 can be achieved is August 2013. The projected shortfall in the 2013-14 budget is £25,000, however the shortfall will be greater if Option 2 is not implemented in August 2013.

The Review was funded by a Spend to Save application approved on 31 July 2012. A further Spend to Save application for £64,000 has been submitted to fund the refurbishment costs required for Option 2.

Option 2 would result in the premises currently occupied by Blydehaven Nursery becoming vacant. If this property was deemed surplus to Council requirements, it would be placed on the market and the Council would benefit from a capital receipt if sold.

- 4.8 Legal – None
- 4.9 Human Resources – The framework and processes set out in the Policy on Organisational Restructure will be followed to ensure that consultation with staff and Trade Unions will take place at the appropriate time.
- 4.10 Assets and Property – The preferred Option emerging from the Review would involve some refurbishment at the Old Infant School. This is estimated at a total cost of £55,000 for which a Spend to Save application has been submitted.

## 5.0 Conclusions

- 5.1 The preferred Option emerging from the appraisal is Option 2. This Option proposes the rationalisation of the services which are under review and retaining these as Shetland Island Council owned and operated services.
- 5.2 The research and analysis undertaken indicates that Option 2 is the most sustainable and readily achievable Option. It is also the Option that provides best value for the community for the level of investment required. It should also offer a resilient delivery model capable of adapting to changes in the statutory provision of pre-school education.

- 5.3 The proposed budget for 2013-14 includes the full savings of £168,000. The earliest the changes proposed in Option 2 can be achieved is August 2013. The projected shortfall in the budget from 1 April to 31 July 2013 is £25,000, however the shortfall will be greater if Option 2 is not implemented in August 2013.
- 5.4 Option 2 would result in the premises currently occupied by Blydehaven Nursery becoming vacant. If this property was deemed surplus to Council requirements, it would be placed on the market and the Council would benefit from a capital receipt if sold

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*Report Finalised: 12 March 2013*

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#### List of Appendices

Appendix 1 - Anderson Solutions Report on Review of Shetland Islands Council  
Childcare Provision in Lerwick

Appendix 2 - Executive Summary of the Review

Appendix 3 - Anderson Solutions Financial Appraisal

Appendix 4 - Summary of Review of Childcare Provision in Lerwick Parent  
Questionnaires

Appendix 5 - Equalities Impact Assessment

#### Background Documents

None



# Anderson Solutions

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ECONOMIC DEVELOPMENT CONSULTANCY

## Review of SIC Childcare Provision in Lerwick

### Final Report

March 2013

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## **Shetland Islands Council**

### **Review of SIC Childcare Provision in Lerwick**

**March 2013**

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Appendix A: Consultees

Appendix B: Financial Appraisal

Appendix C: Findings from SIC Survey of Parents

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# 1 Introduction

- 1.1 Anderson Solutions (Consulting) Ltd was commissioned by the Executive Manager of Children's Resources, Shetland Islands Council (SIC) to undertake a Review of SIC Childcare Provision in Lerwick.

## Requirements of the Review

- 1.2 The briefing paper prepared by SIC set out the needs of the Review as follows:
- To review childcare provision in Lerwick, taking account of earlier studies;
  - To ensure all childcare providers in Lerwick are consulted;
  - To identify options for service delivery (will include costs to the Authority where relevant); and
  - To make recommendations.
- 1.3 The services which are the subject of the review are:
- Islesburgh Pre-School;
  - Islesburgh Out of School Care, incorporating Breakfast, After School and Holiday Clubs; and
  - Blydehaven Nursery.

## Approach and Methodology

- 1.4 To best meet the needs of the Review an approach was developed which is structured around an options appraisal process. The approach requires an understanding of the current situation and this then operates as a baseline against which other options can be constructed and compared. All of the options acknowledge the current situation and the appraisal does not offer any options which require starting from a 'blank page' as in this context this was not a realistic or helpful analysis.
- 1.5 The methodology for the options appraisal incorporated the following activities:
- Review of background documents including Shetland Childcare Strategy and previous research studies related to childcare in Shetland;
  - Development of a list of outline options;
  - Discussion of the potential options in telephone conference with representatives of various departments in SIC to discuss the basic conditions that would affect the shape and achievability of options;
  - Development of an appraisal framework against which the options could be judged;
  - Collection of baseline data on the services;

- 
- The analysis of baseline data followed by a more detailed specification of the options.
  - A financial analysis of the options where appropriate;
  - A consultation programme with individuals and organisations. A list of consultees is provided in Appendix A. In summary consultees incorporated:
    - o the business owner or owners of childcare providers in Lerwick and SIC officers with day-to-day responsibility for managing SIC services; and
    - o SIC officers with a role in the delivery of the current services and those who may have a role should the services change; and
  - Visits to potential premises for the relocation of services were also undertaken.
- 1.6 In addition, a separate consultation exercise was undertaken by Children's Resources. The exercise invited staff and the parents of children who attend the services under review to provide comment. The Review has benefitted from sight of these responses.
- 1.7 The Review has also benefitted significantly as a result of strong engagement from the Executive Manager of Children's Resources and the ongoing support and involvement of several of the consultees from rest of SIC.

## **Report Structure**

- 1.8 The report is structured as follows:
- Chapter 2 sets out important context for the options appraisal including a description of the nature of childcare service provision and the rationale for public sector involvement;
  - Chapter 3 provides a detailed description of the services that are the subject of the Review. The chapter also incorporates comments from the consultation exercise with staff and parents;
  - Chapter 4 describes the main issues which have been found to have an influence on the analysis of the options.
  - Chapter 5 provides a summary of all of the options developed for the appraisal and the appraisal framework used to assess each option;
  - Chapter 6 presents the analysis of the options. For each option this includes an analysis for each framework criterion including an achievability and risk analysis, a summary of the strengths and weaknesses and a conclusion;
  - Chapter 7 presents conclusions from the Review.

---

## 2 Context

- 2.1 The childcare sector may be more complex than expected by those not directly involved. This chapter has been developed to explain the different elements that exist within childcare services and to present the rationale for public sector investment in the childcare sector. The content of the chapter is as follows:
- the chapter begins by providing an overview of the different types of childcare service that are available in Shetland;
  - this is followed by an overview of the delivery of these services in Shetland; and
  - the rationale for public sector involvement in childcare services is also presented.
- 2.2 The ratios which apply to the provision of childcare services and the inspection of childcare services are also discussed.

### Childcare Services by Type

- 2.3 There are four main forms of childcare presented in this analysis and these are all offered by the services under Review:
- **Pre-school Education** - Since 2002 Pre-school Education must be made available to all 3 and 4 year olds by local authorities. Each child is entitled to 475 hours of free Pre-school Education per annum. Commonly this is delivered during a 2.5 hour session five days a week, 38 weeks of the year, which is equivalent to school term times.
  - **Full Day Care** - A day care service will provide childcare services to a range of ages, potentially from 0 years up to 14 years. Day care providers are likely to include childminders, day nurseries and holiday out of school care provision. Parents or Carers will pay for day care services.
  - **Extended Hours (offered in conjunction with Pre-school Education)** – Extended Hours is offered when a provider of Pre-school Education remains open and parents can take advantage of further hours. Usually up to half a day. Parents pay for these additional hours. Pre-school Education becomes more useful as a childcare service for working parents when extended hours is also part of the service.
  - **Out of School Care (OOSC)** - OOSC consists of three service models which wraparound the school day and term. These are breakfast clubs, after school clubs and holiday clubs. In Shetland during term-time the service includes transport to and from the schools. A fee is charged for all out of school care services. OOSC is a service which is available to all children of primary school age and children up to the age of 14 years.
- 2.4 Pre-school Education is a statutory service and must be provided by SIC. However, in relation to wider economic benefits it is the other three services i.e. Extended Hours, OOSC and Day Care which better meet the needs of working parents.

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## Delivery of Childcare Services

- 2.5 The delivery of Pre-school Education is discussed in more detail below. This is followed by a description of the different types of organisation operating in the childcare sector.

### Pre-school Education

- 2.6 Pre-school Education can be offered by the local authority or under contract to the local authority by organisations referred to as Partner Providers. In Scotland Pre-school Education can be offered by:

- A local authority nursery school;
- A nursery class in a primary school;
- A local authority or private day nursery;
- An independent school nursery;
- A playgroup; and
- A registered childminder<sup>1</sup>

- 2.7 In Shetland Pre-school Education is offered by:

- nursery classes in primary schools;
- local authority nurseries;
- a private nursery; and
- playgroups.

- 2.8 The most common method of delivery of Pre-school Education in Shetland is nursery classes attached to a primary school. In Lerwick, SIC also delivers Pre-school Education through Islesburgh Pre-School and Blydehaven Nursery, both of which are subject to this Review. Organisations that are external to SIC but offer Pre-school Education on behalf of SIC are commonly referred to as Partner Providers. There are four Partner Providers that deliver on behalf of SIC and are paid for each pre-school place they provide. The current payment (2012/13) is £2,073 per place per annum.

### Structure of Childcare Service Sector

- 2.9 The different types of childcare provider involved in the delivery of the services discussed above are presented in Figure 2-1 and discussed in more detail below.

- 2.10 Partner Providers are shown in the crossover between either the business or third sector and SIC. These organisations tend to take the form of one of

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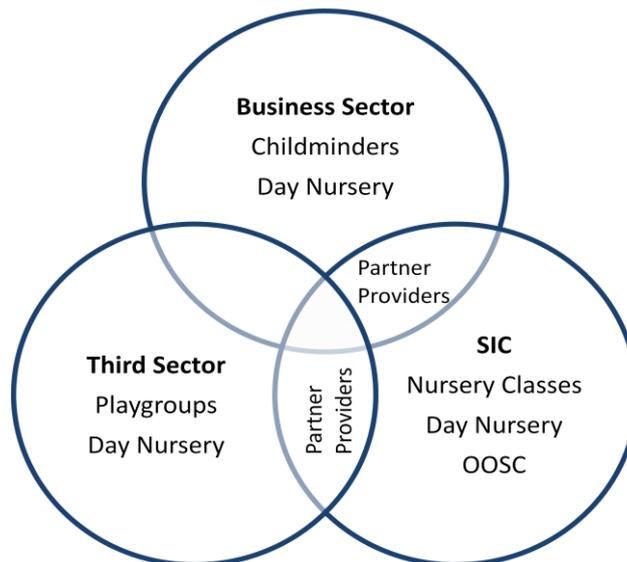
<sup>1</sup> Source: [www.scottishchildcare.gov.uk](http://www.scottishchildcare.gov.uk)

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the organisations listed under the business or third sector headings but may be entirely dependent on the contract to provide Pre-school Education on behalf of SIC.

- 2.11 Organisations in the third sector tend to be characterised by a Board or Committee of volunteers and may or may not employ staff. There is likely to be strong parental involvement and, in addition to fees charged, fundraising activities may be a regular source of income for the organisation.

**Figure 2-1: Childcare Service Providers by Sector in Shetland**



### **Day Nurseries in Shetland**

- 2.12 The term 'nursery' can be confusing as it is used in two quite different contexts. The first is as the title of Pre-school Education classes in schools i.e. Nursery Classes and secondly for organisations that offer full day care i.e. Day Nurseries.
- 2.13 Day Nurseries can provide Pre-school Education, day care and OOSC. Day Nurseries can cater for children of all ages but most commonly focus on 0-5 year olds. Private and Third Sector Day Nurseries and Childminders in Shetland are the only registered providers of childcare who offer a service to 0-2 year olds.
- 2.14 In Lerwick, Peerie Foxes is the only private all day Nursery. Outside of Lerwick there are two more privately owned all day Nurseries, these are Hame fae Hame in Scalloway and Central Nursery in Sandwick. None of the privately owned all day Nurseries in Shetland deliver Pre-school Education.
- 2.15 There is also one all day nursery in the third sector which is North Isles Childcare. North Isles Childcare has two facilities, one in Yell and one in Unst. North Isles Childcare is also not a Partner Provider.
- 2.16 The only Day Nursery which offers Pre-school Education is Blydehaven Nursery which is owned and operated by SIC. However, the Nursery only provides services to 3-5 year olds and is only open for 38 weeks of the year unlike all other Day Nurseries in Shetland that also cater for 0-2 year olds

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and are open for more weeks. Therefore Blydehaven Nursery as an organisation is perhaps better understood as a hybrid of a Day Nursery and a Nursery Class.

### **Partner Providers and Playgroups**

- 2.17 Playgroups tend to operate for two to three hours per day and will be dependent on volunteer committees and a high degree of parental involvement. A fee will be paid by users but income may also be boosted by fundraising activities. Playgroups tend not to provide a childcare solution which fully meets the needs of working parents.
- 2.18 Playgroups may or may not be Partner Providers and provide Pre-school Education and Extended Hours services. In Shetland some playgroups became Partner Providers when Pre-school Education became a statutory requirement.
- 2.19 Partner Providers, as previously discussed, deliver Pre-school Education on behalf of the local authority. There are four organisations external to SIC that are Partner Providers and deliver Pre-school Education in Shetland. These are Lerwick Pre-School, Little Tikes (Tingwall), Scalloway Play Group and Burra Play Group. Little Tikes and Lerwick Pre-School are the only Partner Providers that offer Extended Hours for up to half a day. Where extended hours is offered alongside Pre-school Education this becomes a more useful service for working parents. Lerwick Pre-School is the only privately owned Partner Provider.
- 2.20 In Shetland, Partner Providers and SIC operated Nursery Classes offer essentially the same Pre-school Education service and both can offer extended hours if they choose to. The only substantial difference is who they are owned by. Nursery Classes are discussed below.

### **Nursery Classes**

- 2.21 All Nursery Classes are provided by SIC and are designed specifically to offer Pre-school Education services. They will tend to be attached to a primary school and are paid for by the Schools Service. In general they do not offer extended hours services. The one exception in Shetland is that one of the three nursery classes at Bells Brae Primary School offers extended hours.
- 2.22 Islesburgh Pre-School would not normally be considered a Nursery Class as it is not directly funded by the Schools Service or attached to a school; however, neither is it a Partner Provider or Day Care Nursery. The characteristics of Islesburgh Pre-School means that it is perhaps best understood as a Nursery Class that offers extended hours to half a day.

### **Out of School Clubs**

- 2.23 During term-time older children do not have a need for full day care but breakfast clubs and after school clubs can in combination with the school day provide full day care. Although these services may be characterised by short sessions their existence can be critical to working parents, particularly to those families who do not have a support network that can provide informal childcare. In addition clubs may also offer full day care during holiday periods which also supports working parents.

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- 2.24 In Shetland most OOSC services have been offered by SIC although it is understood that one private provider in Lerwick has recently begun operating a Breakfast Club for children of primary school age and Childminders can offer a similar service.

### **Childminders**

- 2.25 Childminders are one person businesses operating from the business owner's home. Childminders in Shetland do not provide Pre-school Education and therefore if they care for children entitled to Pre-school Education they may be required to transport them to and fetch them from a Pre-school Education provider for 2.5 hours per day. They may or may not charge a fee for this service. There are currently 6 childminders in Lerwick and a further 15 elsewhere in Shetland. Like Private Day Nurseries, Childminders can cater for children of all ages from 0 years and up and the number of children they can care for (including their own) is restricted by the Care Inspectorate.

### **Services for Children with Additional Special Needs (ASN)**

- 2.26 Not previously mentioned is the provision of childcare services to children with ASN. Services operated by SIC support children with ASN enabling them to receive important social and educational services. SIC provided Pre-school Education and OOSC services are both used by children with ASN and depending on the extent of need there is likely to be a requirement for additional staffing to provide either 1:1 or 1:3 care.

### **Determining the Capacity of a Childcare Service**

- 2.27 The Care Inspectorate registers childcare providers for a maximum number of children. The absolute maximum is determined by a formula based on the physical space owned and operated by a provider combined with the age of children that receive the service. On a day-to-day basis the maximum is also determined by the number of appropriately qualified staff present. The capacity criteria which are linked to the number of adults working in non-domestic premises are presented below:
- Minimum of 2 adults must be present at any one time;
  - For children aged under 2 years the ratio is one adult to three children;
  - For children aged 2 year the ratio is one adult to five children;
  - For children aged 3 years to 7 years the ratio is one adult to eight children (unless session is less than four hours per day when ratio could be one adult : ten children)
  - For children aged 8 years and over the ratio is one adult to ten children.

### **Inspection of Childcare Services**

- 2.28 Centres providing Pre-school Education places must be registered with the Care Inspectorate and receive a regular joint inspection by the Care Inspectorate and HM Inspectorate of Education. The staff will follow Curriculum for Excellence, which encourages learning through play, and the

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service must meet the National Care Standards for Early Education and Childcare up to the age of 16, laid down by the Scottish Government.

2.29 Childcare services which do not provide Pre-school Education are subject to inspection by the Care Inspectorate, this includes Playgroups.

## **Rationale for Public Sector Involvement in Childcare**

2.30 There are two broad and quite different reasons for public sector involvement in childcare:

- the first relates to meeting the needs of children and is linked to education and social needs; and
- the second is the provision of services which meet the needs of working parents and the economy.

2.31 A purely private sector solution which meets these needs is not achievable and therefore the public sector invests in order to achieve the objectives.

### **National Interventions**

2.32 The issue of state support for childcare is extremely topical and a debate about the future of childcare services is underway at a UK level. The state already provides a substantial amount of support for the provision of childcare. At a Government level state support includes free Pre-school Education, childcare tax credits and tax free childcare vouchers available through employers.

2.33 The UK Government has expressed a desire to make childcare services more affordable so that more women can return to work. The higher standards of living experienced in the latter half of the 20<sup>th</sup> Century in the UK are in part put down to the economic growth supported by more women entering the workforce and therefore increasing the economic output of the UK. There is national concern that development is being restricted as women decide not to return to the workplace as childcare becomes increasingly unaffordable. A recent study *'Doing Better for Families'* by OECD and the OECD Family Database shows that on average 27% of income is spent on childcare in the UK compared to an OECD average of 12%. The same analysis also found that the UK has a higher dependency on informal childcare. Furthermore a recent study by the Institute for Public Policy Research *'Making the Case for Universal Childcare'* has concluded that the cost to the state of providing free childcare for all pre-school children would be more than recouped by the tax income generated from women returning to work over the four year period in which childcare services might be used. Free universal childcare is a goal of the UK opposition.

2.34 An announcement by the UK Government is due in January 2013. It is expected that any measures proposed will only apply to England and Wales however it is widely anticipated in the media that there may be some tax incentives combined with a change to the regulations which govern childminders, principally to make it easier to become a childminder and to care for a higher number of young children.

2.35 In Scotland the Children and Young People Bill proposes a 21% increase in the available pre-school education for every 3-5 year old in Scotland from

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475 hours per annum to 600 hours per annum. Local authorities will be responsible for providing this increase which will inevitably increase the cost of provision. There is also a drive to increase the flexibility in how Pre-school Education is provided so as to better meet the needs of families

- 2.36 The objective driving the current debate is an economic one. In particular, childcare services enable parents, particularly women, to access employment and generate vital economic activity. The current debate indicates that the affordability of childcare is the primary concern at this time.

### **Local Policy and Intervention**

- 2.37 In addition to national policies which support access to childcare many local authorities are involved in the direct provision of childcare services many of which will benefit from subsidy of one form or another. Local authorities can also benefit the wider childcare sector through support services for parents and providers and by commissioning Pre-school Education from private or third sector providers.

- 2.38 In Shetland, the labour market is particularly constrained as unemployment is very low. Therefore the economic rationale for public sector support of childcare services is perhaps even greater in the islands so that the island economy can have access to the largest possible number of people of working age.

- 2.39 The Shetland Childcare Strategy 2012-2015 sets out the Council's vision for childcare which is to 'sustain and where necessary grow the number of childcare places'. In addition the SOA commits partners to work towards sustainable childcare services in Lerwick. Priorities within the Childcare Strategy which are relevant to this Review include:

- Childcare provision should continue to be built around centres of population and centres of employment in line with need;
- Sustaining and growing, where necessary, the number of places to meet identified need including increased flexibility around holiday times and work patterns;
- SIC and Shetland Childcare Partnership will work together to meet childcare needs in Shetland by supporting sustainable models of childcare provision which balance quality of service with affordability;
- There is a presumption towards facilitating the private and voluntary sector to sustain and/or expand childcare provision where this is necessary;
- There is a presumption against SIC providing more childcare services; and
- SIC will equalise childcare fees across local authority provision over the next two years, as a step towards narrowing the gap between public and voluntary/private sectors.

- 2.40 In Shetland support already provided by the public sector to private and third sector operators includes low cost or zero rent and rates, support for heat and light costs, support schemes for childminders, support for staff training, grants for improvements, one-off grants to support operation and service

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level agreements with support organisations such as Shetland Pre-School Play and Shetland Childcare Partnership. However, the nature of the organisation will influence the extent and type of support which it can have access to, for example Pre-school Partner Providers are more likely to be able to access a wider range of support.

## Summary

- 2.41 The childcare sector is more complex than it may initially appear. Even within SIC the services are difficult to clearly define. With substantial complexity in the type of services available, the type of organisations that can deliver the different services, the suitability of services for working parents and the complex mix of support measures available to families and childcare providers it is challenging to achieve a clear picture of the sector in Shetland. In addition the sector is heavily regulated and those organisations that provide Pre-school Education are inspected by both the Care Inspectorate and Education Scotland (formerly HMIE). The complexity in the sector creates problems for those seeking to assist the sector, those operating within the sector, those who may wish to use childcare services and it is also likely to create a very real barrier to entry for new start businesses.
- 2.42 However, the policy environment very clearly states the importance of childcare services to families and the economy. There is a drive in Scotland and the UK to find ways to reduce the cost of childcare for families and this will place increasing pressure on local authorities to ensure flexible and sustainable provision is available.

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## 3 Description of the Services

- 3.1 The services which are the subject of the Review are all owned and operated by SIC through Children's Resources. The services are also all based in Lerwick and are used by both local families and families where the working parent or carer travels to Lerwick for work. The three services included in the Review are:
- Blydehaven Nursery;
  - Islesburgh Pre-school; and
  - Islesburgh Out of School Care.
- 3.2 Each of the three services is described below including information from recent inspection reports. Appendix C contains a separate report by SIC on the findings from the survey of parents. The descriptions of each service are followed by a section which presents the fees and booking system for each service. The chapter concludes with a combined service analysis that presents information on key facts including opening hours, capacity, usage, cost to SIC and income.

### Blydehaven Nursery

- 3.3 Blydehaven Nursery has a total capacity of 12 places. Although staffing levels would allow 16 places, the physical size of the building limits the number of children that can attend to 12. The current space requirements mean 2.3m<sup>2</sup> must be available per child. The service currently provides childcare for 17 children as not all children are full time. Blydehaven Nursery is located in Gressy Loan in a former detached domestic property on what might be regarded as the Anderson High School Estate. The Manager of the service is on site at all times and is counted in the ratio as, along with two part-time members of staff, the Manager is hands-on in the provision of care to children attending the service. The service is open 38 weeks of the year, in line with School term-time, and therefore is closed during holiday periods.
- 3.4 Blydehaven Nursery offers two Pre-school Education sessions per day with an option to extend the hours a child stays in the Nursery to either half a day or a full day. Children attending Blydehaven are all between the ages of 3 and 5 years. If a user books a full day this reduces the availability of pre-school sessions. For example if 12 children register for Pre-school Education and also full day extended hours then Blydehaven would be full and no further Pre-school Education could be offered. An alternative example is if 12 children register for Pre-school Education and also for extended hours for the morning only, then a further 12 Pre-school Education places would be available in the afternoon with the option to extend hours to the full afternoon.
- 3.5 Blydehaven Nursery is the only place in the whole of Shetland where 3-5 year olds can receive full day care and Pre-school Education in one building. In addition there is only one other provider of childcare in non-domestic premises in Lerwick that is open in the afternoon. Limited supply of this nature undoubtedly has an impact as Blydehaven operates at essentially full

capacity with currently only one or two spaces available in the afternoon sessions.

Inspection Reports

- 3.6 Blydehaven Nursery receives very good inspection reports and their success is perhaps reflected in the relative infrequency of the inspections by the Care Inspectorate.
- 3.7 The conclusion of the most recent Care Inspectorate Inspection in May 2012 was *‘Overall a very well organised nursery with committed staff who work hard to provide a very high standard of care and education for the children using the service. Parents and carers were very happy with the service provided.’*
- 3.8 The grades received in the two most recent Care Inspectorate inspections are provided in Table 3-1.

**Table 3-1: Blydehaven Nursery Care Inspectorate Inspection Reports 2009-2012**

Date of Inspection	Quality of Care and Support	Quality of Environment	Quality of Staffing	Quality of Management and Leadership
17-May-12	6 – Excellent	6 – Excellent	5 - Very Good	5 - Very Good
13-Jan-09	5 - Very Good	5 - Very Good	4 - Good	5 - Very Good

*Source: Care Inspectorate*

- 3.9 The Care Inspectorate uses six grades. They provide the following guidance in relation to the grades *‘The Adequate grade represents performance we find acceptable but which could be improved. Grades of good, very good and excellent represent increasingly better levels of performance. Weak indicates concern about the performance of the service and that there are things which the service must improve. Unsatisfactory represents a more serious level of concern.’*
- 3.10 The HMle inspection is also positive for Blydehaven. In 2010 HMle (now Education Scotland) highlighted the following strengths of Blydehaven Nursery:
  - Children who are highly motivated, enthusiastic and successful in their learning;
  - Positive partnership with parents;
  - Staff’s teamwork in providing challenging and quality learning experiences for children; and
  - Leadership of the manager.
- 3.11 There was one area identified for improvement which was:
  - Continue to develop the outdoor area to provide children with further opportunities to investigate and explore their environment.

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## Islesburgh Pre-School

- 3.12 Islesburgh Pre-School is open in the mornings only and provides one Pre-school Education session plus 1.5 hours of extended hours service. The maximum registered capacity of the service is 30 children and it is understood that 26 are currently registered for the service. Children attending the service are all between 3 and 5 years old. The service is well used although there is unused capacity.
- 3.13 Islesburgh Pre-School operates out of two adjoining rooms in Islesburgh Community Centre with access to further rooms if required. The space is shared with the Out of School Care Services which means that staff are employed for extra hours to set-up and take-down equipment associated with the service each day.
- 3.14 Islesburgh Pre-School is managed by a peripatetic manager which means there is a minimum requirement for the Manager to be on-site for one session per week. The Manager of this service is not counted in the ratios of staffing and therefore is not required to be involved in the hands-on delivery of the service. However, there is a senior practitioner who oversees the service on-site and who has responsibility for many of the administrative and supervisory functions.

### Inspection Report

- 3.15 Islesburgh Pre-School receives positive inspection reports. The last inspection by the Care Inspectorate in 2012 drew the following conclusion *‘Overall a hard-working staff team who provide an interesting range of activities for the children with an emphasis on getting outdoors. They maintain a safe and secure environment.’*
- 3.16 The dependence on a peripatetic manager may have an influence on the lower scores Islesburgh Pre-School achieves for Quality of Management and Leadership in comparison to Blydehaven Nursery.

**Table 3-2: Islesburgh Pre-School Care Inspectorate Inspection Reports 2010-2012**

Date of Inspection	Quality of Care and Support	Quality of Environment	Quality of Staffing	Quality of Management and Leadership
31-May-12	5 - Very Good	5 - Very Good	4 – Good	4 – Good
09-Jun-11	5 - Very Good	5 - Very Good	4 – Good	4 – Good
18-Nov-10	5 - Very Good	5 - Very Good	5 - Very Good	5 - Very Good

*Source: Care Inspectorate*

- 3.17 The most recent integrated inspection report that could be located for Islesburgh Pre-School was undertaken in 2007. Although positive, since it is over five years old and was undertaken before the service went through a restructuring process it is not summarised for this analysis.

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## Islesburgh Out of School Care

- 3.18 Islesburgh Out of School Care consists of three distinct services:
- A breakfast club operating during term-time between the hours of 8am and 9am;
  - An after school club operating during term-time between the hours of 3pm and 6pm; and
  - A holiday club operating during the majority of school holidays and open between 8am and 6pm.
- 3.19 As each Club operates at different times they share the same space in Islesburgh Community Centre which is also shared with the Islesburgh Pre-School service.
- 3.20 The capacity of each service is different. In theory the capacity of each club is as follows:
- capacity of 16 at Breakfast Club;
  - capacity of 36 at After School Club: and
  - capacity of 30 at Holiday Club.
- 3.21 In reality the capacity can be lower on a day-to-day basis. This occurs when the service is required to support children with ASN whose needs require a lower staff ratio.
- 3.22 In 2012/13 there are 131 different individuals registered to use one or more of the OOSC services. These individuals can be Lerwick based or resident outside of Lerwick. The Holiday OOSC in particular attracts children from elsewhere in Shetland.
- 3.23 Like the Pre-School Service the Out of School Care service is dependent on a peripatetic Manager who has to be on-site for one session per week. However, there is a senior practitioner who oversees the service on-site and who has responsibility for many of the administrative and supervisory functions.

### Inspection Report

- 3.24 The conclusion of the most recent inspection report in November 2011 was *'The service continues to be very busy during the after school times and the children enjoy their time there. The service continues to provide a very varied and interesting selection of activities and outings.'*
- 3.25 Concerns have been raised about both the OOSC and Pre-School Care Services use of shared toilets within Islesburgh Community Centre. The 2011 report notes *'There are issues with the club having to use shared facilities within the community centre which has been discussed; but there are limitations within the building which means the service are no further forward with this. They have appropriate toilet procedures in use which staff state works well and they are constantly monitoring this area.'*
- 3.26 In all recorded assessments between 2010 and 2012 the service receives good or very good assessments.

**Table 3-3: Islesburgh Out of School Care Care Inspectorate Inspection Reports 2010-2011**

<b>Date of Inspection</b>	<b>Quality of Care and Support</b>	<b>Quality of Environment</b>	<b>Quality of Staffing</b>	<b>Quality of Management and Leadership</b>
11-Nov-11	5 - Very Good	Not Assessed	5 - Very Good	Not Assessed
05-Nov-10	5 - Very Good	5 - Very Good	Not Assessed	Not Assessed
14-Jan-10	5 - Very Good	4 - Good	4 - Good	4 - Good

*Source: Care Inspectorate*

- 3.27 Because the service is not a statutory education service the OOSC service is not inspected by Education Scotland (formerly HMIe).

## **Fees and Booking**

- 3.28 The fees charged by the services included in the Review do not follow a particularly logical pattern and only Islesburgh Pre-School has fees which reflect a base hourly rate.

### **Blydehaven Nursery**

- 3.29 Blydehaven Nursery has no base hourly rate upon which all other rates are calculated however Table 3-4 shows the minimum and maximum calculated hourly rate based on the charges specified. The following characteristics are incorporated in the charging structure for Blydehaven Nursery:

- Blydehaven Nursery has high half day fees at £11.00 for a place that incorporates a 2.5 hour funded pre-school place. This is more expensive than any other public or private sector operator in Shetland. This fee is a particularly striking anomaly in the charging structure.
- If the service is used for a full day with a pre-school place, instead of a half day with a pre-school place, the user only pays an additional £12.10 for the extra half day.
- A child which uses the service for full days all week rather than for one to four days receives a discount of 23% i.e. effectively just over a day for free. However, a discount is not applied to those who use the service all week but only for half days.
- Students at either of Shetland's two colleges receive further discounts and the fees that they are charged are also shown in Table 3-4.
- The minimum booking an individual can make is half a day and bookings tend to be fixed for at least a full term, if not an academic year. Therefore there can be a high degree of certainty about the income that will be generated at the beginning of each term. Particularly as once the place is booked a user will pay for the place whether the child is sick or on holiday. This is considered normal practice in many day nurseries outside of Shetland.

- 3.30 The analysis of fees for Blydehaven Nursery shows that there is little equity or logic in the fee structure and those who use the service for a full day, all week receive the most favourable fees whereas those who use the service

for half days with pre-school places pay relatively high fees, even in comparison to alternative provision in the private sector.

- 3.31 The provision of a discount for students is an excellent way to encourage and support those who have family and have perhaps chosen to study later in life to enter further or higher education. Undoubtedly the comparatively low standard fees for full day, full week childcare must also make it easier for a parent to return to full-time employment.

**Table 3-4: Blydehaven Nursery Fees 2012-13**

	Standard Fees		Student Fees	
	Daily Fee	Weekly Fee	Daily Fee	Weekly Fee
Hourly Rate (calculated from the fees below)	£3.67 to £7.33	£2.75 to £3.23	£1.75 to £4.20	£1.40 to £1.42
Half Day with CP	£11.00	-	£6.30	-
Half Day without CP	£17.65	-	£9.45	-
Full Day with CP	£23.10	£89.00	£11.00	£39.00
Full Day without CP	£29.40	£110.00	£14.00	£56.00

*CP = Pre-school Education Commissioned Place paid for by Shetland Islands Council*

### Islesburgh Pre-School

- 3.32 The Islesburgh Pre-School service is open for a half day and is only available to those using it for Pre-school Education. The Islesburgh charging structure is more straightforward as it based on a set hourly rate. However, there is less certainty within the service regarding bookings as people can choose to use the extended hours on the day. This provides parents with maximum flexibility but makes it more challenging from an administration perspective and means that it is difficult to predict even weekly income. Furthermore, if children who normally attend extended hours go on holiday no fee would be payable.
- 3.33 In addition, the extended hours service is charged for in 15 minute segments. Therefore if you choose to use extended hours for 30 minutes, you pay for 30 minutes. However, the service is staffed on the assumption that all spaces will be used for the full extended hours.
- 3.34 A user who takes advantage of the full extended hours for half a day (9am-1pm) would be charged £4.75 at Islesburgh Pre-school whereas a user at Blydehaven Nursery would be charged £11.00 for the same service.
- 3.35 In comparison to Blydehaven Nursery, Islesburgh Pre-School provides the user with significantly more flexibility at less than half the price.

**Table 3-5: Islesburgh Pre-School Fees 2012-13**

	Daily Fee
Hourly Rate	£3.15
Half Day with CP	£4.75

*CP = Pre-school Education Commissioned Place paid for by Shetland Islands Council*

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## Islesburgh Out of School Care

- 3.36 Similar to Blydehaven Nursery there is no base hourly rate charged for the Out of School Care Services. For example the hourly rate for the one hour breakfast club is £3.15 which is the same hourly rate as Islesburgh pre-school fees. However, the after school club per hour fee works out at £2.83 per hour and the full day holiday club fee is open for 10 hours and charges £15.75 for a full day which equates to a surprisingly low rate of £1.58 per hour.
- 3.37 In terms of the charging policy it is understood that bookings can be made in a similar way to Islesburgh Pre-school, i.e. on the day if there is space. However, unlike Islesburgh Pre-school the price of any session must be paid regardless of how long each child attends. For example if a child only attends one hour of the after school care service the carer must still pay the full session fee. Despite this, Islesburgh Out of School Care is still a very flexible service and is provided at relatively low cost, particularly the holiday service.

**Table 3-6: Islesburgh Out of School Care Fees 2012-13**

	<b>Daily Fee</b>
Hourly Rate	£1.58 to £3.15
Breakfast Club (0800-0900hrs)	£3.15
After School Club (1500-1800hrs)	£8.50
Holiday Club Half Day (5hrs am or pm)	£9.30
Holiday Club Full Day (0800-1800hrs)	£15.75

## Private and Third Sector Childcare Services

- 3.38 The market rate for childcare services in Shetland is considered to be in the region of £4.00 per hour although for at least one service it is closer to £5.00. Childminders are believed to charge around £4.00 per hour, although some are understood to charge less. The fees charged in the private sector in non-domestic premises in Shetland are shown below. It is not known how each service manages its bookings. With regards to fees very few services follow a set hourly rate for the different services that they provide and some also offer discounts for second children, therefore the following is an approximate guide.

### Approximate Fees at Private and Third Sector Childcare Services

- Lerwick Pre-School - £3.80 per hour for extended hours;
- Peerie Foxes, Lerwick – £4.80 per hour;
- Hame fae Hame, Scalloway - £4.00 per hour;
- Central Private Nursery - £4.00 per hour;
- North Isles Childcare £3.50 per hour.

*Source: Shetland Childcare Partnership*

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- 3.39 There is long running concern about how SIC fees impacts upon the rest of the childcare sector. There is belief that the impacts include SIC services attracting users that may otherwise go elsewhere and/or low fees at SIC services force private providers to maintain low fees. The extent of the actual rather than the perceived impact is not clear, however, there are certainly negative feelings within the wider childcare sector towards the fees charged by SIC. The one exception to low SIC fees is the unusually high half day charge at Blydehaven which includes the funded pre-school place.

### **Combined Service Analysis: Key Facts**

- 3.40 The current position of each of the three services under review in relation to capacity, utilisation, staffing and cost to SIC is set out in Table 3-7. Analysis of the data is also provided so as to better understand and compare the operation of the services.
- 3.41 The Table provides information which enables services to be compared as much as is reasonably possible. But anomalies still remain. These anomalies are caused by the different ways in which the services are used, managed and monitored. Where an anomaly exists this is explained with a footnote under the Table.
- 3.42 Issues raised by the analysis presented in Table 3-7 that are particularly relevant to the future design and operation of childcare services in Lerwick are discussed below.

### **Staffing and Available Childcare Hours**

- 3.43 The ratio calculated for staff hour to available childcare hours raises concerns about inefficiency particularly in relation to the Islesburgh Pre-School and Islesburgh Breakfast and After School Clubs. For example Islesburgh Pre-school offers 600 hours of available childcare per week and is staffed for 185 hours; this represents a staff hour to available childcare hour ratio of 1:3.2. The ratios for the Breakfast Club (1:4) and After School Club (1:3.3) also appear very low (Table 3-7).
- 3.44 With a ratio of one staff hour to eight childcare hours theoretically possible and even 1:10 potentially possible where a high number of children aged over eight years attend OOSC, the analysis presented for staff hour to available childcare hour is a strong indicator of inefficiency across all services. However, achieving 1:8 is unlikely to be practically possible as there are other requirements for staff time outside of direct childcare provision.
- 3.45 Blydehaven's inefficiency can be more easily explained by the capacity restrictions created by the building. Indeed, once the capacity restriction is taken into account the theoretically possible maximum ratio would be 1:6 and Blydehaven has an actual ratio of 1:5.2 which given practical realities demonstrates the service is efficient within its constrained environment. However, the analysis presented for Islesburgh Pre-school and Islesburgh Breakfast and After School Clubs suggests there is substantial overstaffing in relation to the services available to the public.

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## Usage and Capacity

- 3.46 In 2012/13 there are 43 registered users for both of the Pre-school services and 131 registered users for the OOSC services. Around 1,100 hours of childcare services are taken up on average each week during term-time across the three services. In the holiday period just over 800 hours of OOSC is taken up on average per week (Table 3-7).
- 3.47 Utilisation at Blydehaven Nursery (92%) is very high and usage of the After School Club (83%) and Holiday Club (82%) are also high. Utilisation at Islesburgh Pre-School (54%) and the Breakfast Club (24%) is relatively low.
- 3.48 The Breakfast Club is poorly attended for its total capacity. However, with low levels of demand it is not possible to adjust capacity downwards as a minimum of two staff must be on-site at any one time in a childcare provider in non-domestic premises. This automatically means that the smallest capacity that any childcare service can have is 16 (unless premises are too small). It is also acknowledged that the Breakfast Club is not well promoted and may have an opportunity to attract more children.

## Income and Cost

- 3.49 The net cost to SIC of providing the services under Review is £280,000<sup>2</sup>. Removing the income generated by the services shows that the total cost of operating the services is £366,000. All of the figures used are the estimated budget figures for 2012/13; actual end of year figures may vary slightly (Table 3-7).
- 3.50 An analysis of income as a percentage of the total cost of providing each services again shows differences across the three services:
- Estimated income at Blydehaven Nursery in 2012/13 is equivalent to 19% of the cost of operating the service;
  - Estimated income at Islesburgh Pre-school is equivalent to 7% of total cost; and
  - Estimated income at all three OOSC is equivalent to 39% of the cost of delivering the service.
- 3.51 It is to be expected that income as a percentage of total cost will be lower at pre-school services as 2.5 hours per day are provided free of charge. However, the figures demonstrate SIC is providing what might be considered a substantial subsidy to the childcare services provided. Furthermore, as the fees charged for the services are considered to be below market rate this subsidy is in effect also supporting some families with the cost of childcare.

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<sup>2</sup> 2012/13 SIC budget for all three services.

## Other Issues

- 3.52 The OOSC service is the only service which responds to the requirement for 1:1 or 1:3 staff:child ratio with its existing staff which therefore reduces available capacity in the service.

**Table 3-7: Key Facts about SIC Lerwick Childcare Services 2012-13**

	Blydehaven	Islesburgh Pre-School	Islesburgh OOSC BC	Islesburgh OOSC ASC	Islesburgh OOSC Holiday
Opening Hrs	9am-5pm	8.45am-1pm	8am-9am	3pm-6pm	8am-6pm
Capacity: Max No. at one time	12	30	Variable up to 16 <sup>A</sup>	Variable up to 36 <sup>A</sup>	Variable up to 30 <sup>A</sup>
Ave Capacity: Total hours per week	480	600	76 <sup>A</sup>	375 <sup>A</sup>	998 <sup>A</sup>
Number of Registered Users	17	26	*	*	131
Ave Usage: No. Individuals/wk	17	21			
Max Usage: No. Individuals/day			8	30	29
Ave Usage (Total hrs per week 2011/12)	440	323	18.6	310	821
Staffing: Numbers	3	6 <sup>B</sup>	2 <sup>B</sup>	8 <sup>B</sup>	8 <sup>B</sup>
Staffing: Total hours per week	92.5	185 <sup>B</sup>	18.75 <sup>B</sup>	112.75 <sup>B</sup>	208.5 Variable <sup>B,C</sup>
Cost: Staffing <sup>D</sup>	£95,063	£107,932 <sup>B</sup>	*	*	£119,927 <sup>B</sup>
Cost: Other <sup>E</sup>	£11,790	£2,500	*	*	£28,747
Income Expected 2012/13	£20,745	£8,043	*	*	£58,149
Ratio Staff Hr : Avail Childcare Hr <sup>F</sup>	1:5.2	1:3.2	1:4	1:3.3	1:5.8 Variable <sup>A</sup>
Average Utilisation	92%	54%	24%	83%	82%
Income as % of Total Cost	19%	7%			39%
Net Cost to SIC (Estimate 12/13)	£86,108	£102,389	*	*	£90,525

\* Some figures for all three OOSC are grouped together and listed under Holiday OOSC.

<sup>A</sup> The average capacity for OOSC is based on actual capacity per week in a 12 month period 2011-2012. Actual capacity was affected by the number of children with ASN who required 1:1 or 1:3 support.

<sup>B</sup> Excludes peripatetic Manager

<sup>C</sup> Week commencing 23 July 2012 is used as an example. Staffing hours can vary during holiday periods.

<sup>D</sup> Staff costs budget for 2012/13

<sup>E</sup> Costs are based on budget for 2012/13.

<sup>F</sup> The ratio shows how many childcare hours are available for each staff hour.

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## Summary of the Services

- 3.53 Blydehaven Nursery has the highest available childcare hour per member of staff ratio and the highest utilisation of available hours and therefore has the highest workload per staff member amongst the services under review. However, of the three services covered by the review, Blydehaven Nursery also receives the highest gradings from the Care Inspectorate under the criteria quality of care and support, quality of environment and quality of management and leadership. This finding suggests that maximising the efficiency of childcare services need on its own not have a detrimental impact on quality. However Blydehaven Nursery also benefits from a dedicated space and a full-time and qualified Manager on-site and these may be important factors in ensuring high standards. The biggest challenge for Blydehaven Nursery is its premises, it is likely to be impossible for a childcare service with a maximum capacity of 12 to ever come close to break-even. The charging structure does not appear to follow any particular logic and no one consulted for the Review could explain why it is as it is.
- 3.54 Islesburgh Pre-School receives good inspection reports. However, the analysis of key facts indicates that Islesburgh Pre-School and in particular the extended hours service appears to be overstaffed for the capacity it offers. This is demonstrated in the ratio of one staff hour to only 3.2 childcare hours and furthermore the capacity is underused with relatively low total usage of 54%. In addition the Islesburgh Pre-school service is provided at low cost to the user with a below market rate of £3.15 per hour. This combination of factors creates a high cost service for SIC. The mismatch of resources to total capacity and actual demand is exacerbated by the fact that it is very difficult to plan resources for the extended hours service as total demand may not be known until the day of service.
- 3.55 The OOSC services are very popular both after school during term-time and the day care service during the holiday period. The breakfast service is less well attended but it is also acknowledged that it has not been well promoted. The services also receive positive inspection reports. The fees for the breakfast club are the same as Islesburgh Pre-School at £3.15 per hour and the fees for the After School Club are lower at £2.83 per hour. However the holiday club is charged at a low rate equivalent to £1.58 per hour for the 10 hours per day which it is open. In addition to concerns about the fees, the analysis of staff hour to childcare hour highlights concerns about efficiency. The staff hour to available childcare hour ratio is 1:3.3 for the After School Club, 1:4 for the Breakfast Club and 1:5.8 for the Holiday Club. This inefficiency combined with low fees leads to a high cost service to operate, despite high usage of both the after school (83%) and holiday clubs (82%).
- 3.56 In summary, the majority of the cost of all three services is staffing and several services appear overstaffed for the number of childcare hours they provide. Furthermore, SIC pays higher than average wages for childcare workers and charges the user less than what is considered to be the market rate for such services. This combination of factors will inevitably lead to high cost services.

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## 4 Key Issues for the Review

- 4.1 The complexity inherent in the childcare sector, the community need for childcare services in Lerwick, and the weaknesses demonstrated in current SIC childcare services create a complex context within which positive development of SIC childcare services in Lerwick is sought.
- 4.2 Chapter 4 has been developed to present the main issues that the Review has identified as likely to have influence over the attractiveness and potential success, or otherwise, of a particular solution for SIC childcare services in Lerwick. The analysis of the issues has been informed by the consultations undertaken for this review, the analyses presented in previous chapters and previous research undertaken into childcare in Shetland.
- 4.3 The issues are discussed under the following headings:
- Statutory Requirements and Structure of Provision;
  - SIC Management and Operation;
  - Market Distortion;
  - Need for Childcare Services and Economic Value; and
  - Capacity of Private/Third Sector.
- 4.4 The issues are each discussed in turn in the remainder of this chapter.

### Statutory Services and Structure of Provision

- 4.5 The issues of complexity and inefficiency are frequently raised in this Review and both external and internal factors can have an impact. In this section the impact on complexity and efficiency arising from statutory requirements and the separation of Pre-school Education and day care services are explored.

#### Flexible Provision of Pre-school Education

- 4.6 Since April 2002, local authorities have had a duty to secure a funded part-time Pre-school Education place for every 3 and 4 year old whose parents wish it. Each child is entitled to 475 hours of Pre-school Education per annum. This has traditionally been delivered 2.5 hours per day, 5 days a week and 38 weeks per annum during term-time.
- 4.7 However, government guidance is promoting greater flexibility in the provision of Pre-school Education. The Children and Young People Bill if passed will mean that the entitlement to Pre-school Education will increase from 475 hours per annum to 600 hours per annum in August 2014 and there is a desire to see the total hours delivered in a way that best suits families. For example, it may be that a week's allocation of free pre-school provision is used over just two days. This demand for flexibility is not suited to the traditional nursery classes that tend to be open only 2.5 hours a day. The motivation behind greater flexibility is to find solutions that may best suit a particular child or best suit the pattern of work of a parent or carer however

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these requirements can be expected to have an impact on the operation of the childcare sector.

### **Separation of Pre-school Education and Day Care**

- 4.8 In many Day Nurseries in mainland UK the boundary between day care and Pre-school Education would not necessarily be visible to their customers. Day care nurseries can be commissioned to provide Pre-school Education to the children who already use their service and are eligible for funded Pre-school Education. However, in Shetland this is not the case. Day care services and Pre-school Education services are almost always provided by separate entities and therefore children aged 3-5 who are in day care have to be moved between services on a daily basis and this means that providers either have to charge for that time, which means the family does not receive the benefit of free care, or lose out on the income while children are at pre-school services.
- 4.9 Distinct Pre-school Education services are well suited to families where no further childcare is required. However, for parents who require childcare in order to access employment the separation of Pre-school Education and day care creates challenges for both family and childcare provider. For example, if a childminder has to transport a child to Pre-school Education all children in the care of that childminder have to make the trip too which causes disruption to all who attend the service. The childminder may also be financially disadvantaged as they may or may not charge for the cost of transport and may or may not charge for the time the child spends at Pre-school Education.
- 4.10 The separation of Pre-school Education and day care services creates inefficiencies in the childcare sector which is already a sector in need of substantial government and local authority support. Structural inefficiency is therefore particularly undesirable.

### **Summary**

- 4.11 There is growing demand for childcare solutions which better meet the needs of families. The direction being taken in Government policy is to provide flexibility in the provision of Pre-school Education hours. Furthermore to avoid disruption and inefficiency the provision of Pre-school Education and day care will ideally be undertaken in the same location. As previously stated there is only one organisation in Shetland, Blydehaven Nursery, that currently offers this but it closes during school holidays. The challenges and inefficiencies caused by the separation of Pre-school and day care in Shetland is likely to be exacerbated if the entitlement to Pre-school Education increases as proposed by 21% to 600 hours per annum.

## **SIC Management and Operation**

- 4.12 The key issues in relation to SIC management and operation which influence both the current model of operation and the analysis of the options include management structure, overstaffing, low fees, available finance, budgetary and organisational complexity and premises. Each of these issues is discussed in turn below.

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## **Management of the Services**

- 4.13 Islesburgh Pre-School and Islesburgh OOSC share a Senior Practitioner within the services and an external Manager based at the Bruce Family Centre. Blydehaven Nursery has a qualified Manager on-site at all times and line management duties are provided by a member of staff at Shetland College – although the budget for the service is within Children’s Resources.
- 4.14 The structure enables some efficiencies to be achieved, for example the External Manager for the two Islesburgh based services, but there are clearly historical events that have led to a less than ideal management structure for services which should have significant shared characteristics.

## **Overstaffing, Excess Capacity and Low Fees**

- 4.15 The analysis of staff hours to available childcare hours, the analysis of usage and the analysis of fees presented in Chapter 3 identified evidence of substantial weaknesses in the delivery of the services. Some problems are created by the premises currently used but as shown there is additional and substantial inefficiency evident.

## **Available Finance**

- 4.16 SIC budgets are being significantly reduced for 2013/14. All services are likely to be affected. The proposed budget that Children’s Resources has available to deliver the childcare services under Review has been reduced by 57%. In addition to reduced revenue budgets there is also less finance available for capital projects. Any proposed likely capital spend can be expected to have to demonstrate significant savings in order to justify the investment.

## **Budgetary and Organisational Complexity**

- 4.17 The range of childcare services provided by SIC and the way in which they are provided can be confusing. Further complexity is created by the different ways in which childcare services are funded. Below are some examples of what appears to be anomalies in the current SIC funding and organisational structure:
- The Schools Service pays for the provision of Pre-school Education except in the case of Blydehaven Nursery and Islesburgh Pre-school which receive their budget from Children’s Resources;
  - OOSC at Dunrossness Primary School is paid for by the Schools Service, OOSC in Lerwick is paid for by Children’s Resources;
  - Staffing requirements to support children with ASN in Pre-school Education is provided by Schools Service but children with ASN using extended hours would not be supported. Children with ASN using OOSC are supported by existing staff but with financial support from Children’s Services.
  - Blydehaven Nursery came into SIC from Shetland College and Islesburgh Pre-School came from Islesburgh Trust. Both services operate using completely different delivery models and charge significantly different fees for what is essentially a very similar service.

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- College students attending Shetland College or NAFC can benefit from subsidised childcare places, this is effectively paid for by Children's Resources. In addition, they can, dependent on an assessment of need, have these reduced fees paid for by Shetland College.
  - In Mossbank a third sector day care provider became unsustainable and SIC took it on under Children's Services and then under the Schools Service.

### **Premises**

- 4.18 The Pre-school Education and Extended Hours services provided by SIC are provided in two locations: Blydehaven Nursery in Gressy Loan and two linked rooms inside Islesburgh Community Centre which is a shared space with OOSC. The separation of the pre-school and Extended Hours service between these two sites is historic and largely due to the evolution of the services from two different origins. The two sites have no shared resources as each is managed separately and in a different way. Both the complete lack of shared resources and the use of two separate premises lead to further inefficiency in the operation of the pre-school and extended hours service.
- 4.19 Islesburgh Pre-School shares a space with OOSC. While this leads to good utilisation of a physical space it also creates inefficiencies as staff are required to set-up and take-down the fittings and equipment associated with each service every day. The shared space also means that Islesburgh Pre-School can only operate in the morning as the After School Club starts at 3pm.
- 4.20 The inefficiencies caused by the current premises used by SIC childcare services must be considered. Inevitably finding new premises for the services will require some form of capital investment but if an appropriate solution can be found it is highly likely that the revenue savings achievable will warrant the spending required.

### **Market Distortion**

- 4.21 SIC services are regularly accused of distorting the market in two main ways. The first issue most frequently raised is the fees that they charge to the user and the second is in the wages that they pay to staff.

### **Fees**

- 4.22 The analysis of the fees charged by SIC services is not straightforward as each service charges different rates and there are different ways in which fees are charged, for example, in one service they may be charged by the half day in another they are charged in 15 minute blocks. Furthermore, there are discounts that can be available the more you use a service.
- 4.23 What is clear, regardless of the internal discrepancies is that in general SIC childcare services are significantly lower cost than alternatives in the private sector. Blydehaven Nursery is by far the closest to charging market rates and indeed in one particular fee, charges significantly above market rate. Since SIC childcare services in Lerwick are a significant part of the total supply, in order to avoid market distortion the public sector would need to charge at least the average market rate for childcare services.

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## Salaries

- 4.24 The key issue regarding salaries is linked to the different levels of pay offered for similar jobs in SIC and private or third sector operators. The rate of pay offered by SIC is significantly higher than offered privately.
- 4.25 The private and third sector is concerned that when staff are qualified often the organisation that has invested in their development may quickly lose them to SIC because of the wages on offer. The extent of this problem is not easy to measure and has not been investigated in any depth. There may be other factors that influence employment decisions following qualification such as perceived security of employment and the wider terms and conditions on offer. For example in some private or third sector operators the hours of employment may not be guaranteed whilst in others there is evidence of low staff turnover. It is considered likely that this issue has less of an impact on the private and public sector than the issue of fees.
- 4.26 However, where the issue of salaries does have a big impact is if the SIC wishes to transfer services to the private or third sector. This issue is perhaps the biggest barrier to the transfer of SIC operated services to an external provider as TUPE regulations would apply and the staff required to run the newly acquired services would in the first instance have to come from the existing workforce at existing pay levels. With the vast majority of the cost of running a childcare facility linked to staff costs this differential can have a big impact on cost and profitability. There is no agreed duration at which pay can be adjusted following TUPE transfer and therefore the new employer could face a significant liability and may struggle to turn the transferred services into a viable operation.

## Need for Childcare Services and Economic Value

- 4.27 A previous study into the Economic Value of Childcare in Shetland found that the measurement of demand for childcare is difficult because of the use of informal childcare options and the combination of more than one childcare option for either one child or within one family, which is often forced upon, rather than selected by a parent. Sometimes referred to as 'Patchwork Childcare' families may find themselves combining childminders, nurseries, pre-school providers and family members to come up with a complete working week solution.
- 4.28 In addition, economic indicators exist which suggest demand is high within the workforce. There is low unemployment in Shetland and a higher than average proportion of women in employment. Indications from the research which included a small survey of parents suggest that demand currently exceeds supply, particularly in central areas of Shetland.
- 4.29 The economic value of childcare is that it provides not only direct employment for those involved in the provision of childcare but that it can also allow parents to access employment. The economic value of childcare is particularly important in Shetland because:
- there is low unemployment, and therefore difficulties in recruitment within the economy; and
  - there is also a need to attract new residents to Shetland, often to provide key services.

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- 4.30 The risk to Shetland of insufficient childcare services is that not enough people return to the workforce and there is a reduced ability to attract new residents from outwith Shetland. The result of this is that it could become increasingly difficult to fill vacancies and maintain key service provision.

## **Capacity of Private/Third Sector**

- 4.31 It has been previously stated that SIC wishes to transfer childcare services to the private sector and private providers have indicated a willingness to be involved in discussions surrounding a new model for childcare in Lerwick.
- 4.32 Although this is an attractive proposition there are barriers and risks. The issues identified below are focused on Pre-school Education and extended hours but are also largely applicable to OOSC. There are three issues raised under the capacity of the private and third sector to take on SIC services:
- SSSC requirements;
  - Fragility; and
  - Size.

### **SSSC Requirements**

- 4.33 The qualification requirements associated with SSSC registration will create considerable challenges for the early years childcare sector across the board - private and local authority providers alike - and could well result in upward pressure on the cost of running a childcare service as staff have to pursue and gain more formal qualifications. This is likely to place upward pressure on the fees that they charge and/or force them to make cost savings elsewhere. Furthermore if the owner is not sufficiently qualified they are likely to have a high degree of dependency on retaining a qualified member of staff to meet SSSC requirements for the business.

### **Fragility**

- 4.34 Previous research and discussions held for this Review indicates that there is constant concern about fragility within organisations involved in childcare service provision in Shetland. There has been a substantial reduction in the number of childminders in recent years and there appears to be ongoing need for substantial public sector support throughout the sector.
- 4.35 In relation to the services under Review, there is not an obvious private sector partner that would have the capacity to take on the scale and nature of the services currently provided by SIC. Furthermore if the private provider was required to take on SIC staff to deliver the service, as already discussed, this would create a significant challenge to achieving profitability, or even break-even, in the transferred services creating fragility within the operator.

### **Size**

- 4.36 The sector in Shetland is small and the organisations within it are small. There is no private provider of an equivalent scale to the SIC provision under review. Furthermore no all day nurseries are currently Partner

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Providers and therefore are not approved to deliver Pre-school Education. The only other childcare providers in non-domestic premises in Lerwick are Peerie Foxes and Lerwick Pre-School. These services have a maximum capacity of 24 (29 if everyone was 3-5 years) and 34 respectively. Although Lerwick Pre-School is only open for half days and is not open during the school holidays.

- 4.37 There are also physical capacity constraints in the provision of childcare and current providers already have limited space with few affordable alternatives available. Therefore if SIC wished to transfer services it is likely it would also have to provide finance for the development of premises. Perhaps utilising an existing SIC building.

## Summary

- 4.38 The analysis of key issues which inform and influence the way forward for SIC childcare services in Lerwick has highlighted the following issues:
- The separation of Pre-school Education and day care services for 3-5 year olds in Shetland creates inefficiencies in the operation of the sector.
  - The potential increase in statutory Pre-school Education in 2014 is likely to exacerbate the inefficiencies already present.
  - The current management and operation of the services under Review is inefficient in several areas including management, structure, overstaffing, excess capacity and premises.
  - The fees charged by SIC services are generally below market rates.
  - Historical events have influenced the complexity evident in the delivery of SIC childcare services.
  - SIC is undertaking a substantial cost reduction exercise and less money is available to deliver the services. The proposal for 2013/14 has reduced the budget available to operate the services by 57%.
  - The economic value generated by the services is created by the non-statutory elements of Extended Hours and Out of School Care as it is these services which support working parents.
  - There is limited capacity in the private and third sector to takeover SIC services and any takeover would require the TUPE transfer of essential staff which would create substantial difficulties for the new provider.

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## 5 Options and Appraisal Framework

- 5.1 The purpose of an options appraisal is to compare different options for change to the baseline position. In this case the baseline position is continuing with the current model of operation for SIC run childcare services in Lerwick.
- 5.2 The appraisal uses a framework which sets out the key criteria for judging the attractiveness or otherwise of a particular option. The framework for the Review has been developed to be relevant to the current set of conditions faced by the SIC and wider sector and also concerns around ensuring the appropriate delivery of childcare services in Shetland.
- 5.3 In options appraisal it is often possible to identify a single solution which best meets all objectives of change. However often, particularly where a complex set of objectives and need exist, it is necessary to identify the best compromise which meets the highest priorities at the time of decision-making.

### Options for Appraisal

- 5.4 The options for appraisal have evolved as the research process has progressed. The final list of options which were considered to warrant consideration incorporates:

#### **Option 1: Continue with Current Model of Operation**

- 5.5 Option 1 is included as it is good appraisal practice to include an option by which all other options can be compared. In this appraisal this option is essentially the option where no new decisions are made and therefore nothing changes and the services carry on operating as they currently do.

#### **Option 2: Rationalise Provision**

- 5.6 As discussed in previous chapters there are several causes of substantial inefficiency in the way that the services currently operate. Option 2 proposes the rationalisation of Pre-school Education and Extended Hours childcare (Blydehaven Nursery and Islesburgh Pre-school) into a single service and the achievement of efficiency savings in OOSC. A feasible option to rationalise all three services further than is proposed under this option was not found during the research process.

#### **Option 3: Close Non-Statutory Services**

- 5.7 Option 3 proposes the closure of Extended Hours and OOSC services. Potential solutions are provided in outline for the continuation of the Pre-school Education service, which is a statutory service.

#### **Option 4: Transfer Services to the Private or Third Sector**

- 5.8 Option 4 investigates the potential to achieve a previously expressed ambition to transfer current SIC service provision to the private or third sector.

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## **Option 5: Create an Arms Length External Organisation (ALEO)**

- 5.9 Option 5 investigates what might be gained by distancing the provision of the services under review from the SIC through the creation of a SIC owned ALEO.
- 5.10 More detailed descriptions of each option are provided in the analysis in Chapter 7.

## **Appraisal Framework**

- 5.11 To ensure the appraisal of each option covers the main issues of concern a framework was created for the appraisal process. Each option was analysed using the following criteria and the questions specified under each.

### **Strategic Appraisal**

- Does the option fit with SIC Policy?
- Does the option fit with other relevant local strategies?
- Does the option fit with any relevant national strategies?

### **SIC Financial Appraisal**

- Are there capital costs associated with the option?
- What is the revenue implication of the option?
- Is the option affordable?
- Are there risks associated with the option that mean a sensitivity analysis is required?

### **SIC Staffing Appraisal**

- How will the option affect staff of SIC?

### **SIC Legal Appraisal**

- Are there legal implications associated with the option?

### **Commercial Appraisal**

- Does the option present a viable commercial opportunity?
- Is the option attractive to the third/private sector? (If not, can the attractiveness of the option be enhanced?)

### **Service Delivery Appraisal**

- Does the option meet statutory requirements?
- Will the option make the service more sustainable?

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- Is the option making good use of the resources? (or could resource be used in a more valuable way)
  - Will the option deliver an appropriate quality of service?
  - Will the option have impacts for other SIC services, including services delivered by partners?

### **Consumer Impact and Community Appraisal**

- Will the option have an impact on other providers of childcare services?
- Will the option have an impact on families?
- Will the option have an impact on employers and the wider economy?
- Will the option affect accessibility? (including cost of service)
- Where will any impacts be located?

### **Achievability**

- Is the option achievable?
- Is the option deliverable within a timeframe of one year?

### **Risk Analysis**

- Are there risks that might affect the success of an option?

- 5.12 Each option has been appraised against the appraisal framework and its questions and the outcome of this analysis is presented in Chapter 7.
- 5.13 The issue of inefficiency in the current service delivery is caused by several factors, premises being one. Resolving the premises issue has been considered separately to the appraisal of the options as the same solution is likely to be valid for more than one option. Therefore prior to the analysis of the options, Chapter 6 presents an appraisal of potential premises that could provide a solution and the likely cost of their development is also estimated.

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## 6 Premises

- 6.1 The efficient functioning of each of the three services under review is hindered by the premises from which they operate. Although the space rented at Islesburgh Community Centre is highly utilised by both OOSC and Islesburgh Pre-school it is staffing not premises that is by far the greatest cost to the service. The cost generated by the staffing required to set-up and take down the equipment associated with both services each day (twice a day for OOSC) is considered to substantially outweigh any benefit created by the efficient use of space. For Blydehaven Nursery the challenge is the restricted size of the space which creates inefficient operation as maximum attendance at any one time is 12.
- 6.2 As part of the Review a number of options for new premises have been considered. A long list of potential options was reduced to the following in consultation with Capital Programme Team and Children's Resources. The Schools Service and Care Inspectorate have also been involved in discussions about the suitability of the following premises. The short list of options for new premises includes:
- The empty half of the Old Infant School on King Harold Street;
  - The construction of an extension at the existing Blydehaven Nursery in Gressy Loan;
  - The building behind Islesburgh previously used as squash courts but currently used as a store; and
  - Part of the building at Montfield which previously housed Finance.
- 6.3 The following table summarises the strengths and weaknesses of each option for new premises against a number of appraisal criteria including:
- Capacity to provide a quality childcare environment;
  - Access to outdoor space;
  - Access for parking at peak times;
  - Capacity to house Pre-school Education and OOSC;
  - Changes to the building required in order to meet needs;
  - Estimated cost of building works;
  - Alternative opportunities for the building – i.e. could the building be used for another more valuable purpose;
  - Risk; and
  - Achievability.
- 6.4 Conclusions from the appraisal of premises are presented along with potential refurbishment costs for the preferred solution at the end of this Chapter.

**Table 6-1: Appraisal of Options for New Premises for a Childcare Facility in Lerwick**

<b>Factor</b>	<b>Old Infant School</b>	<b>Extension at Blydehaven</b>	<b>Old Squash Courts</b>	<b>Section of Montfield</b>
<b>Capacity to provide a quality childcare environment</b>	<p>Building was previously a school and approximately 45% of the building is currently occupied by a Partner Provider. The building benefits from high levels of natural lighting and there is sufficient space to create distinct and practical activity areas.</p> <p>Considered highly suitable for childcare.</p>	<p>Already a Pre-school Education provider and the only pre-school provider to offer all day childcare. The new extension could be designed specifically with the needs of the service in mind.</p> <p>Considered highly suitable for childcare.</p>	<p>A large space is available which can be shaped into a quality environment. There is little natural light so development would seek to increase this.</p> <p>Potential to be highly suitable for childcare.</p>	<p>Internal modifications could open it up into a quality childcare environment.</p> <p>Potential to be suitable for childcare.</p>
<b>Access to outdoor space</b>	<p>There is an outdoor play area in front of the building but it was developed by the Partner Provider and is unlikely to become a shared facility that could be used by a new tenant. Discussion with the Care Inspectorate suggests a small space at the rear of the building is considered suitable and the amount of space available indoor would enable a good play space to exist in addition to the 'classrooms'. The building is also in close proximity to the rear garden at Islesburgh which can be accessed via a gate and a short walk along King Harold Street. The King George V Play Park and Jubilee Flower Park are also nearby.</p> <p>Access to outdoor space is considered to be good.</p>	<p>The extension to the building would restrict the outdoor space currently enjoyed. Access to the gym hall of AHS provides additional indoor play space.</p> <p>If an extension was added to the building, access to outdoor space is considered to be good.</p>	<p>The development of a new glazed wall and doors to the building would enable direct access to the secure back garden of Islesburgh which is a large space. The garden is currently used by both Islesburgh Pre-school and OOSC services. The King George V Play Park and Jubilee Flower Park are also nearby.</p> <p>Access to outdoor space is considered excellent.</p>	<p>There is immediate but small grounds which could be used. However, across a largely traffic free lane there is access to Gilbertson Park, although this is a public space. There are steps into and from the building.</p> <p>Access to outdoor space is considered to be good.</p>

<b>Factor</b>	<b>Old Infant School</b>	<b>Extension at Blydehaven</b>	<b>Old Squash Courts</b>	<b>Section of Montfield</b>
<b>Access for parking at peak times</b>	There is a small car park available at the front of the building but this is likely to become congested if both services open and close at the same time. Additional parking is available on both sides of King Harold Street with little competing activity. Access for parking is considered to be good.	There is no car park associated with the building. Cars can stop on the main road or there is parking available at the ASN building however the long-term plan for the ASN building is not yet known. Access for parking is considered to be good.	There is a car park at Islesburgh which provides a circular route for cars which aids congestion. Parking is also available on the main road to both the front and side of Islesburgh. Access for parking is considered to be good.	There is a good sized car park attached to the building which should be able to cope with busy periods. However, the long-term plan for the building is not yet known and the nature of activity undertaken at the building may affect access. Access for parking is considered to be good.
<b>Capacity to house Pre-school Education and OOSC</b>	There is not enough space to house OOSC and Pre-school Education. The building is best suited to Pre-school Education.	There is not enough space to house OOSC and Pre-school Education. The building is best suited to Pre-school Education.	There is not enough space to house OOSC and Pre-school Education. The building is best suited to Pre-school Education.	There is not enough space to house OOSC and Pre-school Education in the section under consideration. The building is best suited to Pre-school Education.
<b>Changes to building required in order to meet needs</b>	This building is believed to be in very good condition. A new entrance is required to ensure each occupant has clear authority over who enters and who leaves the building. A new entrance is also required to avoid congestion at peak pick up and drop off times. New toilets and a small kitchen are required but preliminary drawings suggest these could be developed where there are existing water systems. A new foyer area would be created.	An extension with space for 24 children is the basis of this analysis. An initial evaluation of the building suggests the best option is to build out to the front of the building on stilts. The AHS side of the building is not considered to offer sufficient space.	A new glazed wall and door are proposed for the side of the building which adjoins the garden. Significant internal works will also be required.	Partition walls would need to be removed and the access door upgraded. A new foyer area would be required.

<b>Factor</b>	<b>Old Infant School</b>	<b>Extension at Blydehaven</b>	<b>Old Squash Courts</b>	<b>Section of Montfield</b>
<b>Estimated cost of refurbishment/ construction</b>	£35,000 for building works plus cost of decoration	£50,000 for building works plus cost of decoration	£120,000 minimum for building works plus cost of decoration	£60,000 for building works plus cost of decoration
<b>Alternative Opportunity – could the building be used for another purpose</b>	<p>There is no alternative opportunity anticipated with this development. With a childcare provider currently occupying part of the building there is a limit to what use can be made of the remaining empty part. Particularly as there is only one entrance. Security and safety are the primary issues. The empty part was previously used by ICT department of SIC as a store and workshop but has lain empty for 1 ½ years. The building has been upgraded with new double glazing which is evidence of the investment required when leaving the building empty.</p> <p>The opportunity lost in using this building is negligible or zero.</p>	<p>The building which currently houses Blydehaven Nursery was previously a private dwelling. An alternative opportunity for the building is likely to relate to whether or not the building can be turned into housing again which may return a financial value to SIC. In addition, there is uncertainty over the long-term future of the adjacent AHS site.</p> <p>The opportunity lost is dependent on whether or not the building can be returned to housing and the eventual plans for the AHS site.</p>	<p>The building is currently being used as a store. A childcare facility is likely to be a higher value activity to the community however another location would have to be found for the equipment currently stored.</p> <p>The building already has value as a store and no alternative new opportunity for this building is foreseen unless it is linked to activity at Islesburgh Community Centre. There is likely to be additional cost involved in relocating the store.</p>	<p>The building has operated as an office for a considerable period of time and as such may provide a better return to the owner as an office building. Furthermore any new tenant or owner may not find sharing the building with a childcare facility an attractive proposal which may reduce the potential options for and value of the rest of the building.</p> <p>The opportunity lost may be significant as the building offers office space in Lerwick where supply of this nature is limited.</p>

<b>Factor</b>	<b>Old Infant School</b>	<b>Extension at Blydehaven</b>	<b>Old Squash Courts</b>	<b>Section of Montfield</b>
<b>Risk</b>	<p>There is considered to be little to no risk involved in the development. Although the building is old, with the exception of a new entrance way, there is no structural work required.</p> <p>Work would best be undertaken during holiday periods but much could be completed during term-time without unreasonable disruption to existing tenant as there is limited external work and no major structural work required.</p>	<p>There is inherent risk in extending an existing building as major structural work is required. If this risk is realised it is likely that additional costs may be incurred.</p> <p>It is unlikely that the service could operate from the premises during construction and therefore construction would need to begin and be completed during the holiday period or an alternative temporary location would have to be found. This restriction creates further risk and the potential for additional cost.</p>	<p>The condition of the building is not well understood at this time and the investment will depend on the extent of refurbishment/ upgrading required. The cost estimated above for building works is believed to be the minimum required. More investigation is required to better estimate cost.</p>	<p>There is little or no risk involved in this development. The building has been recently used and the majority of work would require alterations to partition walls and would not be structural.</p>
<b>Achievability</b>	<p>Considered achievable.</p>	<p>Considered achievable but may require temporary accommodation for service.</p>	<p>Considered achievable but is dependent on substantial investment and finding another location for equipment stored.</p>	<p>Considered achievable although there may be competing options for the space which are more attractive.</p>

*The estimated building costs have been provided by the Asset and Property Unit of Shetland Islands Council*

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## Finding a Solution for OOSC

- 6.5 The research on potential premises did not find a solution that would suit both OOSC and Pre-school Education as each would ideally have its own dedicated space to avoid the operational inefficiencies and restrictions currently experienced in Islesburgh Community Centre. All of the options considered above best suit Pre-school Education.
- 6.6 Both primary schools in Lerwick were approached regarding available space on the school sites for additional childcare services and neither could identify a potential part of their building of appropriate size. For OOSC there would also be the added complexity of the service operating out of term-time.
- 6.7 Without a viable alternative for OOSC, the Review has concluded that the existing space at Islesburgh Community Centre is the best option for the service. The attractiveness of the Islesburgh option for OOSC becomes even greater if the Pre-school Education is relocated so that the space can be largely dedicated to the service and operational inefficiencies reduced. Furthermore feedback from consultees suggested that because children attending OOSC are older, i.e. of primary school age, the Islesburgh Community Centre environment is likely to be one of the best options, if not the best option, for these children as there is access to wider services and facilities on-site.
- 6.8 Given that a better alternative has not been identified, the facilities at Islesburgh Community Centre were reviewed so as to identify whether any of the inefficiencies caused by the current layout could be resolved. The main issue which the Care Inspectorate would like to see resolved is for the service to have the use of dedicated toilet facilities that cannot be accessed by the general public. This could be expected to reduce the amount of staff resource required. The estimated cost of creating dedicated toilet facilities by changing the accessibility of existing toilet facilities is estimated to be in the region of £9,000. Only preliminary discussion with Islesburgh Community Centre has taken place and therefore further discussion would be required to agree the best way forward.

## Conclusion on New Premises

- 6.9 Retaining OOSC at Islesburgh Community Centre is considered the best option. Furthermore it is considered that if Pre-school Education is removed from Islesburgh the operation of OOSC could become more efficient in the existing space. Some modifications are required to maximise efficiency and an initial review of the space suggests that access to the nearest toilet could be improved which would reduce concerns about the number of staff required to operate the service.
- 6.10 With regards to Pre-school Education and extended hours, the strongest option identified by the appraisal and also the option preferred by all of those involved in the discussion around suitable premises is to develop the empty part of the Old Infant School. The hope is that the existing tenant will be happy to work alongside the new service.
- 6.11 A previous study identified the Old Infant School as a preferred option for a new childcare facility which would occupy 100% of the building. The option for using 100% of the building has been ruled out in the way proposed by the previous study for a number of reasons, not least because it would

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require evicting the current tenant who is the only private sector Partner Provider in Shetland and there is no appetite to achieve the solution proposed amongst the key stakeholders whose participation and investment would be essential.

- 6.12 The estimated cost of refurbishing the Old Infant School is £35,000 including building works and professional fees. This estimate includes a £2,000 cost for upgrading the fire door in the already occupied part of the building which was an identified need during the Review process. The estimate does not include internal decoration and flooring. Initial research suggests that the following costs should be budgeted for:
- Decoration £6,000; and
  - Flooring £7,000.
- 6.13 It is assumed that all essential equipment for the day-to-day running of the service would be transferred from both Blydehaven Nursery and Islesburgh Pre-School. This will help to avoid further 'start-up' costs.
- 6.14 Therefore the total estimated cost of developing the unused part of the Old Infant School including the upgraded fire door in the occupied section is £48,000.
- 6.15 The current heating system is storage heating which is considered inefficient and high cost. If this was to be replaced during the development of the building and the Old Infant School connected to the District Heating System this would incur an additional cost of approximately £7,000, bringing the total estimated cost of the development to £55,000.
- 6.16 The revenue savings that could be generated from the proposed investment in premises are discussed in the next chapter.

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## 7 Appraisal of the Options

- 7.1 Chapter 7 presents the analysis of each option against the appraisal criteria considered. The appraisal has been undertaken to establish how each option might best be achieved and what impacts, both positive and negative, might be created through the implementation of each option. The analysis has been undertaken to enable comparison of the options.
- 7.2 The appraisal of each option is supported by data on the operation of the existing services and feedback from the consultation process. The analysis also reflects the current context and challenges faced in pursuing changes to childcare provision in Lerwick as described in Chapter 4. Also described are the operational characteristics of each option which have been defined in order to conduct the appraisal.
- 7.3 The key points arising from the research and analysis undertaken are presented under each criterion specified in the appraisal framework on an option by option basis. The achievability and risk associated with each option is also analysed. Based on the findings of the appraisal a summary conclusion on each option is provided and the strongest option which emerges from the appraisal is identified. Further detailed analysis of the strongest option is provided in the Chapter 8.
- 7.4 It should be noted that if a decision is made to pursue change the development of the information provided into a more detailed business/service plan would be a valuable exercise. The analysis presented in the Review has been developed to enable clear and helpful comparison of the options, not to create a ready to go delivery plan, staffing structure or a final budget figure. Although much of the information and direction necessary for such tasks is provided.

### Informing the Appraisal

- 7.5 The analysis of all five options presented in this Chapter is supported by the financial analysis contained in Appendix B. Detailed financial analysis has been undertaken for Options 2 and 3 and this is presented in the Appendix with a summary of the analysis provided in this chapter. There is greater uncertainty surrounding the financial implications of Options 4 and 5 but qualitative statements and estimates are made within their analysis that enables comparison to the financial implications of Options 2 and 3. The financial analysis of Option 1, also contained in Appendix B, presents current income and costs.
- 7.6 If SIC is to continue to offer childcare services, the Review recommends the introduction of market rates for childcare services. The implications for users of higher fees compared to current fees are presented in an analysis of the preferred option in Chapter 8. However similar impacts are likely to be experienced as a result of all options except Option 1 as fees are expected to increase regardless of which option is selected..

### Assumptions

- 7.7 To undertake the analysis, a number of assumptions have been made. These include:

- With the exception of Option One, all options will charge a reasonable market rate for childcare services.
- SIC wishes to support wider economic benefit through ensuring the provision of childcare services in Lerwick.
- Under the options where SIC continues to operate the services it is assumed that Pre-school Education will be delivered from the Old Infant School in King Harold Street and that OOSC will continue to be delivered from Islesburgh Community Centre. The costs associated with refurbishment of these buildings were discussed in the previous chapter but are summarised in the analysis.
- The budget for the operation of the childcare services under Review is currently proposed to be £127,000 for 2013/14. A drop of 55% from £280,000 in 2012/13.
- SIC does not wish to increase the capacity of its childcare services beyond that which is already provided.
- SIC does not wish to extend Day Care for 3-5 year olds to holiday periods.
- SIC does not wish to extend its services to children aged 0-2 years.
- Unless otherwise stated demand is expected to remain constant.
- Relocating pre-school children to Pre-school Education services outside of Lerwick is not under consideration at this time.
- Providers of childcare services from outside of Shetland would not initially be considered as an attractive option for the transfer of childcare services to the private sector.
- Existing providers of childcare services in Lerwick will continue to operate in their current form for the foreseeable future.

## Summarising the Impacts

- 7.8 In addition to a qualitative and where appropriate quantitative analysis of the impacts. Each appraisal criterion for each option has been given a summary grading based on the analysis presented. The grading is structured as shown in Table 7-1. Using these grades, a table summarising the impacts of each option under each appraisal criterion is provided at the end of the Chapter.

**Table 7-1: Appraisal Grading Criteria**

✓✓✓	Significant Positive Impact
✓✓	Moderate Positive Impact
✓	Minor Positive Impact
0	No Impact or Potentially Neutral Impact
x	Minor Negative Impact
xx	Moderate Negative Impact
xxx	Significant Negative Impact

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## Appraising the Options

- 7.9 The appraisal of each option begins with a brief description of its proposed operational characteristics. The analysis of the option against the main appraisal criteria is then presented in table format. This is followed by a Risk Analysis and a Strengths and Weaknesses analysis also in table format and a conclusion.

### Appraisal of Option 1: Continue with Current Model of Operation

#### Description of Option 1

- 7.10 Option 1 provides the baseline against which all other options are compared. Option 1 specifies that SIC continues to provide exactly the same services from the same premises with the same level of staffing for the same cost and fees.
- 7.11 A detailed description of the services was provided in Chapter 3. The inclusion of this 'change nothing' option meets with good practice appraisal guidelines and provides a valuable benchmark against which other options can be compared and in most cases it usually presents a valid option which can be achieved by taking no action.
- 7.12 However, in this analysis this option is actually only useful as a benchmark as it is considered unachievable. The cost of running the services as they currently operate greatly exceeds the budget that is proposed for 2013/14 to operate the services. This proposed budget has only recently been stated. Therefore unless sustainable funding can be found from elsewhere in SIC the continuation of the services as they currently operate is simply not possible. Nevertheless the appraisal of the option against each criterion in the framework is included below for information in order to assist the analysis of all other options.

**Table 7-2: Appraisal Framework for Option 1 – Continue with Current Model of Operation**

Appraisal Criteria	Analysis of Likely Impacts	Impact Grading
<b>Strategic Appraisal</b>	Shetland's Childcare Strategy seeks to achieve a level playing field for childcare services and the continuation of SIC services at relatively low fee rates does not fulfil this ambition. This option also fails to strengthen the private sector. Option 1 is unable to provide fully flexible solutions to families as envisaged by the Scottish Government as Islesburgh can only open in the morning due to OOSC activities in the same space and Blydehaven has extremely restricted capacity.	xx

Table 7-3 (continued)

Appraisal Criteria	Analysis of Likely Impacts	Impact Grading
<b>SIC Financial Appraisal</b>	The highly inefficient operation of the services under Review, either through restrictions caused by the premises, an unnecessarily complex management structure or being overstaffed means that the value of the services is obtained at a high cost. The extent of deficit funding required to maintain the services is no longer available within the Children's Resources budget for 2013/14 therefore additional funding will have to be found from elsewhere to maintain the services as they currently operate. The financial impact of continuing the services as they are is therefore highly negative to the extent that in 2013/14 they are unaffordable within Children's Resources.	xxx
<b>SIC Staffing Appraisal</b>	If the services continue as currently structured there would no impact on staffing.	0
<b>SIC Legal Appraisal</b>	There are no legal impacts anticipated from the continuation of the services.	0
<b>Commercial Appraisal</b>	If the services continue to operate the wider impacts in the private and third sector believed to be created by SIC services would continue to have an ongoing impact. This would make the option unpopular with the private and third sector. Problems commonly referred to as unfair competition include below market fees and higher than average wages for staff.	xx
<b>Service Delivery Appraisal</b>	If the services continue as they are currently structured there would be no impact on service delivery. However, the inefficiencies would also continue.	0
<b>Consumer Impact and Community Appraisal</b>	Users of most of SIC childcare services would continue to benefit from below market fees. With good affordability the wider economy can be expected to benefit from higher numbers of potential employees.  Negative impacts would continue in the wider childcare sector through issues relating to fair competition.	0
<b>Achievability</b>	Continuing to operate the services as they are currently structured seems largely impossible as the necessary budget no longer exists within Children's Resources. In addition, all service areas of SIC are experiencing tightening budgets and it is not clear where additional funding could be found.	Very Low

Table 7-4: Risk Analysis for Option 1

Risk	Extent of Threat	Mitigation
There is a very good chance that, if this option is selected, the proposed reduction in the budget for Children's Resources and wider SIC budgets will lead to closure of one or more of the childcare services currently provided.	High	The only potential sustainable mitigation is if finance can be found elsewhere in SIC on an ongoing basis. This appears highly unlikely particularly as the extent of inefficiency within the current model of operation has been highlighted.

**Table 7-5: Summary Strengths and Weaknesses for Option 1**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Quality Provision</li> <li>• Relatively low cost to user for most services</li> <li>• Skilled staff</li> </ul>	<ul style="list-style-type: none"> <li>• High cost to SIC</li> <li>• Limited budget with which to run the services highly likely to lead to some service closure</li> <li>• Inefficient staffing</li> <li>• Inefficient premises</li> <li>• Complex and inefficient management structure</li> <li>• Relatively low fees creates unfair competition in wider childcare sector</li> </ul>

**Conclusion for Option 1**

If this option can be achieved and SIC continues to operate the services as they are currently structured this will create no disruption to staff or users. Although maintaining current fee rates will continue to cause problems in the wider childcare sector. However, Option 1 is considered unachievable as there is no longer sufficient budget in Children’s Resources to support the services as they currently operate. Therefore, unless new and sustainable funding can be found from elsewhere, a substantial proportion of the services will close with a negative knock-on impact for users, staff and the wider economy.

**Appraisal of Option 2: Rationalise Provision**

**Description of Option 2**

- 7.1 Islesburgh Pre-school and Blydehaven Nursery provide the same type of services i.e. a combination of Pre-school Education and Extended Hours. Albeit Blydehaven offers a full-day service whereas Islesburgh is only open in the morning. Option Two proposes rationalising these two services under one roof whilst not increasing total capacity beyond that which is currently provided.
- 7.2 The research process has not been able to identify a building that could accommodate both pre-school age children and primary age children (OOSC) and the different services and facilities that these both require. Therefore, as discussed in Chapter 6, Islesburgh Community Centre remains the favoured location for OOSC and the development of the Old Infant School in King Harold Street is preferred for the merged Pre-school Education and Extended Hours service.
- 7.3 Option Two would retain the services under SIC ownership and operation but seeks to eliminate inefficiencies in service delivery, including those inefficiencies caused by overstaffing, complex management and the current premises.
- 7.4 The model of operation proposed for both pre-school and OOSC services under Option 2 is summarised in Table 7-5.

**Table 7-6: Option Two Description: Rationalise Provision**

	<b>Pre-School &amp; Extended Hours</b>	<b>Out of School Care</b>
<b>Service User</b>	3-5 years	Primary 1 – Age 14 years
<b>Opening Hours</b>	0830-1730hrs	Breakfast: 0800-0900hrs After School: 1500-1730 hrs Holiday: 0830-1730 hrs
<b>Location</b>	Old Infant School	Islesburgh Community Centre
<b>Capacity</b>	32 in AM and 16 in PM	Breakfast: 16 After School: 24 (theoretical max of 30) Holiday: 24 (theoretical max of 30)
<b>Fees</b>	Calculations are shown for £4.00 per hour	Calculations are shown for £3.50 per hour
<b>Biggest Change to Service Delivery</b>	Relocating and combining Blydehaven Nursery and Islesburgh Pre-school into a single service. Charging market rates and extending opening hours by 30 minutes in morning and afternoon. The increase in fees would affect users. Management may be shared with OOSC.	Reducing Capacity of After School and Holiday Clubs. Charging market rates and reducing opening hours by 30 minutes in morning (except Breakfast Club) and afternoon. The increase in fees would affect users. Management may be shared with Pre-School.
<b>Capital Investment Required</b>	Refurbishment of Old Infant School. Estimated to be in the region of £48,000-£55,000.	Internal modifications to premises to enable efficiencies. Estimated to be in the region of £7,000.

7.5 The appraisal of the impacts associated with Option 2 is presented in Table 7-6 under each of the criterion in the appraisal framework.

**Table 7-7: Appraisal Framework for Option 2 – Rationalise Provision**

Appraisal Criteria	Analysis of Likely Impacts	Impact Grading
<b>Strategic Appraisal</b>	<p>The creation of a larger single service open all day would enable greater flexibility to deliver more diverse pre-school solutions for families as directed in the Children and Young People Bill. However, the afternoon capacity is limited to 16, only four more than Blydehaven Nursery.</p> <p>Importantly this option enables the delivery of Pre-school Education and day care under one roof.</p> <p>The proposed increase in fees would meet the ambitions set out in the Childcare Strategy to create a more level playing field in the wider childcare sector.</p>	✓✓
<b>SIC Financial Appraisal</b>	<p>The financial analysis of Option 2 is presented in detail in Appendix B. In summary, it is estimated that with efficiency savings in staffing and premises combined with the delivery model presented in Table 7-5, the annual cost to SIC of operating the services, following the deduction of estimated income, could fall to approximately:</p> <ul style="list-style-type: none"> <li>• £70,440 for Pre-school Education and Extended Hours, a fall of 63% from £188,500 for Blydehaven Nursery and Islesburgh Pre-school in 2012/13.</li> <li>• £29,080 for OOSC services, a fall of 68% from £90,500 total cost of OOSC services in 2012/13.</li> <li>• The total estimated cost of both services if efficiency can be maximised would be £99,520 which is within the available budget for 2013/14.</li> </ul> <p>The analysis of total cost is based on the number of staff hours required to deliver the service as efficiently as possible, it does not make assumptions about how many individuals would be required. The way that the hours are divided up between staff members may lead to an increase in costs.</p> <p>The assumptions on income are that attendance at most services would remain constant with the exception of the OOSC holiday club where the increase in fees is so significant that a fall of 50% is estimated in the demand for this service. Similarly full day, full week attendance at Pre-School with Extended Hours is predicted to fall by 25% due to a substantial rise in fees. Demand above or below these assumptions will affect income and therefore the total estimated cost presented above. More detail on the impact on fees is contained in Chapter 8.</p>	✓✓✓
<b>SIC Staffing Appraisal</b>	<p>The rationalisation of provision combined with the removal of inefficiencies will have a substantial impact on the number of staff hours required to deliver the service. The number of hours required are expected to fall from current levels during term-time of approximately 410 hours to 213 hours, a drop of 48%. A loss of staff hours would also be expected during the holidays from approximately 208 hours to 163 hours, equivalent to a 21% reduction. There would also be fewer senior positions restricting the opportunities for career progression within the services and many positions may have reduced hours. SIC policy is to avoid redundancies therefore staff would have to be redeployed.</p>	xxx
<b>SIC Legal Appraisal</b>	<p>The only legal impacts likely to arise from Option 2 are linked to staffing changes as discussed above. Any redundancies would be subject to a three month consultation period.</p>	0

Table 7-8 (continued)

Appraisal Criteria	Analysis of Likely Impacts	Impact Grading
<b>Commercial Appraisal</b>	<p>Option 2 does not present a significant commercial opportunity. However, the increase in fees for SIC services is expected to be beneficial for the rest of the sector and any potential new start childcare business that there is not a low cost competitor in the market. However, the proposed fees would still be below one Lerwick based childcare provider.</p>	✓
<b>Service Delivery Appraisal</b>	<p>The rationalised service would continue to support the SIC to provide sufficient Pre-school Education in Shetland. By significantly reducing the finance required to run the childcare services the services would become more sustainable.</p> <p>Option 2 will make good use of an unused SIC property with very little alternative use whilst freeing up the former domestic property used by Blydehaven Nursery. Although the space at Islesburgh Community Centre would be used less intensively the benefits to the cost of operating the services through the reduction in staff hours required to change over the space on a daily basis from one service to another should outweigh the reduction in utilisation of the rooms at Islesburgh. Furthermore the improved efficiency achieved in staffing levels ensures SIC staff resources are being used effectively.</p> <p>There should be no substantive impact on the quality of service delivery and many of the strengths associated with a quality service should be transferable from the current services to the rationalised service. Indeed expectations might be that the use of a newly developed space for Pre-school Education and Extended Hours and the delivery of services consistently and in a way that is easy to understand should enhance service delivery. However, the nature of the leadership and management of the service can be expected to impact on the quality of service delivery. The proposal to use shared Management might be considered a risk to quality and therefore the senior practitioner on-site would have to have sufficient authority to operate the service to the appropriate quality standard.</p> <p>The knock-on impact for other SIC services would be linked to any funding required to support students to access childcare and to support additional staffing for children with ASN. The costs associated with this are not included in the financial analysis.</p>	✓✓

Table 7-9 (continued)

Appraisal Criteria	Analysis of Likely Impacts	Impact Grading
<p><b>Consumer Impact and Community Appraisal</b></p>	<p>Raising the fees charged for the service will remove some accusations of market distortion but the downside of the higher fees is that the service will become less affordable for users. It is not certain whether the rise in costs will make the service unaffordable for anyone but substantial increases will be experienced by many families. Certainly the rates proposed are in line with market rates and therefore there is a choice for SIC between charging market rates and providing more affordable childcare. If the fees rise as proposed the largest negative financial impact will be experienced by parents who use the Holiday OOSC Club and those who use Blydehaven for full days five days per week. The financial analysis has assumed a fall in demand of 25% for full day full week childcare and a 50% fall in demand for OOSC Holiday Club to avoid potentially optimistic income predictions..</p> <p>Other providers of childcare services can be expected to benefit from rising SIC fees either because demand may shift to their services, or because it enables them to increase or better justify their fees. In general, the proposed fees better reflect the true market cost of childcare. A more detailed analysis of the impact on fees is contained at the end of this chapter.</p> <p>The new Pre-school and Extended Hours service will still only cater for 3-5 year olds during term-time and the only new benefits in structure are earlier opening and later closing times for the extended hours. This is expected to bring benefits to working parents. The only other structural change to the way in which the service is delivered is that overall there will be fewer available places in the morning and more available spaces in the afternoon. The service will be the only provider of full day childcare which incorporates Pre-school Education in Shetland.</p> <p>The revised OOSC service will open later and close earlier (except the Breakfast Club which will continue to open at 8am). The new opening hours will match the opening and closing times of the Pre-school Extended Hours service. This reduction in opening hours is likely to disadvantage parents who currently access the service at 8am and/or until 6pm but the adjustments do bring consistency with the revised Extended Hours service.</p> <p>The wider economic value for Shetland currently delivered by SIC childcare services will continue if current demand levels are maintained, however, as discussed there may be a reduction in demand due to higher fees which could lead to a reduction in economic value if people reduce the hours that they work or leave employment. There will also be a reduction in direct employment in the services and therefore a reduction in the wage income directly generated by the services.</p> <p>The potential for impact on individual Employers will depend on the extent that childcare becomes unaffordable for some and the extent to which the changes to the opening hours will have an impact, which could be a positive impact in relation to the Extended Hours Service and a negative impact in relation to the opening hours of OOSC.</p>	<p>0</p>

**Table 7-10 (continued)**

<b>Appraisal Criteria</b>	<b>Analysis of Likely Impacts</b>	<b>Impact Grading</b>
<b>Achievability</b>	If the status quo cannot continue this option is considered to be one of the most achievable. Only Option 3 might be considered equally as achievable. The timeframe required to start the restructured service could mean that it is operational by the Autumn term 2013 and if the will was there perhaps even earlier – although disruption to the children’s year might be considered unattractive.	High

**Table 7-11: Risk Analysis for Option 2 – Rationalise Provision**

<b>Risk</b>	<b>Extent of Threat</b>	<b>Mitigation</b>
Higher fees reduce demand. A sensitivity analysis shows that a drop in demand of 20% from the levels already predicted would lead to a £118,700 deficit.	Moderate	A 50% reduction in demand for the holiday club and a 25% reduction in demand for all day, all week childcare is factored into the main calculations. The best way to deal with any substantial shift in demand is to allow a contingency within the budget and adjust staffing levels where possible. The services could also undertake activities to generate additional income.
There is a risk that problems are encountered in the development of the Old Infant School that lead to higher capital costs.	Low	Minimal structural change is proposed, part of the building is already in use, and the building has benefited from new double glazed windows and has been maintained to a good standard.
Redeployment of staff may be problematic. SIC is undergoing a substantial budget reduction exercise across all services and there may be insufficient posts to redeploy staff to.	Unknown	If this risk is realised there is likely to be little that can be done apart from pursue a redundancy option.
Income is reduced as people meet their needs through flexible options i.e. a high number of children take up all their Pre-school Education allowance at the facility over one or two days but use very few extended hours.	Low	A limit could be placed on the number of pre-school places that are available. It is also unlikely that those who have had to depend on paid for services in the past will be able to find lower cost alternatives. Furthermore if this occurs this would be saving SIC money elsewhere as the Pre-school Education sessions would not be demanded at another service.
Ability to reduce costs is hindered due to complexity in the potential renegotiation of staff hours. The appraisal does not specify how many staff are required to run the services. Instead it states a total number of hours required. This requires translation into a staffing structure and this may lead to complex negotiations with staff.	Moderate	The only mitigation possible is to offer redundancy or redeployment or to increase the hours offered to staff. However, this would have a direct impact on the cost of the service.

**Table 7-12: Summary Strengths and Weaknesses for Option 2 – Rationalise Provision**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Reduces the potential requirement for deficit funding from over £280,000 to an estimated £99,520 which represents a reduction of 64%. Although this represents the minimum cost likely.</li> <li>• Retains skilled staff.</li> <li>• Qualities of existing pre-school services can be transferred to new service.</li> <li>• Provision of OOSC service experiences little disruption.</li> <li>• Substantially improves the efficiency of the service.</li> <li>• Maintains the continuity of the service for working parents and other users.</li> <li>• Creates a more sustainable service.</li> <li>• Enables seamless provision of childcare and Pre-school Education under one roof.</li> <li>• Meets objective in Childcare Strategy by creating a more level playing field for fees.</li> <li>• Resilient option that can be flexible to respond to future statutory changes.</li> </ul>	<ul style="list-style-type: none"> <li>• Redeployment of staff required and/or redundancies possible. Remaining posts may offer reduced hours.</li> <li>• Higher cost to user, in some cases a significant increase would be experienced (OOSC holiday provision).</li> <li>• Does not address inequality between private and public sector pay in childcare settings but does reduce the number of posts available in public sector.</li> <li>• Demand may reduce for some services due to increased fees.</li> <li>• Does not create a new and direct opportunity for private sector although does create a more level playing field in relation to fees.</li> </ul>

**Conclusion for Option 2 – Rationalise Provision**

Option 2 combines the two Pre-school Education and Extended Hours services under one roof and all OOSC services will continue at Islesburgh Community Centre. Option 2 removes many of the inefficiencies evident in the existing services and it continues to offer services which provide substantial and important support to working families and the wider economy of Shetland.

Option 2 also offers high achievability and low risk to SIC compared to the alternatives and is likely to be resilient to any changes in the way in which Pre-school Education must be provided. If maximum efficiency can be achieved the cost of the service is estimated to be in region of £99,000 or £20,000-£30,000 higher than what the SIC must continue to spend to only deliver Pre-school Education without Extended Hours or OOSC (as presented in Option 3), this means in relative terms only limited support is required to obtain significant community value.

However, success is dependent on demand remaining relatively stable and finance being found for the refurbishment and decoration of the unused part of Old Infant School.

**Appraisal of Option 3: Close all Non-Statutory Services**

**Description of Option 3**

7.6 Option 3 proposes the closure of all OOSC services and Extended Hours services. The only remaining service provided by the services under Review would be Pre-school Education. The closure of SIC childcare services would see the capacity of the childcare sector in non-domestic premises in Lerwick fall significantly.

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- 7.7 It is estimated that in the region of 38 Pre-school Education places would have to be provided to meet current levels of demand at the services under Review. This is calculated on the basis that in 2012/13 the highest number of Pre-school sessions taken up in any one week at Islesburgh was 125, i.e. an average of 25 places per day, and Blydehaven the highest number attending a pre-school session in any one day, across both AM and PM sessions, was 13. It is highly likely that these 38 places would be used by more than 38 individuals.
- 7.8 There are several options for the delivery of this pared back service which exist including:
- Continue a Pre-School service within Islesburgh Community Centre but remove the Extended Hours service. Ideally the capacity of the existing service can be increased from 32 to 40. However, if not there may remain some excess demand which could be absorbed at Bells Brae and Sound Nursery Classes which have had a very small number of spaces available but alternatives may have to be found outside of Lerwick for a small number of children or uptake in Lerwick restricted;
  - Create an additional pre-school class at Bells Brae which could accommodate 20 and redistribute the remaining demand to other services in Tingwall, Scalloway and Whiteness where excess capacity exists; and
  - Find a Partner Provider to deliver the service on behalf of SIC.
- 7.9 The appraisal which follows has assumed that the first option listed above, i.e. the continuation of a pared back service at Islesburgh Community Centre would be the most likely option. The alternatives have been initially discounted because:
- The provision of a substantial proportion of the demand for Pre-school Education outside of Lerwick would not be an attractive policy decision as transporting children aged 3-5 years 7-15 miles for 2.5 hours per day may dissuade users from taking up the free provision. Particularly if they attend other day care services such as a private nursery or a childminder who are unlikely to be willing or able to provide the necessary transport.
  - The posts required to operate the 'new' service would have to be first offered to existing staff within the services. This would apply whether the service is provided at Bells Brae or by a Partner Provider. This is likely to be unattractive to the Partner Provider and may not justify the changes internally to relocate the service to Bells Brae. In addition, if the service becomes attached to a School any future decisions on the delivery of the service becomes subject to Schools (Consultation) (Scotland) Act 2010.
- 7.10 The appraisal undertaken for Option 3 assumes that 38 places will be provided at 2.5 hours per day, five days per week for 38 weeks of the year, and that no Extended Hours service is provided. The appraisal assumes no OOSC services exist. A financial analysis of Option 3 is provided in Appendix B and summarised in the Table which follows..

**Table 7-13: Appraisal Framework for Option 3**

Appraisal Criteria	Analysis of Likely Impacts	Impact Grading
<b>Strategic Appraisal</b>	<p>Option 3 does not support working parents in Shetland and is counter to the aim of the Shetland Childcare Strategy of sustaining the number of childcare places.</p> <p>Does not fit with Scottish Government goal of providing flexible pre-school provision as all potential opportunity for increased flexibility would be removed in Lerwick.</p>	xxx
<b>SIC Financial Appraisal</b>	<p>SIC would still be liable for the cost of providing Pre-school Education, regardless of who delivers it. Surprisingly the financial analysis shows that removing the Extended Hours service and only providing Pre-school Education does not perhaps create the level of savings that might be expected in comparison to retaining the services as outlined in Option 2. The total estimated cost to SIC of offering a single Pre-School Session based on efficient operation with a capacity of 40 is just estimated to be £62,500. The reasons for this include the fact that the service is only open for 2.5 hours per day but many costs are fixed and the service would generate no income. If a Partner Provider was commissioned to provide 38 Pre-school Education places the cost to SIC at current level of £2,073 per place would be £78,774. Further detail is contained in Appendix B. The cost of providing this service is expected to increase if the entitlement to Pre-school Education increases to 600 hours per annum – as would the cost of all other options.</p>	✓✓✓
<b>SIC Staffing Appraisal</b>	<p>The closure of all but the statutory Pre-school Education services would have a significant impact on all staff. Many would no longer have their current posts and others would be working in childcare for reduced hours. The reduction of the posts to 2.5 hours per day may make it difficult to attract staff. Current policy requires that redeployment is offered. It may be possible to offer a more attractive staff package if the service is split across an AM and PM session but this may increase overall cost.</p>	xxx
<b>SIC Legal Appraisal</b>	<p>The only legal impacts likely to arise from Option 3 are linked to staffing changes as discussed above. Any redundancies would be subject to a three month consultation period.</p>	0
<b>Service Delivery Appraisal</b>	<p>The closure of all but Pre-school Education services would have a significant impact on service delivery. No SIC service would be able to meet the needs of working parents. The knock-on impacts are likely to be economic and the SIC may find some of its own staff are suddenly without a childcare solution which enables them to come to work.</p> <p>The impact on other services may be that if SIC takes a decision not to provide non-statutory childcare services this may presumably also lead to the closure of the Extended Hours service currently provided at Bells Brae Primary School, the day care service at Mossbank and the OOSC service at Dunrossness Primary School with consequences for both staff who provide the services and the families who use these other services.</p>	xxx

Table 7-14 (continued)

Appraisal Criteria	Analysis of Likely Impacts	Impact Grading
<b>Commercial Appraisal</b>	<p>If SIC services close, private sector operators may benefit from increased demand if they have available capacity. However, SIC services represent a significant proportion of the childcare places available in Lerwick and previous research has indicated problems in families finding childcare solutions. A commercial opportunity to absorb the demand created by the loss of SIC services is likely to require expansion and development of existing services or new start businesses. Consultation with stakeholders does not suggest that development in the private sector is likely to offer a solution for families in the short to medium term.</p> <p>Whilst the closure of SIC services might seem like an attractive opportunity to many providers of childcare services both in and outside of Lerwick there would be no financial support available from the SIC if the expansion of a childcare business in non-domestic premises could be linked to the closure of SIC services, otherwise TUPE regulations should have applied and staff transferred. Therefore to secure expansion or start-up the business would have to secure investment from elsewhere.</p> <p>Furthermore SIC would still be offering Pre-school education services and the remaining demand for partial day care and OOSC is patchy and may not suit every business model or present itself as a particularly attractive opportunity.</p>	✓
<b>Consumer Impact and Community Appraisal</b>	<p>There are 174 individuals registered for the services under Review. The loss of these services will have an impact on the families who currently use the services. These families are located in Lerwick and elsewhere in Shetland. The impact could be significant. The removal of these three services which can each support working parents from a total of five Lerwick based services in non-domestic premises, will lead to significant problems for families who require childcare to access employment. Furthermore Lerwick is the main centre of employment in Shetland and there are limited childcare services available elsewhere. Previous research has shown it is already difficult to find childcare solutions in Shetland and if supply was to be significantly reduced some parents may not be able to continue in employment and in the future mothers who could potentially return to the workforce may choose not to.</p> <p>With the closure of these services, the only providers of childcare services in Lerwick who could support a parent in full-time employment would be Childminders and Peerie Foxes and spare capacity is understood to be limited.</p> <p>For those working parents with children of school age, particularly primary school age the loss of an essential three OOSC hours of childcare per day could cause extensive and potentially insurmountable problems. The feedback from parents who currently use the services demonstrate the strength of feeling and importance of the services to families.</p> <p>Furthermore, if new Childminders become the most likely solution to fill the gap created by the removal of SIC services this may not meet the requirements of all parents, particularly parents of children of primary school age as many may prefer their child to be located in a more busy and sociable environment.</p>	xxx

	<p>The loss of the OOSC services would also have impacts for children with ASN who can currently access the service and obtain important social benefits.</p> <p>As mentioned in the service delivery appraisal if SIC withdraws from all but statutory childcare services this may have implications for other childcare services provided at Bells Brae, Dunrossness and Mossbank.</p> <p>In summary, the community impact arising from the closure of SIC childcare services subject to this Review would be significant for parents who work in Lerwick and require formal childcare.</p>	
<b>Achievability</b>	This option is within the power of SIC and therefore is highly achievable.	High

**Table 7-15: Risk Analysis for Option 3**

<b>Risk</b>	<b>Extent of Threat</b>	<b>Mitigation</b>
SIC and other essential service providers such as NHS lose key workers due to a lack of childcare.	High	There is little that SIC can do to mitigate this risk. It would not be appropriate or acceptable to close services and then support new services in the private or third sector to start-up without a transfer of staff.
Redeployment of staff may be problematic. SIC is undergoing a substantial budget reduction exercise across all services and there may be insufficient posts to redeploy staff to.	Unknown	There is likely to be little that can be done apart from pursue a redundancy option.
Working parents or carers may for a time be unable to go to work due to a loss of childcare services.	High	If SIC closes the services there is little SIC could do to support another organisation to start-up or expand to fill the gap in supply.
If the private sector or third sector does not respond to unmet demand for childcare services SIC may feel it necessary to return to the provision of childcare services in the future.	Moderate/High	SIC could support strengthening of the private sector by enabling private sector nurseries to become Partner Providers thereby enabling them to reduce their fees for 3-5 year olds and provide a relatively stable source of income. However, this may require reduction in the provision of School Nurseries which would also be met with challenges.

**Table 7-16: Summary Strengths and Weaknesses for Option 3**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Reduces cost to SIC in comparison to current services.</li> <li>• Will leave a gap in the market which the private or third sector may choose to fill. However, the new demand would not be for full day care as Pre-school Education will be provided by SIC.</li> <li>• Provides an opportunity for private sector expansion but this would have to take place without support from SIC.</li> <li>• Capital investment by SIC would be limited to alterations within Islesburgh Community Centre if achievable.</li> </ul>	<ul style="list-style-type: none"> <li>• There is very little existing capacity in private/third sector to meet demand created by closure of services.</li> <li>• Service users would be left without childcare and potentially unable to go to work.</li> <li>• SIC would be required to continue Pre-school Education.</li> <li>• If private or third sector stepped into gap created they would be unlikely to achieve Partner Provider status (as no shortfall in capacity would exist) as SIC would be required to continue provision and therefore the transportation of 3-5 year olds to and from Nursery Classes would still be required.</li> <li>• Significant negative impact on majority of staff.</li> <li>• Reduces choice of childcare providers to families.</li> <li>• Reduces further the capacity of Shetland to respond to Government ambition to provide flexible Pre-school Education.</li> <li>• May have to find a solution for children with ASN currently attending OOSC.</li> <li>• May lead to closure of other SIC childcare services elsewhere in Shetland.</li> </ul>

**Conclusion for Option 3**

Option 3 does not provide the low cost option that might have been anticipated when first considered because Pre-school Education is a relatively expensive service to provide and no income could be generated. Meeting current levels of demand would require in the region of £62,500-£78,000 per annum from SIC. This applies whether it is provided in-house or by Partner Providers.

In addition the potential community and economic impact from implementing this option will be significant for parents employed in Lerwick who require formal childcare. The review of the wider sector does not suggest that there is likely to be an immediate private sector response that would meet demand. Therefore it will become more difficult for everyone to secure the childcare provision that they need in Lerwick and potentially elsewhere in mainland Shetland as demand will greatly exceed supply.

The cost to SIC of Option 3 is the absolute minimum that SIC can spend however it also has the most substantial negative impacts out of all the options and there are no readily achievable benefits from this Option for Shetland. Furthermore Option 2, which does provide substantial community benefit, is only estimated to be £20,000 to £30,000 more expensive.

## Appraisal of Option 4: Transfer SIC services to an External Provider

### Description of Option 4

7.11 Option 4 represents what has been considered by some to be the ideal solution for childcare services. This involves the withdrawal of SIC from the provision of childcare services and transfers those services, including the Pre-school Education element of the services under Review to an external provider, either in the private or third sector.

7.12 However, the consultations have highlighted several barriers that would be faced in achieving this Option. The most significant of these are:

- The size and fragility of current operators. It would be difficult to find a single organisation with the capacity to take on services of the scale under Review. It is likely that significant investment by SIC will be required to support the transfer potentially including the development of new premises; and
- The transfer of services would be subject to TUPE regulations and whilst only staff required to operate the transferred service would need to be transferred these staff would be transferred on their current pay levels. As previously discussed in Chapter 4 this would challenge a new operator's ability to achieve profitability.

7.13 The appraisal of Option 4 has been undertaken in consideration of these challenges and there is little to indicate that this Option is achievable in a reasonable timeframe, if at all. The Review has been undertaken without discussing the transfer of SIC services in detail with external providers as there are risks from raising expectations and discussing pathways for SIC services that had not first been discussed within SIC. However, current challenges and development opportunities for the business in light of potential SIC changes were discussed with private providers in Lerwick. This information has been used alongside all other research to form an appraisal of Option 4.

**Table 7-17: Appraisal Framework for Option 4**

Appraisal Criteria	Analysis of Likely Impacts	Impact Grading
Strategic Appraisal	If the services could be transferred in full there would be a strong strategic fit as it would achieve goal of shifting towards more private sector provision and presumably enable the desired for flexibility in the provision of childcare services.	✓✓✓
SIC Financial Appraisal	The cost of Option 4 will depend on how much support the potential new owner will require to achieve sustainable operation. The likelihood is that this will require significant resource in short-term and may require ongoing support.	✓✓
SIC Staffing Appraisal	The minimum number of staff with appropriate qualifications would be transferred to new operator under TUPE regulations. The total number is likely to be similar to those retained under Option 2. TUPE would ensure no impact on salaries for transferred staff and remaining staff would be redeployed.	xxx

**Table 7- 12 (continued)**

<b>Appraisal Criteria</b>	<b>Analysis of Likely Impacts</b>	<b>Impact Grading</b>
SIC Legal Appraisal	<p>Staff deemed to be additional to the needs of service operation would not be transferred and may be subject to redundancy. Any redundancies would be subject to a three month consultation period.</p> <p>Work would be required to ensure staff that are subject to TUPE transfer are adequately protected.</p> <p>Due diligence would have to be undertaken to ensure the success of the transfer.</p>	0
Commercial Appraisal	<p>The high cost of SIC staff and the requirement for TUPE to be applied to the services transferred is likely to be a deterrent to commercial operators and is likely to mean profitable, or even break even, operation is not achievable for most of the services.</p> <p>In addition SIC services are of a substantial scale and the transfer would more than double the size of any existing business. This would create a substantial management challenge that many may not be keen to take on.</p> <p>It is also not clear that all aspects of SIC services would even be of interest as activities such as OOSC use resources and facilities intensively but only for pockets of time.</p> <p>However, for those organisations not involved in the transfer of services the removal of SIC from direct delivery might create new opportunities as discussed under Option 3.</p>	0
Service Delivery Appraisal	<p>Pre-school Education and day care are best provided as a single package.</p> <p>Without entering into negotiations with external providers it is not clear how the services might be structured and therefore the impact on service delivery cannot be accurately predicted.</p> <p>The continuation of all services cannot be guaranteed as a potential partner may not be found for all services.</p> <p>The SIC would only have limited control over the service delivery other than what is agreed in the transfer. The regulatory environment of both the Care Inspectorate and Education Scotland should ensure appropriate quality standards are maintained.</p>	✓✓
Consumer Impact and Community Appraisal	<p>If a transfer could be arranged so that there is seamless transition from SIC to new owner provision there should be continuous care and therefore no gaps in provision. In addition a new operator may choose to remain open during school holidays and therefore offer new and additional services to users. However, the cost of using the services can be expected to increase in line with market rates.</p>	0
Achievability	<p>The achievability of Option 4 is in doubt. There is no obvious pathway for the transference of all SIC childcare services to the private or third sector. The main constraints are a lack of investment funds, the need for new premises, the current size of potential operators and the liability that would be taken on through the TUPE transfer of SIC staff. There are many factors linked to the potential transfer that could act as a deterrent and there is no clear, and certainly not a guaranteed, commercial benefit that would encourage organisations to take the risk.</p>	Low

**Table 7-18: Risk Analysis for Option 4**

<b>Risk</b>	<b>Extent of Threat</b>	<b>Mitigation</b>
An external provider prepared to take on some or all of SIC's childcare services may not be found and the SIC would have to again review the delivery of childcare services.	High	Financial support could be provided on an ongoing basis but this would be difficult to guarantee and an external provider may not be prepared to take the risk. Particularly if they are a small business.
Redeployment of staff not required for the transfer may be problematic. SIC is undergoing a substantial budget reduction exercise across all services and there may be insufficient posts to redeploy staff to.	Unknown	There is likely to be little that can be done apart from pursue a redundancy option.
May weaken private business if public sector wages restrict profitability. Business would have to be robust enough to negotiate minimum staffing requirements from SIC and to take on liability created by new staff.	High	SIC could provide additional support to business. This would be likely to be both financial and advisory support.
If the business was not already a Pre-school Education provider there would have to be an appraisal undertaken and they may or may not be considered appropriate to deliver Pre-school Education. If considered not appropriate some of the potential benefit from the transfer would be lost and the SIC would be forced to deliver the Pre-school element.	Low	Although the likelihood of it happening is low the consequences may be so significant that this could deter any potential business from taking on SIC staff. Mitigation may require significant investment from SIC to ensure successful accreditation as a provider of Pre-school Education prior to any transfer taking place.
The challenges created by the takeover of SIC services could lead to business failure. SIC may feel required to provide childcare services again in the future.	Moderate	The due diligence which the SIC would presumably undertake prior to the transfer of staff and services should highlight any concerns over the ability of the business to manage the services successfully.
Costs are unknown. Significant investment is likely in order to achieve transfer. There may be ongoing requirements for financial assistance from SIC to a business who takes on service.	High	There is little mitigation possible. However, it might be best to only enter detailed discussions with those who show reasonable capacity to absorb services in at least one of the following: financial resources, management skills or adequate premises.

**Table 7-19: Summary Strengths and Weaknesses for Option 4**

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• Achieves goal of transfer of services from public to private sector.</li> <li>• Could provide an excellent opportunity to a private sector provider if profitability could be achieved.</li> <li>• Provides continuous childcare solution for users.</li> <li>• New operator could expand day care service for 3-5 year old users into holiday periods.</li> </ul>	<ul style="list-style-type: none"> <li>• There is no existing private or third sector provider with experience of both full day care and Pre-school Education.</li> <li>• Any additional staffing required by new owner would have to consist of staff from SIC transferred under TUPE agreement, which would maintain current wage levels.</li> <li>• Financial analysis of Option 2 which is believed to optimise the service within constraints of SIC wage levels shows that even at maximum efficiency the SIC services are likely to lose money due to current wage levels.</li> <li>• Complexity of the current service model will make negotiations on transfer difficult.</li> <li>• There are no obvious partners who could take on the scale and nature of SIC services without fundamental change to their current business. This creates risk for the business which may be sufficient to deter potential partners.</li> <li>• The cost of SIC equivalent wages can be expected to create problems within existing workforce for the new operator.</li> <li>• The cost of SIC equivalent wages is likely to create profitability problems for the new operator.</li> <li>• Likely to further reduce choice in the childcare market in Lerwick.</li> <li>• Likely to require SIC investment in buildings and funding for business development. Potentially even ongoing subsidy to cover uneconomic staff costs..</li> <li>• Sector demonstrates some fragility and if profitability worsens quality of service may be affected.</li> </ul>

**Conclusion for Option 4**

A great deal of risk and uncertainty exists in relation to Option 4. Unless this option becomes the preferred option and discussions with a private or third sector provider begin it is difficult to fully understand the achievability and potential cost of this option. However, the indicators suggest that this is likely to be an unattractive proposition for the private sector. The greatest barriers are expected to be the scale of the services that could be transferred compared to the size of existing operators, the liability that would be adopted through the transfer of SIC staff and the complexity inherent in the current services.

## Appraisal of Option 5: Create an Arms Length External Organisation (ALEO)

### Description of Option 5

- 7.14 Option 5 proposes the transfer of SIC childcare services to an ALEO which would be owned by SIC but managed as a distinct entity. The proposal would be to transfer all services in their most efficient format, as presented in Option 2, to a new company. Ideally the company would achieve charitable status. The long-term goal would be for the organisation to achieve financial break-even but this is not guaranteed and may require the expansion of services to achieve this.
- 7.15 It is assumed that Option 5 would mirror the operational model proposed for Option 2 which is believed to maximise the efficiency of the current services without increasing capacity. However, the creation of an ALEO would require the creation of full administrative and management functions within the new company which would lead to higher costs than those presented in Option 2. The transfer of staff would also be subject to TUPE. However, on this issue the appraisal perhaps disadvantages Option 5 unfairly as central costs such as senior management are not included in Options 2 and 3.
- 7.16 The potential long-term benefits of this option is that it could create a more market responsive organisation, it may create an organisation which could manage wages more in line with the private sector and potentially the company could eventually be sold if viable operation can be demonstrated. If considered an attractive option an ALEO may provide a vehicle for the delivery of other childcare services in the future.
- 7.17 Option 5 in effect operates as a compromise option between Option 2 and Option 4 but does so at a cost to SIC. A business plan would have to be developed to fully understand potential costs, governance issues and legal implications.

**Table 7-20: Appraisal Framework for Option 5**

Appraisal Criteria	Analysis of Likely Impacts	Impact Grading
Strategic Appraisal	This Option would have the potential to meet strategic ambitions.	✓✓✓
SIC Financial Appraisal	Maintaining its own administrative functions and management would make this a relatively expensive option as the management of the service would presumably not benefit from SIC central functions such as Finance and HR. Therefore the financial cost to SIC of Option 5 will be higher than Options 2 and 3. SIC will still have to finance Pre-school Education regardless of who delivers it.	✓✓
SIC Staffing Appraisal	Staffing would be subject to TUPE transfer to the new organisation. However, only staff necessary to the operation of the new service would be transferred so improved efficiency as proposed in Option 2 could still be achieved. Over time the ALEO might be able to better manage wage levels to be more in line with the private sector and improve financial performance.	xxx

**Table 7-21 (continued)**

<b>Appraisal Criteria</b>	<b>Analysis of Likely Impacts</b>	<b>Impact Grading</b>
SIC Legal Appraisal	<p>Staff deemed to be additional to the needs of service operation would not be transferred and may be subject to redundancy. Any redundancies would be subject to a three month consultation period.</p> <p>Work would be required to ensure staff that are subject to TUPE transfer are adequately protected.</p> <p>Finance and time would be required to ensure the legal creation of an ALEO.</p> <p>The new organisation would also have to go through the process of becoming a Partner Provider of Pre-school Education.</p>	0
Commercial Appraisal	<p>The need for the ALEO to operate as a commercial organisation should create a more level playing field in childcare provision. However, to achieve a goal of break-even financial performance it may have to expand its services which could affect other providers.</p>	0
Service Delivery Appraisal	<p>It is assumed that the ALEO would become a Partner Provider i.e. it would receive a payment from SIC for every pre-school commissioned place it filled. The rest of its costs would presumably have to be met from the generation of income although it may benefit from reduced or negligible rent in line with other Partner Providers.</p>	✓✓
Consumer Impact and Community Appraisal	<p>The ALEO should have the flexibility to respond more quickly to the needs of families. Furthermore it should be able to operate in a more commercial manner which could reduce complaints regarding unfair operation by SIC. However, this would depend on the ALEO being forced to act in a commercial way. If it could achieve charitable status it may also be able to attract external funds for specific activities.</p> <p>If the service achieves a robust foundation it may be that it could broaden its remit and potentially provide further services.</p>	0
Achievability	<p>This would take time to create but may be worthy of further investigation as a longer-term option should SIC choose to retain the services.</p>	Low

**Table 7-22: Risk Analysis for Option 5**

<b>Risk</b>	<b>Extent of Threat</b>	<b>Mitigation</b>
<p>Redeployment of staff not required for the new service may be problematic. SIC is undergoing a substantial budget reduction exercise across all services and there may be insufficient posts to redeploy staff to.</p>	Unknown	<p>There is likely to be little that can be done apart from pursue a redundancy option.</p>
<p>Commercial failure. Stating that an ALEO will operate as a commercial organisation does not guarantee that it will and deficit funding may still be required in the long-term. The success of the ALEO is highly</p>	Moderate	<p>Matching the recruitment of a Manager to the commercial and financial demands of the post along with a requirement for a qualified childcare manager (otherwise another member of staff will be required) will be challenging</p>

<p>dependent on the individual in charge and their commercial skills. The cost to the SIC is expected to be higher than other options, perhaps with the exception of Option 4, and the services may therefore be proportionately more vulnerable to future budget cutting exercises. Financial cost of Pre-school Education will always remain a cost to SIC.</p>		<p>but success of the ALEO will be dependent on getting the right person into post.</p>
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**Table 7-23: Summary Strengths and Weaknesses for Option 5**

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• Smaller, more efficient management structure.</li> <li>• Efficient and responsive service.</li> <li>• Would be able to create distance between Council and childcare services.</li> <li>• Over time the service might be better able to manage wages to market levels.</li> <li>• Should have more freedom to operate in a similar manner to private sector as long as emphasis is on achieving break-even.</li> <li>• May be able to access more external funds.</li> <li>• May become a vehicle to provide other solutions in childcare in Shetland.</li> <li>• Has potential to be spun out/sold on as a complete package in the future.</li> <li>• Qualities of existing services can be transferred to new facility.</li> <li>• Enables seamless provision of childcare and Pre-school Education under one roof.</li> <li>• Partially meets objectives of strategy by creating a level playing field for fees.</li> <li>• Resilient option that can be flexible to respond to future statutory changes.</li> </ul>	<ul style="list-style-type: none"> <li>• Will be a relatively high cost option in budgetary terms in comparison to Option 2 due to need for all business and management functions to exist or be paid for by new organisation. For example is unlikely to benefit from access to Council services including legal, HR, finance etc. However, these costs are not accounted for in the internal options (2 and 3) which means their true costs are underestimated.</li> <li>• Governance is more distant from Council decision-making and therefore might be considered to pose an additional risk to in-house alternatives.</li> <li>• If financial self-sufficiency cannot be achieved the SIC may find it a relatively expensive option.</li> </ul>

**Conclusion for Option 5**

Option 5 presents an opportunity to achieve a combination of positive benefits that make it attractive. Option 5 could create a flexible and responsive childcare organisation, operating in a commercial manner with the strength of the public sector behind it. It may also provide a vehicle for other childcare related activities in Lerwick and elsewhere.

However, it is unlikely to be the lowest cost option, it will take time to implement and unless highly efficient operation can be maintained, salaries constrained and a manager found with both childcare qualifications and commercial skills it may not succeed in the way envisaged.

**Summary**

7.18 The five options under consideration in the appraisal were:

- Option 1: Continue with Current Model of Operation

- Option 2: Rationalise Provision under SIC ownership
- Option 3: Close Non-Statutory Services
- Option 4: Transfer Services to the Private or Third Sector
- Option 5: Create an Arms Length External Organisation (ALEO)

7.19 The analysis has concluded that Option 1 is no longer affordable and Option 3 would have significant community impacts with no immediate opportunity identified during the Review for the private or third sector to resolve the challenges created. Options 4 and 5 face challenges due to the need to follow TUPE regulations and transfer staff at existing pay levels and although they have the potential to perform as well as Option 2 their achievability in the short-term, the attractiveness of Option 4 to the private sector and the level of uncertainty surrounding what the final service proposition would look like means that they fall behind in the appraisal.

7.20 The option which performs the best overall in the Appraisal Framework is Option 2 which involves the continuation of the services but in a significantly more efficient form. Option 2 offers an attractive combination of achievability in a short time frame, affordability within SIC resources and minimal community impacts compared to the alternatives. It also has the least risk associated with its development and will offer a resilient service which can deal with future statutory changes.

**Table 7-24: Appraisal Summary Table**

	<b>Option 1 Continue</b>	<b>Option 2 Combine</b>	<b>Option 3 Closure</b>	<b>Option 4 Transfer</b>	<b>Option 5 ALEO</b>
Strategic Appraisal	xx	✓✓	xxx	✓✓✓	✓✓✓
SIC Financial Appraisal	xxx	✓✓✓	✓✓✓	✓✓	✓✓
SIC Staffing Appraisal	0	xxx	xxx	xxx	xxx
SIC Legal Appraisal	0	0	0	0	0
Commercial Appraisal	xx	✓	✓	0	0
Service Delivery Appraisal	0	✓✓	xxx	✓✓	✓✓
Consumer and Community Appraisal	0	0	xxx	0	0
Achievability in short-term (12 months)	Very Low	High	High	Low	Low
Risk Analysis	High Risk	Low Risk	Moderate/ High Risk	Moderate/ High Risk	Moderate Risk

7.21 However pursuing Option 2 does not exclude Options 4 and 5 from consideration in the future. Furthermore the rationalisation of SIC services and the creation of a more coherent ‘package’ of service services may mean Option 2 becomes an enabling step to a longer-term Option outside of direct SIC control. Chapter 8 provides further detail on the implications of Option 2.

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## 8 Impact on Users and Cost to SIC of Option 2

8.1 The previous chapter has presented that the strongest option that has emerged from the options appraisal is Option 2. Option 2 provides the best balance between cost to SIC, community benefit, achievability and risk. Option 2 proposes the rationalisation of the Pre-school Education and Extended Hours services offered at Blydehaven Nursery and Islesburgh Pre-school under one roof in a refurbished section of the Old Infant School and the continuation of all OOSC services at Islesburgh. Substantial efficiencies would be achieved through structural and operational changes in both services. This Chapter provides further detail on the implications of Option 2 with regards to:

- the operational and financial implications for the service; and
- the impact on users, in particular the increase in fees that would be experienced.

### **Operational and Financial Implications of Option 2**

8.2 The total cost to SIC of providing Option 2 in its most efficient form is estimated to be in the region of £99,520. This represents a decline of over £180,000 from the 2012/13 budget of £280,000. However, this assumes that a high degree of efficiency can be maintained but even if adjustments are required the cost of operating the services should be achievable within the proposed budget of £127,000.

#### Estimated Income

8.3 The cost of operating the services will exceed the predicted income in all services. The income for each service is estimated to calculate the financial implications of Option 2 are based on current levels of demand or, where fees will increase significantly, a decrease in demand.

8.4 The estimates show a slight fall in the total income generated by the OOSC services from an estimated £58,000 in 2012/13 to £52,000 (Table 8-1). This precautionary approach has been taken because fees will have increased substantially for the Holiday service and therefore it has been assumed that demand may fall by 50%. The reality is that this is an estimate and until the changes have been implemented it is difficult to know the impact of new fees on demand and income.

8.5 The current combined estimate for income at Blydehaven Nursery and Islesburgh Pre-school in 2012/13 is £29,000. The estimated income for the new Extended Hours service under Option 2 is £46,000 (Table 8-1). Demand has been assumed to remain relatively constant although a 25% drop has been included in the demand for full day full week childcare as users of this service will experience the most substantial increase in fees. Some of the increase in fees is down to the introduction of a longer day. It may be decided that the value obtained from this extra hour per day does not justify the increased cost but at the moment the additional hour is included in both the income and cost calculations. Few alternatives are likely to exist for parents of pre-school children and certainly no formal

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childcare solution will be available at a significantly lower cost therefore the increase in fees is more likely to be absorbed – and for some parents who were previously paying the high half day fees at Blydehaven Nursery their fees will fall. The impact on users from the changes to the fees charged by the services is discussed in more detail in a later section.

#### Estimated Cost of Operation and Impact on Staffing

- 8.6 The level of staffing maintained and the wages paid to staff to deliver the services has the greatest influence over the cost of operating the services. The model proposed in Option 2 has significantly increased the efficiency of the staffing hours required to deliver the services and represents what is believed to be a minimum but practical number of staff hours. As previously mentioned the Review has not proposed a staffing structure, instead it specifies a number of hours required to deliver the services, the reality of creating a staffing structure to deliver these services may lead to an increase in staff hours over those proposed and therefore also an increase in the estimated cost of operating the services. More detail on how the hours have been calculated for Option 2 is provided in Appendix B.
- 8.7 The ratio of staff hour to childcare hour used to analyse the operation and efficiency of the existing services in Chapter 3 has also been calculated for the proposed staff and service hours for Option 2. Option 2 will mean an improvement in efficiency from 1:5.2 at Blydehaven Nursery and 1:3.2 at Islesburgh Pre-school to 1:6.8 at the new Pre-school and Extended Hours service. In the OOSC services the previously low ratio of 1:3.3 at the After School service will be improved to 1:6.9. The Holiday service will move from 1:5.8 to 1:6.6 and the Breakfast service will move from a ratio of 1:4 to 1:7.3 (Table 8-1).
- 8.8 However, these efficiencies also mean a requirement for fewer staff. The number of hours of staffing estimated to ensure delivery of Option 2 is substantially lower than the current number of hours of staffing employed to deliver the existing services. Overall the number of staff hours required to deliver Option 2 is estimated to be 48% below current levels during term-time and 21% below current levels during holiday periods. The impact of this can be seen in the improved ratios of staff hour to available childcare hour presented above. However, this more efficient structure is likely to require staff to manage their time in a different way to ensure quality standards are maintained and children are receiving appropriate levels of care and this will require support from management.
- 8.9 Current SIC policy as discussed in Chapter 7 is to avoid compulsory redundancy and redeploy staff who wish to be transferred. However, budgets across the SIC are being cut and there may be limited opportunities for staff. There is undoubtedly a significant impact on staff from the introduction of Option 2. However, all options, with the exception of Option 1 will have similar impacts as fewer staff will be required to run the services whichever shape they take.

**Table 8-1: Key Facts on Option 2**

	Pre-School Service and Extended Hours	OOSC Breakfast Club	OOSC After School Club	OOSC Holiday Club
Opening Hrs	0830-1730	0800-0900	1500-1730	0830-1730
Capacity: Max No. at one time	32 in AM, 16 in PM	16	24	24
Ave Capacity: Total hours per week	1080	80	300	1080
Estimated Usage: Total hrs per week	680	18	252.5	432
Staffing: Total hours per week	158 <sup>A</sup>	11 <sup>A</sup>	43.5 <sup>A</sup>	163 <sup>B</sup>
Cost: Staffing	£101,800	£7,000	£28,500	£33,500
Cost: Other	£15,000	£1,200	£5,800	£5,000
Estimated Income 2013/14	£46,400	£2,400	£33,600	£15,900
Ratio Staff Hr : Avail Childcare Hr	1:6.8	1:7:3	1:6.9	1:6.6
Estimated Utilisation	63%	23%	84%	40%
Income as % of Total Cost	40%	34%	98%	54%
Net Cost/(Surplus) to SIC (Estimate 13/14)	£70,400	£5,800	£650	£22,700

Source: Financial Appraisal Workbook, Appendix B

<sup>A</sup> Total hours per week required during term-time.

<sup>B</sup> Total hours per week required during holiday periods.

## Impact on Users

- 8.10 The feedback from parents in the research undertaken by Children's Resources shows a high degree of satisfaction with the current services and a high degree of concern regarding the future of the services. Some respondents also suggested they would be happy to see the fees increase, presumably recognising the benefits that they receive and the difference between private sector and SIC fees.
- 8.11 Parents and carers will undoubtedly be concerned by the changes proposed, particularly for Pre-school Education and Extended Hours as it involves relocation of the services. The existing services receive positive inspection reports and every effort should be made to ensure current quality standards are maintained. Strong parental communication will be essential both prior to and immediately following any change pursued so that concerns can be addressed as quickly as possible.
- 8.12 Option 2 proposes an increase in the hours of the Extended Hours services so that they open at 8.30am instead of 9am and close at 5.30pm rather than 5pm. This has been developed to better suit a working pattern of 9 to 5. However, the opening hours of the OOSC services have been reduced, except for the Breakfast Club. The OOSC After School service will close at 5.30pm rather than 6pm and the Holiday service will open at 8.30am rather than 8am and close at 5.30pm rather than 6pm. The users of the Extended Hours services may find using the service becomes easier although this extra hour per day does incur additional cost. However some users of the Holiday service and After School service may be disadvantaged by the

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earlier closing time. The costs and benefits of the opening hours proposed may warrant further investigation if this Option is selected.

- 8.13 The capacity of the After School and Holiday services has also been reduced and there will be less total capacity available in the morning in the Pre-school service compared to the existing combined capacity of Blydehaven and Islesburgh Pre-school however the proposal for Option 2 has been structured around average demand levels and providing excess capacity for occasional use might be considered an expensive luxury. In addition demand at the Holiday service is anticipated to fall in response to the higher fees however capacity is maintained in line with current demand to ensure the service is available. The impact of these reductions may mean that parents and carers have to book their service requirements further in advance than they may currently do to ensure access to the service. It would be advisable to communicate this likely impact as early as possible to existing users.
- 8.14 Within the development of the services it is advisable to try and strengthen the booking and payments system used for the services. Ideally a new system will take bookings and payment in advance of use for all services. Therefore users who take advantage of the 15 minute payment structure at Islesburgh Pre-school will lose this flexibility. The fees will be set to cover the whole session.
- 8.15 The financial appraisal has assumed that the fee for SIC services would best be set at £4.00 per hour for Extended Hours services and £3.50 per hour for OOSC services. For some services this will represent a significant increase in the cost to each user of the service. The analysis which follows shows the difference that the new rate would make on all current charges for the three services under Review.

#### New Fees compared to Blydehaven Nursery Fees

- 8.16 Table 8-2 compares the proposed fees for a new service to the fees currently charged to users of Blydehaven Nursery. The main issues highlighted by the comparison are:
- Approximately half of the children currently attending Blydehaven Nursery would see their fees reduced as they currently pay high half day costs. If an across the board £4.00 per hour fee was introduced combined with free Pre-school Education this would reduce daily and weekly fees for those who only attend for half days with a commissioned place.
  - Blydehaven Nursery has previously offered a discounted rate for those using the service for full days, five days per week. This discount will be removed under the proposals. For those users currently attending for full days with a commissioned place for five days a week their fees would increase from £89.00 to £130.00 (46% increase).
  - No one currently uses a full day at Blydehaven without a commissioned place therefore the changes proposed in these fees would not affect current users.
  - Some of the increased cost is linked to the service being open an additional one hour per day and this additional hour is charged for. The opening hours have been extended to better meet the needs of working

parents however the new fees could be lowered if the service maintains the existing opening hours of 9-5.

**Table 8-2: Proposed Fees compared to 2012/13 Blydehaven Nursery Fees**

	<b>Current Daily Fee</b> (0900-1700hrs)	<b>Proposed Daily Fee</b> (0830-1730hrs)	<b>Current Weekly Fee</b>	<b>Proposed Weekly Fee</b>
Hourly Rate	Variable	£4.00	Variable	£4.00
Half Day with CP	£11.00	£8.00	£55.00	£40.00
Half Day without CP	£17.65	£18.00	£88.25	£90.00
Full Day with CP	£23.10	£26.00	£89.00	£130.00
Full Day without CP	£29.40	£36.00	£110.00	£180.00

*CP = Pre-school Education Commissioned Place*

**New Fees compared to Islesburgh Pre-School Fees**

8.17 The comparison of the proposed fees to current Islesburgh Pre-school fees presented in Table 8-3 has highlighted the following issues:

- All users who make use of the extended hours available at Islesburgh pre-school will experience an increase in fees.
- Using the extended hours service for a full week would mean an increase in fees for Islesburgh Pre-School users from £27.75 to £40.00 (68% increase).
- Currently the extended hours sessions at Islesburgh are charged at 15 minute intervals. This flexibility would be removed and users will pay for the full extended hours session or only attend the Pre-school Education session.
- Some of the increase in fees is linked to the equivalent service being open for an additional 15 minutes per day which is charged for.

**Table 8-3: Proposed Fees compared to 2012/13 Islesburgh Pre-School Fees**

	<b>Current Opening Hours</b>	<b>Proposed Equivalent Opening Hours</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
Hourly Rate			£3.15	£4.00
Half Day with CP	0845-1300	0830-1300	£5.55	£8.00

*CP = Pre-school Education Commissioned Place*

**New Fees compared to Islesburgh OOSC Fees**

8.18 The proposed new fees for OOSC are compared to the current OOSC fees in Table 8-4. The following impacts are highlighted:

- All users of out of school care services would experience an increase in fees and users of the holiday club would experience the most substantial increase in fees across all of the services under Review.

- Users of the after school club would experience an increase in fees across the week from £42.50 to £43.75 (3% increase). The potential financial impact is lessened by the reduction in opening hours by 30 minutes each day.
- Users of the holiday club would experience the most dramatic increase across all of the services with fees increasing by 69% for a half day and 100% for a full day. This can be expected to have a significant impact on demand for these services.

**Table 8-4: Islesburgh Out of School Clubs, Current and Proposed Fees**

	<b>Current Opening Hours</b>	<b>Proposed Opening Hours</b>	<b>Current Daily Fee</b>	<b>Proposed Daily Fee</b>
Hourly Rate			Variable	£3.50
Breakfast Club	0800-0900	0800-0900	£3.15	£3.50
After School Club	1500-1800	1500-1730	£8.50	£8.75
Holiday Club Half Day	5 hours	4.5 hours	£9.30	£15.75
Holiday Club Full Day	0800-1800	0830-1730	£15.75	£31.50

- 8.19 Across all services additional fees would be applied for add-on services for example trips which have not previously been charged for.
- 8.20 The impact of the increase in fees for all services could be reduced if the operating day was shortened from nine hours.

## Summary

- 8.21 The proposed structure, costs and income associated with Option 2 have been developed to enable comparison with the other options proposed and to understand what the impacts of the Option are likely to be. As previously discussed this appraisal is not intended to provide a ready to go delivery plan, staffing structure or final budget figure. However, information necessary to support these tasks is available within the report and appendices.
- 8.22 The analysis of Option 2 shows that it should be an affordable option for SIC. Furthermore it does not appear significantly more expensive than only providing Pre-school Education which provides no real solution to working parents and which SIC has to finance anyway whether delivered internally or by a Partner Provider.
- 8.23 However, there is undoubtedly an impact on users and staff. From a user perspective Option 2 maintains services vital to working parents however for most users there will be an increase in cost. There will also be impacts on users through the disruption caused by change and the introduction of a booking and payment system which operates in advance of use. There are also some changes to opening hours which may in some cases provide benefits but in others may create disadvantages.
- 8.24 For staff the impact is a reduction in the number of staff hours required to deliver the services. This is likely to reduce the number of posts and may have an impact on the hours available in the remaining posts.

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8.25 However the Review has found that Option 1 is unaffordable within proposed budget cuts, and therefore a substantial impact on users and staff can be expected regardless of which way forward is selected. The Review has found that Option 2 is considered to offer a highly achievable option and importantly also presents the lowest risk to users, SIC and the wider economy.

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## 9 Conclusions

### Overview

- 9.1 There is limited supply of childcare services in Lerwick, particularly full day day care. Whether considered desirable or not, SIC plays a critical role in the supply of quality childcare services in Lerwick.
- 9.2 The SIC services that are subject to this Review provide an important service to working parents, particularly through the Extended Hours and OOSC services. Lerwick is the location for the majority of jobs in Shetland and a high proportion of women are in work in Shetland. Previous research has found that parents in Shetland find it difficult to achieve a single solution that meets their childcare needs and often have to combine more than one solution to provide the necessary childcare and/or alter the way in which they work. In Lerwick the childcare sector which can support working parents is limited to the three SIC services under review, six childminders, one private partner provider and one private day nursery.
- 9.3 Successful and sustainable childcare services in the private and third sector are a vital part of the childcare sector in Lerwick and the rest of Shetland but the scale of the sector in Lerwick is limited and it is believed to be unlikely that significant investment will occur in the private or third sector without SIC intervention. However, there are concerns about the impact on the private and third sector of the relatively low fees charged by SIC services and the relatively high wages paid to childcare workers in the SIC. Furthermore, the separation of Pre-school Education services and day care services creates inefficiencies and challenges for private providers.
- 9.4 The SIC services receive positive inspection reports and the feedback from parents demonstrates a high degree of satisfaction. However, the analysis of the current services has highlighted substantial inefficiencies linked to staffing levels, premises and organisational structure. These inefficiencies combined with low fees and above average wages means the SIC is paying a high cost for the services that it provides.
- 9.5 The SIC budget proposed to operate the three services in 2013/14 has been cut by 56% from the 2012/13 budget and therefore the services as operated in their current format have become unaffordable. This means one or more of the services under Review will have to close should no further funding become available. This has changed the context for the Review somewhat in that it is clear that Option One, which maintains the current services as they are, is essentially no longer an achievable option. However even if the context had not changed, the extent of inefficiency apparent in the delivery of these services would make their continuation in their current form an unattractive option.
- 9.6 The wider context for SIC childcare services is also challenging. National policy in the form of the Children and Young People Bill, if approved, will increase the provision of free Pre-school Education from 475 hours per annum to 600 hours per annum, an increase of 21% which will have to be funded by the public sector in 2014/15. The Bill also states that this provision should be available in a flexible format to suit the needs of families yet throughout Shetland there is currently little room for flexible provision.

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## Conclusion

- 9.7 In response to the many internal and external conditions which have informed the options appraisal the Review has sought to provide a balanced solution which is:
- achievable and best suits the resources available within SIC;
  - best meets the needs of families and the wider Shetland economy;
  - responds to demands for fair competition from the wider childcare sector;
  - meets SIC requirement to provide Pre-school Education services; and
  - provides appropriate quality of service to the children receiving the care.
- 9.8 This represents a challenging set of demands in a complex sector but the Review has sought to find an achievable and low risk solution which best meets these demands.
- 9.9 The potential to transfer SIC services to the private or third sector appears to face a substantial barrier primarily because of the differential between SIC wages for childcare workers and wages in the private sector for similar roles. Furthermore even if the challenge of wage levels could be overcome, there is no obvious organisation that has the capacity to take on SIC services of the scale and nature of those under review. Taking into consideration the current context it is clear that creating suitable conditions to enable the successful and sustainable transfer of SIC services would take investment and time, both of which are in short supply, and there would still be risks involved.
- 9.10 Therefore the strongest option that has emerged from the appraisal is Option 2. Option 2 proposes the rationalisation of SIC services and retaining these services as SIC owned and operated services. The research and analysis undertaken for the Review indicates that Option 2 is the most sustainable and readily achievable option and is also the option which provides best value for the community from the level of investment required. It should also offer a resilient delivery model capable of adapting to changes in the statutory provision of Pre-school Education.
- 9.11 However, as with all of the other options there is a cost. This includes a financial cost to SIC from refurbishing the Old Infant School where the Pre-school Education and Extended Hours service would be based and a cost to staff whose positions will no longer exist due to efficiency savings. In line with current SIC policy this would mean redeployment to another area of SIC rather than compulsory redundancy but there are budget restrictions SIC wide which may make redeployment difficult. Remaining staff may also see a change in the number of hours available. The majority of users will also experience an increase in cost for using the services. However with Option 1 proving to be unaffordable, all alternative options will have an impact on staff and increase the cost of formal childcare for users in a similar way.
- 9.12 The cost to SIC of providing the services as proposed in Option 2 is as follows:
- If cost and income is as predicted in the financial analysis the annual cost to SIC of the services is estimated to be £99,500 (this incorporates a 50%

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drop in demand for the Holiday Club and a 25% drop in demand for full day full week childcare.) The current budget for providing these services is £280,000 and therefore the changes proposed would result in an efficiency saving of £180,500 per annum compared to 2012/13.

- If demand is 20% lower than predicted the cost to SIC would be £118,700.
- The capital cost of developing the Old Infant School is estimated at £48,000-£55,000 but as demonstrated this investment would enable significant efficiencies to be achieved.
- If there is a requirement for redundancy there will also be additional costs to SIC not incorporated in this Review and the provision of dedicated ASN services is also not included.

9.13 The greatest risk to Option 2 is that demand drops more than is currently predicted. The main reason for demand to drop is the introduction of new fees at market rates. It is unlikely that parents would find significantly lower cost formal childcare but some may reduce the hours that they work or utilise family members for part or all of their childcare needs.

9.14 With regards to the other options which were considered, in summary the Review has found:

- Option One – Continue with Current Services: This option is a highly inefficient use of resources and will be unaffordable in 2013/14.
- Option Three – Close all Services except Pre-School Education: The SIC would no longer offer childcare services that can provide solutions to working parents. In addition, this option does not result in substantial savings for SIC in comparison to Option 2 which provides significantly more community value. There is not excess supply in the private sector that could absorb demand and the loss of significant childcare capacity would create negative knock-on and immediate impacts in wider economy.
- Option Four – Transfer to Private/Third Sector: There appears to be a significant barrier created by higher than average public sector wages which would make TUPE transfer difficult and unattractive. In addition, it is likely that SIC would be asked to support further investment to either enable an existing business to expand or a new business to start-up. Furthermore there is no obvious partner with the capacity to take on services of this nature and scale. For example the transfer of Pre-school and Extended Hours services would more than double the size of existing operators in Lerwick.
- Option Five – Create an ALEO: This option has many merits but would in the short-term lead to higher costs for SIC. It is also unlikely to be achievable in the timeframe required but might be worthy of further and more detailed consideration as a pathway to SIC withdrawal from direct provision in the longer-term.

9.15 The outcome of this appraisal is likely to be disappointing for those who wish to see private sector childcare providers strengthened more substantively, although private operators may benefit through the introduction of market rates at SIC childcare services,. The Review has sought to identify ways to

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achieve this ambition but unavoidable and substantial challenges exist in the straight transfer of the SIC services under review to the private sector. However an alternative route may be to examine how pre-school education is provided in Shetland, particularly in light of the new demands that will exist if the Children and Young People Bill is passed in its current form. Changes could be sought with the aim of enabling the private sector to operate at full capacity and removing, or at least substantially reducing, the need for children to be moved from one provider to another during a day. This would still result in a cost to SIC as the provision of Pre-school Education must be supported by the local authority and this development will also not be without challenges. However, if Shetland is to seek to strengthen the childcare sector and reduce inefficiency in the sector this is likely to be worth further investigation particularly as any change could be achieved without the risks and impacts associated with the closure of critical day care and wraparound services.

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# Appendix A

## Consultees

<b>Name</b>	<b>Organisation</b>
Marina Eva	Blydehaven Nursery, SIC
Sue Smith	Shetland College
Muriel Fox	Lerwick Pre-School
Catherine Henry	Lerwick Pre-School
Fiona Leask	Lerwick Pre-School
Caroline Henderson	Peerie Foxes
Jonathan Molloy	Capital Programme Service, SIC
Robert Sinclair	Capital Programme Service, SIC
Keith Adam	Governance and Law, SIC
Dyllis Evans	HR Service, SIC
Mhairi Thomson	Finance Service, SIC
Audrey Edwards	Education Service, SIC
Carrie-Ann Bannister	Children's Resources, SIC
Kevin Valente	Children's Resources, SIC
Rosemary Inkster	Shetland Childcare Partnership
Jenny Smith	Care Inspectorate
Jennifer Wadley	Bells Brae Primary School
Kate Grieve	Sound Primary School

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### **Present at Discussion with Shetland Childcare Partnership**

Ann Robertson	Chair, Shetland Childcare Partnership
Rosemary Inkster	Shetland Childcare Partnership
Elizabeth Robinson	NHS Shetland
Hansen Black	Voluntary Action Shetland
Thomas Coutts	Economic Development Unit, SIC
Karen Hannay	North Isles Childcare
Mairi Jamieson	Central Nursery
Chris Rogers	Shetland College

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# Appendix B: Financial Appraisal

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## **Appendix C: SIC Survey of Parents**

**APPENDIX B**  
**Review of SIC Childcare Provision in Lerwick**  
**Financial Appraisal**  
**OPTION ONE: Cost and Income of Current Services**

<b>COST AND INCOME OF CURRENT SERVICES</b>									
<b>TABLE SHOWING SOURCE DATA</b>									
	<b>Costs</b>					<b>Income</b>			<b>Total Cost to SIC</b>
	<b>Staff Costs (incl contributions)</b>	<b>Operational Costs</b>	<b>Total</b>	<b>Total by Service Type</b>		<b>Income</b>	<b>Total by Service Type</b>		
<b>Blydehaven</b>	£ 95,063.00	£ 11,790.00	£ 106,853.00			£ 20,745.00			£ 86,108.00
<b>Islesburgh Pre-School</b>	£ 107,932.00	£ 2,500.00	£ 110,432.00	£ 217,285.00		£ 8,043.00	£ 28,788.00		£ 102,389.00
<b>OOSC</b>	£ 119,927.00	£ 28,747.00	£ 148,674.00	£ 148,674.00		£ 58,149.00	£ 58,149.00		£ 90,525.00
<b>Total</b>	£ 322,922.00	£ 43,037.00	£ 365,959.00	£ 365,959.00		£ 86,937.00	£ 86,937.00		£ 279,022.00

Source: Data from Childrens Resources 18/01/13. Figures represent budget for 2012/13 with income from Islesburgh Pre-school included.

**APPENDIX B**  
**Review of SIC Childcare Provision in Lerwick**  
**Financial Appraisal**  
**OPTION TWO: Pre-School Education and Extended Hours Service**

<b>ASSUMPTIONS</b>										
Hours of Operation	Hours Per Day		No of Days per Wk		No of Wks p.a.		No of Hrs p.a.			
	Opening Hours (0830-1730)	9		5		38		1710		
Pre-School Education Hours	2.5		5		38		475			
Fees	Hourly Rate		1/2 day without CP		CP		Full day without CP			
			1/2 day with CP		Full day with CP					
Fee Rate Charged to Carers	£	4.00	£	8.00	£	18.00	£	26.00	£	36.00
Capacity	Number		Total Hrs/Wk							
Capacity AM	32		720							
Capacity PM	16		360							
Attendance	AM		PM		All Day		Total Hrs			
Pre-School Only (no extended hours)	10		3		-		162.5			
Half Day with CP	12		0		-		270			
Half Day without CP	0		1		-		22.5			
Full day with CP	-		-		5		225			
Full Day without CP	-		-		0		0			
Total Attendance by half day	27		9				680			
Staffing	Number		AM		PM		Total			
Number of Staff required			4		2		4			
Number of Hours required per staff member during opening hours			4.5		4.5		9.0			
Number of Additional Hours required per day per staff member			0.00		0.00		0.00			
Number of Additional Hours required per day to cover lunch							2		Per Emp	
Number of Additional Hours per week for meetings (all staff)	6						1			
Number of Additional Hours per week for management	7									
Number of Additional Hours per annum for training (all staff)	120						20			
Total Number of Staff hours required per day	29.0									
Total Number of Staff hours required per week (incl meetings and mgt)	158.0									
Total Number of Staff hours required per annum (incl training, excl holidays)	6124.0									
Total Number of Holiday hours required per annum	551.16						9%			
Total Number of Staff hours required per annum (incl holidays)	6675.2									
Total Number of Staff Employed	6									
Average TOTAL employer cost per staff hour	£	15.25								
Number of Children to one member of staff	8									
Variable Costs	Per Annum									
Estimated Annual Cost	£	15,000.00								

<b>SURPLUS/DEFICIT CALCULATION</b>				
Income Calculation	Per Day	Per Week	Per Annum	
Pre-School Education	£ -	£ -	£ -	£ -
Half Day with CP	£ 96.00	£ 480.00	£ 18,240.00	
Half Day without CP	£ 18.00	£ 90.00	£ 3,420.00	
Full Day with CP	£ 130.00	£ 650.00	£ 24,700.00	
Full Day without CP	£ -	£ -	£ -	
Total Estimated Income			£ 46,360.00	
Expenditure Calculation				
Estimated Salary Costs			£ 101,796.19	
Variable Costs			£ 15,000.00	
Total Estimated Expenditure			£ 116,796.19	
<b>ESTIMATED SURPLUS/DEFICIT</b>			<b>-£ 70,436.19</b>	

NOTE: It is expected that any excursions or additional activities which incur additional cost will incur an additional charge that will cover all costs.

Additional assumptions:  
 Rent will not be charged  
 Heat and Light will be charged  
 Rates will be charged

**APPENDIX B**  
**Review of SIC Childcare Provision in Lerwick**  
**Financial Appraisal**  
**OPTION TWO: Out of School Care Services**

<b>ASSUMPTIONS</b>						
Hours of Operation	No of Days per					
	Hours Per Day	Wk	No of Wks p.a.	No of Hrs p.a.		
Breakfast Club (0800-0900)	1	5	38	190		
After School Club (1500-1730)	2.5	5	38	475		
Holiday Club (0830-1730)	9	5	12	540		
Fees	Hourly Rate	Breakfast Club per day	After School Club per day	Holiday Club per day		
Fee Rate Charged to Carers	£ 3.50	£ 3.50	£ 8.75	£ 31.50		
Capacity (assume ratio of 1:8)	Number	Total Hrs/Wk				
Capacity Breakfast Club	16	80				
Capacity After School Club	24	300				
Capacity Holiday Club	24	1080				
Attendance	Monday	Tuesday	Wednesday	Thursday	Friday	Total Hrs
Current Breakfast Club Average Attendance (2011/12)	5	3	2	3	5	18
Current After School Club Average Attendance (2011/12)	23	24	24	19	11	252.5
Current Holiday Club Average Attendance (2011-12)	18	16	16	17	15	738
Estimated Breakfast Club Attendance	5	3	2	3	5	18
Estimated After School Club Attendance	23	24	24	19	11	252.5
Estimated Holiday Club Attendance (new fees likely to have prop bigger impact)	9	8	8	9	8	378
Staffing	BC	ASC	Holiday	Total	For Workings	
Number of Staff required	2	3	3			
Number of Hours required per staff member during opening hours	1	2.5	9			
Number of Additional Hours required per day per staff member (prep/clear-up)	0	0.0	0.0	0.00		
Number of Additional Hours required per day to cover lunch	0	0	4		Per Emp	
Number of Additional Hours per week for meetings (all staff)	0	3	3		1	
Number of Additional Hours per week for management	1	3	5			
Number of Additional Hours per annum for training (all staff)	0	60	60		20	
Total Number of Staff hours required per day (incl lunch cover)	2.0	7.5	31			
Total Number of Staff hours required per week (incl meetings and mgt time)	11.0	43.5	163			
Total Number of Staff hours required per annum (incl training, excl holidays)	418.0	1713	2016		Holiday equivalent	
Total Number of Holiday hours required per annum	37.62	154.17	181.44		9%	
Total Number of Staff hours required per annum (incl holidays)	455.6	1867.2	2197.4			
Average TOTAL employer cost per staff hour	£ 15.25					
Total Salary Cost per Club	£ 6,948.21	£ 28,474.34	£ 33,510.96			
Number of Children to one member of staff	8					
Variable Costs	Per Hour	Estimate p.a.				
Estimated Annual Cost		£ 12,000.00				

<b>SURPLUS/DEFICIT CALCULATION</b>		
Income Calculation	Per Week	Per Annum
Breakfast Club	£ 63.00	£ 2,394.00
After School Club	£ 883.75	£ 33,582.50
Holiday Club	£ 1,323.00	£ 15,876.00
<b>Total Estimated Income</b>	<b>£ 2,269.75</b>	<b>£ 51,852.50</b>
Expenditure Calculation		
Salary Costs: Breakfast Club		£ 6,948.21
Salary Costs: After School Club		£ 28,474.34
Salary Costs: Holiday Club		£ 33,510.96
Variable Costs: Breakfast Club		
Variable Costs: After School Club		
Variable Costs: Holiday Club		£ 12,000.00
<b>Total Estimated Expenditure</b>		<b>£ 80,933.51</b>
<b>ESTIMATED SURPLUS/DEFICIT</b>		<b>-£ 29,081.01</b>

NOTE: It is expected that any excursions or additional activities which incur additional cost will incur an additional charge that will cover all costs.

Additional assumptions:  
 Rent will be charged  
 Heat and Light will be charged  
 Rates will be charged  
 Space will be dedicated to OOSC

**APPENDIX B**

**Review of SIC Childcare Provision in Lerwick**

**Financial Appraisal**

**OPTION THREE: Pre-School Education only**

<b>ASSUMPTIONS</b>									
Hours of Operation	No of Days per								
	Hours Per Day	Wk	No of Wks p.a.	No of Hrs p.a.					
Opening Hours (0930-1200)	2.5	5	38	475					
Pre-School Education Hours	2.5	5	38	475					
Fees	Hourly Rate	1/2 day with CP	1/2 day without CP	Full day with CP	Full day without CP				
Fee Rate Charged to Carers	£ -	£ -	£ -	£ -	£ -				
Capacity	Number								
Capacity AM	40								
Capacity PM	0								
Attendance	AM	PM	All Day						
Pre-School Only (no extended hours)	38	0	-						
Half Day with CP	0	0	-						
Half Day without CP	0	0	-						
Full day with CP	-	-	0						
Full Day without CP	-	-	0						
Total Attendance by half day	38	0							
Staffing	Number	AM	PM	Total					
Number of Staff required		5	0	5					
Number of Hours required per staff member during opening hours		2.5		2.5					
Number of Additional Hours required per day per staff member		0.00		0.00					
Number of Additional Hours required per day to cover lunch				0	Per Emp				
Number of Additional Hours per week for meetings (all staff)	5				1				
Number of Additional Hours per week for management	5								
Number of Additional Hours per annum for training (all staff)	100				20				
Total Number of Staff hours required per day	12.5								
Total Number of Staff hours required per week (incl meetings and mgt)	72.5								
Total Number of Staff hours required per annum (incl training, excl holidays)	2855.0								
Total Number of Holiday hours required per annum	256.95				9%				
Total Number of Staff hours required per annum (incl holidays)	3112.0								
Total Number of Staff Employed									
Average TOTAL employer cost per staff hour	£ 15.25								
Number of Children to one member of staff	8								
Variable Costs	Per Annum								
Estimated Annual Cost	£ 15,000.00								

<b>SURPLUS/DEFICIT CALCULATION</b>				
Income Calculation	Per Day	Per Week	Per Annum	
Pre-School Education	£ -	£ -	£ -	
Half Day with CP	£ -	£ -	£ -	
Half Day without CP	£ -	£ -	£ -	
Full Day with CP	£ -	£ -	£ -	
Full Day without CP	£ -	£ -	£ -	
Total Estimated Income			£ -	
Expenditure Calculation				
Estimated Salary Costs			£ 47,457.24	
Variable Costs			£ 15,000.00	
Total Estimated Expenditure			£ 62,457.24	
<b>ESTIMATED SURPLUS/DEFICIT</b>			<b>-£ 62,457.24</b>	

NOTE: It is expected that any excursions or additional activities which incur additional cost will incur an additional charge for the carers that will cover all costs.

Additional assumptions:

Rent will not be charged

Heat and Light will be charged

Rates will be charged

**APPENDIX B**

**Review of SIC Childcare Provision in Lerwick**

**Financial Appraisal**

**Comparison of Key Facts between Existing Services and Proposed Services**

<b>Key Facts on Current Services and Proposed Services</b>									
	Islesburgh Pre-School		NEW Pre-School	Islesburgh OOSC BC	NEW OOSC BC	Islesburgh OOSC ASC	NEW OOSC ASC	Islesburgh OOSC Holiday	NEW OOSC Holiday
Hourly Fee (linked to Opt 2 wkshts)	Variable		£ 4.00		£ 3.50		£ 3.50		£ 3.50
Opening Hours	0900-1700	0900-1300	0830-1730	0800-0900	0800-0900	1500-1800	1500-1730	0800-1800	0830-1730
Capacity (Nos)	12	30	32 AM & 16 PM	Variable to 16	16	Variable to 36	24	Variable to 30	24
Average Capacity (Total Hrs/Wk)	480	600	1080	76	80	375	300	998	1080
Average Usage (No Indivs/Wk)	17	21		8		30		29	
Average Usage (Total Hrs/Wk)	440	323	680	18.6	18	310	252.5	821	378
Staffing (nos)	3	6		2		8		8	
Staffing (Total Hrs/Wk)	92.5	185	158	18.75	11	112.75	43.5	208.5	163
Cost: Staffing	£ 95,063.00	£ 107,932.00	£ 101,796.19		£ 6,948.21		£ 28,474.34	£ 119,927.00	£ 33,510.96
Cost: Other	£ 11,790.00	£ 2,500.00	£ 15,000.00		£ 1,200.00		£ 5,760.00	£ 28,747.00	£ 5,040.00
Income (2011/12)	£ 20,745.00	£ 8,043.00	£ 46,360.00		£ 2,394.00		£ 33,582.50	£ 58,149.00	£ 15,876.00
Total Cost to SIC	£ 86,108.00	£ 102,389.00	£ 70,436.19		£ 5,754.21		£ 651.84	£ 90,525.00	£ 22,674.96
Income as a % of Cost	19%	7%	40%		29%		98%	39%	41%
Ratio Staff Hr: Avail Childcar Hr	5.2	3.2	6.8	4.1	7.3	3.3	6.9	4.8	6.6
Average Utilisation	92%	54%	63%	24%	23%	83%	84%	82%	35%

<b>Cost Summary of Existing and Proposed Services</b>	
Total Cost to SIC of Current Services	£ 279,022.00
Cost of Current Operations (excl. Income)	£ 365,959.00
Total Estimated Cost to SIC of Proposed Services	£ 99,517.20
Estimated Cost of Proposed Operations (excl. income)	£ 197,729.70



# REVIEW OF CHILDCARE PROVISION IN LERWICK

## INTRODUCTION

During October 2012, **144** questionnaires were distributed to parents of children who access Council run childcare services outwith schools in Lerwick. **41** questionnaires were returned giving a response rate of 28.5%. Parents were asked to respond to 4 questions regarding their experience of accessing childcare services.

## SUMMARY OF RESPONSES

### **Question 1**     *Which childcare services do you currently use?*

Islesburgh Pre-school	6
Blydehaven Nursery	12
Islesburgh Out Of School Club	19
OOSC during holidays	16

### **Question 2**     *Which characteristics of the current services do you feel should be retained?*

**21** parents stated that they felt that no changes should be made to existing services.

From the remaining 20 responses, the most often quoted services to be retained were;

Existing hours	7
After school club	6
Flexibility of sessions	5
Excursions / trips	4
Existing staff	4
Local Authority management	4

**Question 3** *Are there any improvements to the current services you would like to see achieved through change?*

24 parents stated that they felt there was no need to make any changes to the service.

From the remaining 17 responses, the most often quoted improvements were;

Introduce or increase charges	4
Dedicated building with more space/privacy	3
Longer opening hours	2
Closer working with private sector	2

**Question 4** *Please tell us any concerns you have about potential changes*

From the 41 responses, the most often quoted concerns were;

Would have to give up, or reduce hours of, work	17
Reduction in availability	10
Limited childcare alternatives	9
Reduction in quality	8
Disruption to children	5
Prices may increase	4
Job losses / reduced hours for staff	4
Prepared to pay extra to retain existing level of service	4

## **FINDINGS**

One common theme from all responses was that parents appreciate the value of the service and the dedication of the staff working in each setting. Of all the forms returned there was not one negative comment on the quality of the service provided or of the staff employed.

Generally, parents would not like the service to change greatly as they are very happy with it. 21 parents felt that all aspects of the service should be retained with the remainder highlighting specific areas of the service that they valued, such as retaining the existing hours (7) and after-school services (6).

Many parents (17) feel that the service is vital in allowing them to work, they are concerned that any reduction in service would mean that they would not be able to continue in work or would have to reduce their hours due to limited childcare alternatives.

Several parents (10) were concerned that any reduction in budgets could mean a reduction in the availability of sessions or of the quality of the service. Others stated that there would be disruption for the children (5) or that prices would increase (4). However, several parents (4) recognised the pressure on budgets and stated that they would consider paying more for services to retain their value and flexibility, this related particularly to holiday periods and excursions.

Although there were no questions relating to management of these services, several parents (4) indicated that they would prefer services to continue within the Council's remit or that they felt that costs would rise under the private sector.

# Review of SIC Childcare Provision in Lerwick

## Executive Summary

March 2013

# Executive Summary

Anderson Solutions (Consulting) Ltd was commissioned by Shetland Islands Council (SIC) to undertake a Review of SIC Childcare Provision in Lerwick. The services under Review are:

- Blydehaven Nursery;
- Islesburgh Pre-School; and
- Islesburgh Out of School Care.

The purpose of the Review was to identify options for the future delivery of the services. There are several pressures indicating change is necessary but the SIC decision in February 2012 clearly stated a wish to see the cost of operating the services reduce. However, there is also a wish to ensure that any solution proposed supports essential childcare services to remain available to the community.

## Service Description

### Blydehaven Nursery

Blydehaven Nursery provides Pre-school Education and Extended Hours to a maximum of 12 children at any one time. The capacity of the service is restricted by the size of the building within which it operates. The service is available to 3-5 year olds and is open all day for 38 weeks per annum, in line with school term-time. There are 17 children currently registered for the service.

Blydehaven Nursery is the only place in the whole of Shetland where 3-5 year olds can receive full day care and Pre-school Education in one building and there is only one other provider of childcare in non-domestic premises in Lerwick that is open in the afternoon.

The service operates at close to full capacity (92%) and inspection reports and feedback from parents demonstrate the quality of service provided. The presence of the Manager on-site is likely to have an influence over the recognised strengths of the service.

### Islesburgh Pre-School

Islesburgh Pre-School provides Pre-school Education and Extended Hours to a maximum of 30 children. The service is available to 3-5 year olds and is open in the mornings only for 38 weeks per annum. There are 26 children registered to use the service in 2012/13.

Islesburgh Pre-School shares a space in Islesburgh Community Centre with the Out of School Care service and this means that both services must set-up and take down their fittings and equipment each day. The Manager of this service is not based on-site but spends at least one session per week in the service.

The service is well attended although the utilisation figure (54%) is lower than for Blydehaven Nursery. Islesburgh Pre-school receives positive inspection reports and feedback from parents indicates the importance of the service to users.

## Islesburgh Out of School Care (OOSC)

Islesburgh Out of School Care consists of three distinct services:

- A breakfast club operating during term-time between the hours of 8am and 9am which operates at a low utilisation figure of 24%;
- An after school club operating during term-time between the hours of 3pm and 6pm which is well attended with utilisation of 83%; and
- A holiday club operating during the majority of school holidays and open between 8am and 6pm which is also well attended with utilisation of 82%.

The Clubs share a space in Islesburgh Community Centre with the Islesburgh Pre-School service. The capacity of each out of school care service is different with a maximum of 16 at the Breakfast Club and a maximum of 36 at the After School Club. However, actual capacity will reduce on days when children with additional special needs attend who require more dedicated support from staff. There are 131 children registered to attend one or more of the OOSC services in 2012/13.

The Manager of this service is not based on-site but spends at least one session per week in the service.

### Analysis of the Services

The analysis of the data available on each service including a comparative analysis of the three services has highlighted the following issues:

- There are significant operational inefficiencies across the services. Although each inefficiency is not necessarily present in each service the inefficiencies include:
  - overstaffing;
  - excess capacity;
  - constraints caused by premises; and
  - complex organisational structure across the three services.
- Fees charged for the services are inconsistent and in general are below market rates, in some cases significantly below market rates.
- Wage levels in SIC childcare services are above those paid in the private sector.
- Income as a percentage of cost varies significantly across the services. The income achieved at Blydehaven Nursery represents 19% of the cost of the service, the figure is 7% at Islesburgh Pre-school and 39% in total for the three OOSC services.

When combined, the factors listed above inevitably lead to high cost provision and the budget allocated to deliver all three services in 2012/13 is £280,000, which incorporates expected income.

An additional factor which strongly indicates the need for change is that the proposed budget to operate the services in 2013/14 has been reduced to £127,000, a decline of 55%.

## **Wider Context for the Review**

The childcare sector is complex and there are a wide range of issues which influence the success or otherwise of the development of childcare services in Shetland. The most relevant of these issues for the Review are discussed below.

### Policy Environment

There is national interest in finding solutions to childcare challenges. The UK Government has been investigating ways to improve the affordability of childcare so that more women can access employment. In Scotland there is a proposal in the Children and Young People Bill to increase the number of funded Pre-school Education hours available to 3-5 year olds from 475 hours per annum to 600 hours by 2014/15 and this is accompanied by a requirement to make funded Pre-school Education places available in a way which better meets the needs of families. This is likely to mean that, for some, there will be a move away from the Nursery Class approach currently dominant in Shetland.

Locally the Shetland Childcare Strategy also recognises the need to maintain current levels of childcare provision and to encourage development in the private and third sector where appropriate. Lerwick is the main centre of employment and therefore childcare services are essential. Often the policy driver for public sector investment in childcare services is an economic one and this is likely to be particularly important in Shetland where the labour market is constrained.

### Demand for Childcare Services and Economic Value

Economic value is directly and indirectly generated by childcare services because the services employ people but more importantly support others to access employment. Pre-school Education is a statutory service and must be provided by SIC either directly or through Partner Providers. However, in relation to wider economic benefits it is other non-statutory childcare services i.e. Extended Hours, OOSC and Day Care which better meet the needs of working parents and therefore support wider economic value.

Previous research on childcare services in Shetland suggests there is limited capacity which can meet the needs of working parents and the same research confirmed that working parents experience difficulties in finding a childcare solution that meets their needs. Often the challenges experienced by parents result in a patchwork of solutions being combined to offer a full working week solution. There is a preference by many for an informal solution i.e. family members who can care for their children however this is not an option available to everyone.

### Inefficiencies within the Childcare Sector

The development of free Pre-school Education for 3-5 year olds has many obvious benefits for the user. However, in Shetland it also has negative impacts in that private childcare providers who are not registered to provide Pre-school Education have to transfer 3-5 year olds in their care to a Pre-school provider each day for 2.5 hours. In Shetland the only provider of full day care that also provides Pre-school Education is Blydehaven Nursery. This means that day care providers lose earnings, unless they charge for the time which is unusual in Shetland, and it can cause disruption particularly for childminders who have to transport both the child and all other children in their care to and from the Pre-school Education provider. This separation of day care and Pre-school Education causes inefficiencies and commercial problems in the childcare sector and in Shetland this is the model by which almost

the whole childcare sector operates. Development in the childcare sector will ideally seek to improve efficiency, or at least not worsen the situation, with regards to the delivery of day care and Pre-school Education, particularly as there is a proposal to increase the funded hours by 21% in the Children and Young People Bill.

### Competitive Environment in the Childcare Sector

In Lerwick, apart from SIC provision, there are two operators in non-domestic premises and one of these is a Partner Provider that is only open for half days during term-time. The other is a full day, year round, care provider but is not registered to provide Pre-school Education. There are also six childminders in Lerwick.

The main concern raised in relation to the competitive environment in the childcare sector is the negative impact of SIC services on private operators. A frequently raised issue is the low fees that are charged by SIC services which are believed to have a negative impact on others in the sector. Another concern is the high wages which are paid to SIC staff in comparison to those in the private sector.

## **Options for Development**

The Review has considered five possible options for the future of SIC childcare services. These are summarised below.

### Option 1: Continue with Current Model of Operation

Option 1 is the option where nothing changes and the services continue operating as they currently do. Option 1 creates a benchmark against which all other options can be compared.

### Option 2: Rationalise Provision

Option 2 proposes the rationalisation of Pre-school Education and Extended Hours childcare (Blydehaven Nursery and Islesburgh Pre-school) into a single service and the achievement of efficiency savings in OOSC. A feasible option to rationalise all three services further than is proposed under this option was not found during the research process.

### Option 3: Close Non-Statutory Services

Option 3 proposes the closure of Extended Hours and OOSC services. The Pre-school Education service, which is a statutory service, will continue.

### Option 4: Transfer Services to the Private or Third Sector

Option 4 investigates the transfer of current SIC service provision to the private or third sector.

### Option 5: Create an Arms Length External Organisation (ALEO)

Option 5 investigates the transfer of the services to a SIC owned ALEO.

## **Appraisal Framework**

The analysis of the options has been undertaken within an appraisal framework which identifies the potential positive and negative impacts of each option under a range of appraisal headings including but not limited to: Cost to SIC; Impact on Staffing; Impact on Community and Wider Economy; Extent to which it creates a

Commercial Opportunity; and Impact on Service Delivery. The achievability of each option in the short-term (12 months) and the risk associated with the option were also considered.

## Appraisal Findings

The Table below summarises the most significant strengths and weaknesses identified for each option.

**Table 1: Key Strengths and Weaknesses of Each Option**

Strengths	Weaknesses
<b>Option 1: Continue with Current Model</b>	
<ul style="list-style-type: none"> <li>Retains staff</li> <li>Users experience no disruption</li> </ul>	<ul style="list-style-type: none"> <li>Inefficiencies continue and proposed 2013/14 budget means services in current form are no longer affordable so closure of one or more services likely</li> <li>Wider sector complaints about unfair competition not addressed</li> </ul>
<b>Option 2: Rationalise Provision</b>	
<ul style="list-style-type: none"> <li>Services are retained for benefit of user</li> <li>Inefficiencies are addressed</li> <li>Fees are increased to reduce problems in wider sector</li> <li>Reduction in cost for SIC</li> </ul>	<ul style="list-style-type: none"> <li>Users experience an increase in cost (in line with market rates)</li> <li>Fewer staff hours will be required</li> </ul>
<b>Option 3: Close all Non-statutory Services</b>	
<ul style="list-style-type: none"> <li>SIC would continue to offer Pre-school Education</li> <li>Private sector will experience an increase in demand</li> <li>Reduction in cost for SIC</li> </ul>	<ul style="list-style-type: none"> <li>Excess demand combined with limited supply will mean users and non-users likely to experience difficulty in accessing childcare solutions.</li> <li>Users who can access formal childcare will experience an increase in cost.</li> <li>Negative economic impact experienced as employers may lose staff or find it more difficult to recruit.</li> <li>SIC would still have to pay for Pre-school Education service</li> <li>SIC decision to withdraw from non-statutory childcare services may also affect the Extended Hours service at Bells Brae Primary, the OOSC service at Dunrossness Primary School and the Day Care service at Mossbank.</li> <li>Fewer staff hours will be required.</li> </ul>
<b>Option 4: Transfer Services to Private/Third Sector</b>	
<ul style="list-style-type: none"> <li>Services are retained for benefit of user although uncertainty over exact shape of transferred services</li> <li>Provides opportunity for growth in private/third sector</li> <li>Essential staff would be retained by new employer at existing pay levels</li> <li>Reduction in cost for SIC</li> </ul>	<ul style="list-style-type: none"> <li>Users will experience an increase in cost</li> <li>New provider would have to pay SIC level wages which may lead to a further increase in costs to users</li> <li>Lack of capacity in third/private sector to absorb scale of services under Review</li> <li>May require substantial investment from SIC if a transfer is to be achieved</li> <li>SIC would still have to pay for Pre-school Education</li> </ul>

	<ul style="list-style-type: none"> <li>Fewer staff hours will be required</li> </ul>
<b>Option 5: Transfer Services to an Arms Length External Organisation</b>	
<ul style="list-style-type: none"> <li>Services are retained for benefit of user</li> <li>Inefficiencies are addressed</li> <li>Fees are increased to reduce problems in wider sector</li> <li>Reduction in cost for SIC</li> <li>Objective would be to achieve financial self-sufficiency in medium to long-term</li> </ul>	<ul style="list-style-type: none"> <li>Users will experience an increase in cost</li> <li>Expected to be more expensive than Option 2 and potential for longer term benefits may not outweigh cost</li> <li>Success would be dependent on a Manager with commercial skills and childcare qualifications</li> <li>SIC would still have to pay for Pre-school Education</li> <li>Fewer staff hours will be required</li> </ul>

The option which performs the best overall in the Appraisal Framework is Option 2 which involves the continuation of the services under SIC ownership but in a significantly more efficient form. The research has concluded that Option 1 is no longer affordable and Option 3 would have significant community impacts with no immediate opportunity identified during the Review for the private or third sector to resolve the challenges created. Options 4 and 5 face challenges due to the need to follow TUPE regulations and transfer staff at existing pay levels and although they have the potential to perform as well as Option 2 their achievability and the level of uncertainty surrounding what the final service proposition would look like means that they fall behind in the appraisal.

## Analysis of Option 2

The analysis of the proposal to merge the two Pre-school Education and Extended Hours services and to improve the efficiency of OOSC services has been analysed in more detail in relation to:

- Development of new premises for the merged services;
- Revenue and capital finance required from SIC; and
- Impact on users.

A summary of the findings is provided below.

### Premises for the Services

Four potential premises were considered for the childcare services under Review. The conclusion reached is that investment in the unused part of the Old Infant School on King Harald Street is the preferred option for the Pre-school Education and Extended Hours services and that the best option for OOSC services is to remain in Islesburgh Community Centre. Work is required to the Old Infant School to meet the needs of service delivery. At Islesburgh Community Centre advice from the Care Inspectorate suggests improving access to toilets. If approved, the proposal will leave the building currently used by Blydehaven Nursery, a former private dwelling house on Gressy Loan, empty and will ideally enable the OOSC services to have permanent access to the space at Islesburgh Community Centre.

### Financial Appraisal

The budget for the operation of all three services in 2012/13 is £280,000. The proposed merger and associated efficiency improvements suggest that the budget,

including income, could be reduced to approximately £99,500, a saving of 65%. However, the option appraisal has not prepared a full service delivery plan or proposed a staffing structure. The financial appraisal calculated the minimum number of staff hours and associated costs and the operational costs required to deliver the services as proposed. The appraisal also makes assumptions on the likely demand for the services. The preparation of a staffing structure and service plan may affect this budget estimate as will demand for the services.

However, to achieve these savings will require investment in premises. It is estimated that the building and decoration works required to make the Old Infant School fit for purpose will cost in the region of £55,000. This figure assumes that play equipment will be transferred from the existing services. If approved, improvements at Islesburgh Community Centre may cost in the region of £9,000.

If Option 2 is not selected, the absolute minimum cost that the SIC must meet is the provision of 38 full-time Pre-school Education places. If a Partner Provider was commissioned to provide these places this would currently cost SIC £78,000 per annum. This means that an estimated additional investment of around £20,000 is required each year to maintain the Extended Hours and OOSC services proposed under Option 2. However, this investment has the greatest economic impact as it is these services that provide support to working parents.

### Impact on Users

It is proposed that the Pre-school Education and Extended Hours services are relocated at the beginning of the new academic year in 2013. This is to minimise disruption to current users. The main impacts to users are expected to be linked to changes in the opening hours of some services, an increase in the fees charged which will bring SIC services more in line with market rates, and a reduction in capacity at the After School and Holiday OOSC services. The design of the services under Option 2 has aimed to achieve a balance between the conflicting issues of opening hours and fees, to avoid excessive over capacity and to mitigate as much as is possible the impact on users.

Table 2 summarises the changes to opening hours and fees proposed under Option 2. Altering the opening hours has an impact on the fees charged as these are now directly linked to the hours of operation. Therefore shortening the OOSC day has reduced the potential impact on fees and lengthening the Extended Hours sessions to better meet the needs of working parents has had the impact of increasing the proposed fees.

The extent to which users are impacted upon depends on the services that they use. For example users of half day places at Blydehaven will experience a reduction in their fees. For all other users there will be either a slight or a significant increase in fees. The users who will experience the largest increase in fees are those who use Blydehaven Nursery for full days, five days per week as they currently receive a 23% discount, and those who use the OOSC Holiday Club where fees will approximately double.

The design of the services to avoid over capacity means that there will be a need for parents to book further in advance to ensure access to the services and therefore there is a risk that some demand may not be met. Improvements to the booking and payment systems are recommended and ideally these changes will be communicated to current users as soon as is practically possible.

**Table 2: Option 2 - Hours of Operation and Impact on Fees**

	<b>Current Hours</b>	<b>Proposed Hours for New/ Revised Services</b>	<b>Current Fees</b>	<b>Proposed Fees</b>
<b>Blydehaven: Half Day with CP</b>	0900-1300 or 1300-1700	0830-1300 or 1300-1730	£11.00	£8.00
<b>Islesburgh Pre-school: Half Day with CP</b>	0845-1300	as above	£5.50	£8.00
<b>Blydehaven: Half Day without CP</b>	0900-1300 or 1300-1700	as above	£17.65	£18.00
<b>Blydehaven: Full Day with CP</b>	0900-1700	0830-1730	£23.10	£26.00
<b>OOSC: Breakfast Club</b>	0800-0900	0800-0900	£3.15	£3.50
<b>OOSC: After School Club</b>	1500-1800	1500-1730	£8.50	£8.75
<b>OOSC: Holiday Club Half Day</b>	5 hours	4.5 hours	£9.30	£15.75
<b>OOSC: Holiday Club Full Day</b>	0800-1800	0830-1730	£15.75	£31.50

*CP – Pre-school Education Commissioned Place*

*OOSC – Out of School Care*

The most significant impact to users is likely to be as a result of the increase in many of the fees charged. However Option 1, which suggests changing nothing, is considered unachievable and all other options would result in at the least the same increase in cost to users as alternative provision in the private sector already charges similar fees to those proposed.

## **Conclusions**

The complexity inherent in the childcare sector, the community need for childcare services in Lerwick, and the weaknesses in current SIC childcare services and the wider sector create a complex context within which positive development of SIC childcare services in Lerwick is sought.

Option 2 has emerged from the appraisal as the strongest option. Option 2 proposes the creation of a single Pre-school and Extended Hours service and the retention of the OOSC services, all of which would remain under SIC control. The efficiencies which are proposed under Option 2 significantly reduce the cost of the services and charging a reasonable market rate for the services is expected to have a positive impact on income, even accounting for some reduction in demand. Option 2 also retains the significant community value generated by the existing services which support working parents and carers and although this is still achieved at a cost to SIC it is a greatly reduced cost. Importantly Option 2 is also considered to present the least risk for SIC and is considered to be one of the most achievable options in a short timeframe.



**Option Appraisal - Lerwick Childcare Services**  
**Financial Appraisal**  
**OPTION FOUR: Pre-School Education**

<b>ASSUMPTIONS</b>			
<b>Hours of Operation</b>		<b>No of Days per Wk</b>	
	<b>Hours Per Day</b>		
Opening Hours (0830-1730)			
Pre-School Education Hours			
<b>Fees</b>		<b>Hourly Rate 1/2 day with CP</b>	
Fee Rate Charged to Carers	£ 5.00	£	-
<b>Capacity</b>		<b>Number</b>	
Capacity AM			
Capacity PM			
<b>Attendance</b>		<b>AM</b>	<b>PM</b>
Pre-School Only (no extended hours)			
Half Day with CP			
Half Day without CP			
Full day with CP		-	-
Full Day without CP		-	-
Total Attendance by half day		0	0
<b>Staffing</b>		<b>Number</b>	<b>AM</b>
Number of Staff required			0
Number of Hours required per staff member during opening hours			0.0
Number of Additional Hours required per day per staff member			
Number of Additional Hours required per day to cover lunch			
Number of Additional Hours per week for meetings (all staff)			
Number of Additional Hours per week for management			
Number of Additional Hours per annum for training (all staff)			
Total Number of Staff hours required per day			
Total Number of Staff hours required per week (incl meetings and mgt)		0.0	
Total Number of Staff hours required per annum (incl training, excl holidays)		0.0	
Total Number of Holiday hours required per annum		0	
Total Number of Staff hours required per annum (incl holidays)		0.0	
Total Number of Staff Employed			
Average TOTAL employer cost per staff hour	£ 12.82	£	-
Number of Children to one member of staff		8	
<b>Variable Costs</b>		<b>Per Hour</b>	<b>Estimate p.a.</b>
Average Cost per hour of operation			

<b>SURPLUS/DEFICIT CALCULATION</b>				
<b>Income Calculation</b>	<b>Per Day</b>		<b>Per Week</b>	
Pre-School Education	£	-	£	-
Half Day with CP	£	-	£	-
Half Day without CP	£	-	£	-
Full Day with CP	£	-	£	-
Full Day without CP	£	-	£	-
Total Estimated Income				
<b>Expenditure Calculation</b>				

Estimated Salary Costs

Variable Costs

---

Total Estimated Expenditure

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**ESTIMATED SURPLUS/DEFICIT**

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NOTE: It is expected that any excursions or additional activities which incur additional cost will incur an addit

May need to present a best case and worst case scenario

The more you can avoid pre-school only attendance the less deficit you will make.

Additional assumptions

Rent will not be charged

Heat and Light will be charged

Rates will be charged

- Figures that can be edited to find
- To be checked/amended/inserted
- Figures that have an impact on Inc
- Figures that have a substantial im

No of Wks p.a.		No of Hrs p.a.	
		0	
		0	
1/2 day without CP	Full day with CP	Full day without CP	
£ -	£ -	£ -	-
All Day			
-			
-			
-			
-			
-			
PM	Total		
0	4		
0.0	0.0		
<input style="width: 100px;" type="text"/>	0.00		
	2		
	8%		

Per Annum	
£	-
£	-
£	-
£	-
£	-

£	-
£	-
£	-
£	-

Additional charge for the carers that will cover all costs.

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**Option Appraisal - Lerwick Childcare Services**  
**Financial Appraisal**  
**OPTION FIVE: Pre-School Education**

<b>ASSUMPTIONS</b>			
<b>Hours of Operation</b>		<b>No of Days per Wk</b>	
	<b>Hours Per Day</b>		
Opening Hours (0830-1730)			
Pre-School Education Hours			
<b>Fees</b>		<b>Hourly Rate 1/2 day with CP</b>	
Fee Rate Charged to Carers	£ 5.00	£	-
<b>Capacity</b>		<b>Number</b>	
Capacity AM			
Capacity PM			
<b>Attendance</b>		<b>AM</b>	<b>PM</b>
Pre-School Only (no extended hours)			
Half Day with CP			
Half Day without CP			
Full day with CP		-	-
Full Day without CP		-	-
Total Attendance by half day		0	0
<b>Staffing</b>		<b>Number</b>	<b>AM</b>
Number of Staff required			0
Number of Hours required per staff member during opening hours			0.0
Number of Additional Hours required per day per staff member			
Number of Additional Hours required per day to cover lunch			
Number of Additional Hours per week for meetings (all staff)			
Number of Additional Hours per week for management			
Number of Additional Hours per annum for training (all staff)			
Total Number of Staff hours required per day			
Total Number of Staff hours required per week (incl meetings and mgt)		0.0	
Total Number of Staff hours required per annum (incl training, excl holidays)		0.0	
Total Number of Holiday hours required per annum		0	
Total Number of Staff hours required per annum (incl holidays)		0.0	
Total Number of Staff Employed			
Average TOTAL employer cost per staff hour	£ 12.82	£	-
Number of Children to one member of staff		8	
<b>Variable Costs</b>		<b>Per Hour</b>	<b>Estimate p.a.</b>
Average Cost per hour of operation			

<b>SURPLUS/DEFICIT CALCULATION</b>				
<b>Income Calculation</b>	<b>Per Day</b>		<b>Per Week</b>	
Pre-School Education	£	-	£	-
Half Day with CP	£	-	£	-
Half Day without CP	£	-	£	-
Full Day with CP	£	-	£	-
Full Day without CP	£	-	£	-
Total Estimated Income				
<b>Expenditure Calculation</b>				

Estimated Salary Costs

Variable Costs

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Total Estimated Expenditure

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**ESTIMATED SURPLUS/DEFICIT**

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NOTE: It is expected that any excursions or additional activities which incur additional cost will incur an addit

May need to present a best case and worst case scenario

The more you can avoid pre-school only attendance the less deficit you will make.

Additional assumptions

Rent will not be charged

Heat and Light will be charged

Rates will be charged

- Figures that can be edited to find
- To be checked/amended/inserted
- Figures that have an impact on Inc
- Figures that have a substantial im

No of Wks p.a.		No of Hrs p.a.	
		0	
		0	
1/2 day without CP	Full day with CP	Full day without CP	
£ -	£ -	£ -	-
All Day			
-			
-			
-			
PM	Total		
0	4		
0.0	0.0		
<input style="width: 100px;" type="text"/>	0.00		
	2		
			8%

Per Annum	
£	-
£	-
£	-
£	-
£	-

£	-
£	-
£	-
£	-

Additional charge for the carers that will cover all costs.

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Review of SIC Childcare Provision in Lerwick  
 Financial Appraisal  
 Comparison of Key Facts between Existing Services and Proposed Services

Key Facts on Current Services and Proposed Services									
	Blydehaven	Islesburgh Pre-School	NEW Pre-School	Islesburgh OOSC BC	NEW OOSC BC	Islesburgh OOSC ASC	NEW OOSC ASC	Islesburgh OOSC Holiday	NEW OOSC Holiday
Hourly Fee (linked to Opt 2 wkshts)	Variable		£ 4.00		£ 3.50		£ 3.50		£ 3.50
Opening Hours	0900-1700	0900-1300	0830-1730	0800-0900	0800-0900	1500-1800	1500-1730	0800-1800	0830-1730
Capacity (Nos)	12	30	32 AM & 16 PM	Variable to 16	16	Variable to 36	24	Variable to 30	24
Average Capacity (Total Hrs/Wk)	480	600	1080	76	80	375	300	998	1080
Average Usage (No Indivs/Wk)	17	21		8		30		29	
Average Usage (Total Hrs/Wk)	440	323	680	18.6	18	310	252.5	821	378
Staffing (nos)	3	6		2		8		8	
Staffing (Total Hrs/Wk)	92.5	185	158	18.75	11	112.75	43.5	208.5	163
Cost: Staffing	£ 95,063.00	£ 107,932.00	£ 101,796.19		£ 6,948.21		£ 28,474.34	£ 119,927.00	£ 33,510.96
Cost: Other	£ 11,790.00	£ 2,500.00	£ 15,000.00		£ 1,200.00		£ 5,760.00	£ 28,747.00	£ 5,040.00
Income (2012/13)	£ 20,745.00	£ 8,043.00	£ 46,360.00		£ 2,394.00		£ 33,582.50	£ 58,149.00	£ 15,876.00
Total Cost to SIC	£ 86,108.00	£ 102,389.00	£ 70,436.19		£ 5,754.21		£ 651.84	£ 90,525.00	£ 22,674.96
Income as a % of Cost	19%	7%	40%		29%		98%	39%	41%
Ratio Staff Hr: Avail Childcar Hr	5.2	3.2	6.8	4.1	7.3	3.3	6.9	4.8	6.6
Average Utilisation	92%	54%	63%	24%	23%	83%	84%	82%	35%

Cost Summary of Existing and Proposed Services	
Total Cost to SIC of Current Services	£ 279,022.00
Cost of Current Operations (excl. Income)	£ 365,959.00
Total Estimated Cost to SIC of Proposed Services	£ 99,517.20
Estimated Cost of Proposed Operations (excl. Income)	£ 197,729.70



January 2013



# REVIEW OF CHILDCARE PROVISION IN LERWICK

## INTRODUCTION

During October 2012, **144** questionnaires were distributed to parents of children who access Council run childcare services outwith schools in Lerwick. **41** questionnaires were returned giving a response rate of 28.5%. Parents were asked to respond to 4 questions regarding their experience of accessing childcare services.

## SUMMARY OF RESPONSES

### **Question 1**     *Which childcare services do you currently use?*

Islesburgh Pre-school	6
Blydehaven Nursery	12
Islesburgh Out Of School Club	19
OOSC during holidays	16

### **Question 2**     *Which characteristics of the current services do you feel should be retained?*

**21** parents stated that they felt that no changes should be made to existing services.

From the remaining 20 responses, the most often quoted services to be retained were;

Existing hours	7
After school club	6
Flexibility of sessions	5
Excursions / trips	4
Existing staff	4
Local Authority management	4

**Question 3** *Are there any improvements to the current services you would like to see achieved through change?*

24 parents stated that they felt there was no need to make any changes to the service.

From the remaining 17 responses, the most often quoted improvements were;

Introduce or increase charges	4
Dedicated building with more space/privacy	3
Longer opening hours	2
Closer working with private sector	2

**Question 4** *Please tell us any concerns you have about potential changes*

From the 41 responses, the most often quoted concerns were;

Would have to give up, or reduce hours of, work	17
Reduction in availability	10
Limited childcare alternatives	9
Reduction in quality	8
Disruption to children	5
Prices may increase	4
Job losses / reduced hours for staff	4
Prepared to pay extra to retain existing level of service	4

## **FINDINGS**

One common theme from all responses was that parents appreciate the value of the service and the dedication of the staff working in each setting. Of all the forms returned there was not one negative comment on the quality of the service provided or of the staff employed.

Generally, parents would not like the service to change greatly as they are very happy with it. 21 parents felt that all aspects of the service should be retained with the remainder highlighting specific areas of the service that they valued, such as retaining the existing hours (7) and after-school services (6).

Many parents (17) feel that the service is vital in allowing them to work, they are concerned that any reduction in service would mean that they would not be able to continue in work or would have to reduce their hours due to limited childcare alternatives.

Several parents (10) were concerned that any reduction in budgets could mean a reduction in the availability of sessions or of the quality of the service. Others stated that there would be disruption for the children (5) or that prices would increase (4). However, several parents (4) recognised the pressure on budgets and stated that they would consider paying more for services to retain their value and flexibility, this related particularly to holiday periods and excursions.

Although there were no questions relating to management of these services, several parents (4) indicated that they would prefer services to continue within the Council's remit or that they felt that costs would rise under the private sector.

## Shetland Islands Council

### Equality Impact Assessment

**Part 1**

Title of document being assessed	<i>Review of SIC Childcare Provision in Lerwick</i>
Is this a new or an existing policy, procedure, strategy or practice being assessed?	An independent report which presents an options appraisal and recommends a preferred model which will change the delivery of three SIC childcare services in Lerwick.
Please give a brief description of the policy, procedure, strategy or practice being assessed	<p>The SIC currently provides a range of childcare services through three separate delivery structures. These are:</p> <ul style="list-style-type: none"> <li>- Out of School Care services at Islesburgh</li> <li>- Islesburgh Pre-School Education and Extended Hours Service</li> <li>- Blydehaven Nursery Pre-School Education and Extended Hours Service</li> </ul> <p>The preferred option identifies an operational model that will allow the services to continue within the much reduced budget available in 2013/14 for delivering the services.</p>
What is the intended outcome of this policy, procedure, strategy or practice?	To provide valuable and sustainable childcare services for working parents efficiently and effectively.
Please list any existing documents which have been used to inform this Equality and Diversity Impact Assessment	
Has any consultation, involvement or research with people from protected characteristics informed this assessment? If yes please give details.	No
Is there a need to collect further evidence or to involve or consult people from protected characteristic on the impact of the proposed policy?	No

(Example: if the impact on a group is not known what will you do to gather the information needed and when will you do this?)	
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**Part 2**

Which protected characteristics will be positively or negatively affected by this policy, procedure or strategy?

Please place an X in the box which best describes the overall impact. It is possible for an assessment to identify that a positive policy can have some negative impacts and vice versa. When this is the case please identify both positive and negative impacts in Part 3 of this form.

If the impact on a protected characteristic is not known please state how you will gather evidence of any potential negative impacts in the relevant section of Part 1.

	<b>Positively</b>	<b>Negatively</b>	<b>No Impact</b>	<b>Not Known</b>
<b>Ethnic Minority Communities</b> (consider different ethnic groups, nationalities, language barriers)			X	
<b>Gender</b>		X		
<b>Gender Reassignment</b> (consider transgender and transsexual people. This can include issues such as privacy of data and harassment)			X	
<b>Religion or Belief</b> (consider people with different religions, beliefs or no belief)			X	
<b>People with a disability</b> (consider attitudinal, physical and social barriers)			X	
<b>Age</b> (consider across age ranges. This can include safeguarding, consent and child welfare)			X	

<b>Lesbian, Gay and Bisexual</b>			X	
<b>Pregnancy and Maternity</b> (consider working arrangements, part-time working, infant caring responsibilities)			X	
<b>Other</b> (please state)				

### Part 3

<b>Have any positive impacts been identified?</b> (We must ensure at this stage that we are not achieving equality for one group at the expense of another)	No
<b>Have any negative impacts been identified?</b> (Based on direct knowledge, published research, community involvement, customer feedback etc.)	The changes proposed to the services will increase the cost to users.
<b>What action is proposed to overcome any negative impacts?</b> (e.g. involving community groups in the development or delivery of the policy or practice, providing information in community languages etc)	No action, impact is unavoidable. Efforts have already been taken to mitigate impact as much as is possible without compromising sustainable service delivery. Remaining impact is unavoidable without unacceptable risk to service delivery.
<b>Is there a justification for continuing with this policy even if it cannot be amended or changed to end or reduce inequality without compromising its intended outcome?</b> (If the policy shows actual or potential unlawful discrimination you must stop and seek legal advice)	Childcare issues still impact on women more than men. This is not driven by the design or delivery of the services.
<b>How will the policy be monitored?</b> (How will you know it is doing what it is intended to do? e.g. data collection, customer survey etc)	Uptake of the services will be monitored.





Education and Families Committee  
Executive Committee

20 March 2013  
15 April 2013

<b>Review: School Transport Policy</b>	
<b>CS-12-13-F2</b>	
<b>Report Presented by Executive Manager - Schools</b>	<b>Children's Services Schools / Quality Improvement</b>

## 1.0 Summary

- 1.1 The purpose of this report is to present a reviewed and updated School Transport Policy.
- 1.2 This Policy has been reviewed and amended to reflect changes in Scottish Government guidance and to support sustainable school transport.

## 2.0 Decision Required

- 2.1 That the Education and Families Committee and Executive Committee recommend that the Council RESOLVES to approve the proposed updated School Transport Policy.

## 3.0 Detail

- 3.1 On 20 February 2013, the Council approved the Development Committee's recommendations contained in the Transport Network Redesign report (Report No. TP-02-13-F - Min Ref: DC04/13).
- 3.2 The Transport Network Redesign report states:  
*"The redesign project has addressed these issues through a full policy root and branch review. This review produced a network of services covering public and education provision..."*
- 3.3 The efficiencies identified in the Transport Network Redesign report included £150,000 from school transport. This amount was identified from:
  - a) removing the Shetland 'winter months' extension to legislation,
  - b) adhering strictly to current Policy by measuring distances from individual homes to pick up points, and

- c) adhering to current transport provision only for pupils who live within a walking distance greater than two miles for pupils under eight years old, and three miles for pupils over eight years old, from the pick up point or school, in line with legislation.
- 3.4 The update to the Policy removes the existing voluntary extension of responsibilities for winter months (October break to Easter holidays) to provide transport for all pupils who live more than a mile-and-a-half from their school. The removal of the 'winter months' extension will affect 314 pupils (currently). This will support Development Services' estimated saving of approximately £50,000 per annum, subject to Road Safety Audits.
  - 3.5 Maintaining a firm line on the walking distances to and from pick up points may mean that some pupils will be expected to make their own way to and from a pick up and drop off point. Details on those affected cannot be given until the Transport Network Redesign tender exercise is complete. However, the expectation would be fewer pupils picked up at their home. Development Services have estimated that this will save approximately £100,000 per annum, subject to Road Safety Audits. This also supports the objective of encouraging active travel to school to support healthier outcomes for pupils.
  - 3.6 The Shetland School Transport Policy has not been reviewed since 2007.
  - 3.7 The Scottish Government issued new guidance on improving school transport safety from January 2011.
  - 3.8 This guidance includes 'the promotion of walking and cycling to and from school' this 'is also compatible with both the Schools (Health Promotion and Nutrition) (Scotland) Act 2007 and the Health and Wellbeing outcomes in the Curriculum for Excellence'.
  - 3.9 Supporting flexibility within the Policy includes enabling parents, individually, in groups or as a community to propose alternative arrangements within the Policy options. Any such proposal would be required to be safe, within budget and sustainable.
  - 3.10 The range of options in the Policy enables the Council to ensure solutions are sustainable and that the Council can meet required changes to travel which may result from the Blueprint for Education 2012 -2017 (Report No. SIC-0920-CS19 - Min Ref: SIC74/12).

## **4.0 Implications**

### Strategic

- 4.1 Delivery On Corporate Priorities – The Single Outcome Agreement 'We have financial sustainability and balance across all sectors with efficient and responsive public services and a reduced reliance on the public sector, 'Our internal and external transport systems are efficient, sustainable, flexible and affordable, meet our individual and business needs and enable us to access amenities and services.' and, 'We

deliver sustainable services and make sustainable decisions, which reduce harmful impacts on the environment’.

- 4.2 Community /Stakeholder Issues – The revised Policy clearly states that communities and stakeholders will be consulted in future before any significant change to service. Change in school transport can be triggered by a variety of circumstances, including population changes.
- 4.3 Policy And/Or Delegated Authority – The Education and Families Committee has delegated authority to advise the Executive Committee and the Council in the development of service, objectives, policies and plans concerned with service delivery. Approval of the updated Policy requires a decision of the Council, in terms of Section 2.1.3 of the Council’s Scheme of Delegations, supported by advice from the Executive Committee. This report is related to the function of an education authority.
- 4.4 Risk Management – A failure to meet the challenging reductions in overall budget spending levels will result in the Council utilising all of its reserves. There may be an increase in requests for Road Safety Audits and the involvement of Safety & Risk Services staff. The Road Safety Advisory Panel will be kept informed through periodic reports.
- 4.5 Equalities, Health And Human Rights – An Equality Impact Assessment has been carried out on the policy, and at this stage there are no equalities, health and human rights impacts. This will be continually monitored.
- 4.7 Financial – The Council approved the Medium Term Financial Plan on 20 September 2012 (Min Ref: 85/12) and the Development Services Transport Network Redesign report on 20 February 2013 (Min Ref: DC04/13). This set the parameters for the 2013/14 revenue budget and allocated the available resources amongst directorates. The Development Services’ Transport Network Redesign efficiencies relies on the inclusion of school transport savings.
- 4.8 Legal – None.
- 4.9 Human Resources – not applicable as service contracted out.
- 4.10 Assets And Property – not applicable as service contracted out.

## **5.0 Conclusions**

- 5.1 The Scottish Government’s guidance regarding the promotion of active travel and safety improvements were issued after the last update of the School Transport Policy. The approval of the updated School Transport Policy will meet the guidance, along with supporting the Council’s own strategic goal to meet reductions in budget spending levels.

For further information please contact:  
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*Report Finalised: 12 March 2013*

## Appendices

Appendix 1 - Proposed New School Transport Policy

## Background Documents

Education (Scotland) Act 1996

A Guide to Improving School Transport Safety – Transport Scotland  
[http://www.transportscotland.gov.uk/files/documents/roads/Improving\\_School\\_Transport\\_Safety\\_-\\_guide\\_-\\_final.pdf](http://www.transportscotland.gov.uk/files/documents/roads/Improving_School_Transport_Safety_-_guide_-_final.pdf)

END

# Shetland Islands Council



## Children's Services

# School Transport Policy

## March 2013

# School Transport Policy

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# School Transport Policy

## 1 Introduction

- 1.1 Local Authorities have legal responsibilities to enable the attendance of children living beyond specified maximum walking distance from their school.
- 1.2 This Policy sets out the Shetland Islands Council's approach to fulfilling its responsibilities along with responsibilities and expectations of other parties involved in the safe transportation of pupils from home to school.

## 2 Aims

- 2.1 In relation to home to school transport, this Policy aims to:
  - Clarify entitlement to home to school transport provision.
  - Describe the options available to Local Authorities to fulfil their responsibilities.
  - Describe the responsibilities of contractors, operators, drivers, parents, pupils and school staff.
  - Set out the standard of service expected from school transport operators.

## 3 Objectives

- For Shetland Islands Council to fulfil its responsibilities for home to school transport.
- For Shetland Islands Council to do its utmost in providing safe and reliable transport.
- To provide flexibility for Shetland Islands Council, transport operators, parents, pupils and communities to find the most appropriate, sustainable solutions.
- To encourage active travel to school compatible with the Schools (Health Promotion and Nutrition) (Scotland) Act 2007 and the Health and Wellbeing outcomes in the Curriculum for Excellence.
- Engage in consultation with parents, pupils, transport operators and communities when there is a proposed significant change to transport arrangements.

## 4 Entitlement

- 4.1 The Education (Scotland) Act 1980 places a legal responsibility on Local Education Authorities to enable the attendance at school of children living beyond specified maximum walking distance from their school. Shetland Islands Council's Children's Services facilitates this by using these limits to determine the provision of school transport. Walking distance is specified as two miles for pupils who have not reached their eighth birthday and three miles for pupils aged eight years and over.

- 4.2 The Education (Scotland) Act 1996 amended the 1980 Act to require education authorities to have regard to the safety of pupils when considering whether to make arrangements for the provision of school transport.
- 4.3 Education Authorities are also required to offer any vacant seats on school transport to pupils who live on a route but within walking distance of their school. The Authority can charge for the use of a vacant place or they have the discretion for a vacant place to be used without charge. However, they can only charge for the use of a vacant place if the charges can be met without undue hardship on the parent(s) /carers(s). If the number of non-entitled pupils exceeds the number of vacant seats available, the Authority must select which of those pupils can travel on the vehicle. If the number of pupils entitled to places increases then those who are not entitled will need to relinquish their place.
- 4.4 If the route between their home and school is considered unsafe transport is also provided for pupils who live within walking distance of their school.
- 4.5 To assess whether transport should be provided for safety reasons a safety audit is carried out by the Infrastructure Services Department – Roads Services, sometimes in consultation with the Police. The method of assessing safety factors was approved by the Council in July 1996; this method was recently revisited and found to continue to be appropriate. If a route is assigned a pedestrian safety factor of 1 or 2 it is considered that there is little or no risk to children walking whilst supervised by an adult. A pedestrian safety factor of 3 or 4 indicates that the route is less suitable, in terms of road safety, for accompanied children on foot. Council policy is that school transport provision should not be made for pupils who live within walking distance of the school if the route has been assigned a pedestrian safety factor of 1 or 2. If parents/carers consider that the route has been assessed incorrectly they can make a written submission to the Executive Manager, Schools giving reason why they feel it should be changed.
- 4.6 When pupils, who are entitled to transport, enrol at a school they should use the school transport already provided in their area. This transport may not be provided from their door.
- 4.7 Transport provision will not be diverted from an existing route unless the journey from their house to the main road pick-up point is more than walking distance or this part of the journey is considered unsafe for accompanied pupils.
- 4.8 In cases where alterations to school transport arrangements are necessary, pupils and parents/carers will be given as much notice as possible and unless there are safety reasons, changes take effect as soon as practicable, or when the contract becomes due for renewal. If the change is significant pupils, parents, transport operators and communities will be consulted in line with the objectives of this Policy.
- 4.9 If as a result of a “placing request” pupils are attending a school other than their area school, there is no entitlement to free school transport. Those

pupils may take up any vacant seats on existing school transport e.g. primary pupils travelling on secondary pupil transport between the relevant catchment areas. Placing request pupils will not be taken into account when specifying the number of seats required for any future contracts.

## **5 Options available**

- 5.1 Local authorities are required to make arrangements as necessary for the provision of school transport and have to pay all or part of reasonable travelling expenses for school pupils. This legal responsibility could be fulfilled by providing either a means to get to school, such as a bicycle, or an allowance for parents/carers to make their own arrangements.
- 5.2 Local Authorities are not required to provide “door-to-door” transport. Children may be expected to walk anything up to the legally specified maximum walking distance to/from the transport pick-up and drop-off (PUDO) point. Parents/carers are responsible for this part of the journey.

## **6 Responsibilities**

- 6.1 Contractors, transport operators, school staff, parents/carers and pupils will all be expected to adhere to the guidance set out in Appendix A.
- 6.2 Local Authority

The Schools (Safety and Supervision of Pupils) (Scotland) Regulations 1990 place a general duty on Local Authorities to secure, as far as is practicable, the safety of pupils under their charge. Pupils travelling on dedicated school transport arranged by the local authority are under the charge of the authority. Therefore the authority will keep school transport provision under review to ensure the safety of pupils when travelling on school transport (see section 7 - Review).

The Local Authority is responsible for risk assessments on identified PUDO points and will communicate with contractors, operators, drivers, parents/carers and pupils to identify specific risks and how those will be managed.

- 6.3 Contractors/Transport Operators

Contractors provide home to school transport using cars, mini-buses, buses and/or coaches. It is the responsibility of those who are awarded school transport contracts to take all reasonable steps to ensure the security, safety, dignity and comfort of pupils in their care. The vehicles used must be suitable for the purpose and drivers must be PVG checked, adequately trained and qualified.

Since 1 October 2001, all new coaches and mini-buses have had to be fitted with seat belts. A forward facing seat fitted with a minimum of a lap belt must be available to every child. New regulations introduced in

September 2006, requires all seated passengers aged 14 years and above to use seatbelts where they are fitted in all buses and coaches.

This new legislation also means that all children under 135cm ( 4foot 5inches) in height use a suitable restraint when travelling by car, e.g a booster cushion with an adult seat belt. The legislation explicitly excludes journeys made in taxis and private hire cars. However Shetland Islands Council has adopted a policy which will require appropriate child restraints to be provided for all primary aged children below 135cm in height.

Contractors must ensure that they have contingency plans, acceptable to the authority, to deal with vehicle failures, staff unavailability, emergency closure of schools and other emergencies. Any driver employed by the contractor should be aware of issues involving pupil safety and behaviour and who to contact in an emergency.

As school transport drivers are deemed to have “substantial opportunity for access” to children all drivers must have PVG clearance prior to driving any vehicle used for school transport provision. Contractors must provide the Authority with details of all persons who may drive their vehicles or be employed as attendants or supervisors.

A contractor must not sub-contract to another operator without the written permission of the Local Authority.

The contractor is responsible for identifying suitable turning places. The Authority can specify alternative and/or additional PUDO points at no extra cost unless an additional daily journey in excess of three miles is required. The contractor must ensure that all pupils included in the route are conveyed to school in time for opening and collected at the end of the school day when dismissed.

If at any time a contractor is not in a position to fulfil the requirements of the contract, due to the number of pupils in the area exceeding the number of seats available or due to the unavailability of a suitable vehicle or driver or for any other reason, they must inform the Executive Manager Transport Planning immediately in order that new arrangements can be put in place.

### 6.3 Vehicle operators

All passengers must be notified that seat belt wearing is compulsory.

The driver is responsible for ensuring that passengers aged 3 to 13 years wear a seat belt.

Passengers aged 14 years or over are responsible for wearing a seat belt where they are fitted.

Drivers of home to school transport bear much of the responsibility for the safety of pupils. However, parents/carers remain responsible for the behaviour of their children and they should encourage their children to

follow the instructions of the driver. Failure to act responsibly will compromise pupils' own safety and the safety of other pupils.

#### **6.4 Additional Support Needs**

Parents/carers of pupils with additional support needs are responsible for requesting transport arrangements to and from school. The ASN Transport Request form is available on the Council website or can be requested from the Council's Children's Services. Information on ASN transport can be found at this link to the Enquire website:

<http://enquire.org.uk/20100622/wp-content/uploads/2010/11/transport-to-school.pdf>

#### **6.5 Parents**

Parents/carers have a legal duty to provide for the education of their children, either by causing them to attend school regularly, or by other means. Parents/carers have a right to expect that suitable arrangements for safe and reliable school transport will be made for their children. However, the ultimate responsibility for the safety and welfare of pupils rests with their parents/carers and it requires parents/carers working along with the authority, schools, and transport operators to ensure that a high level of service is maintained.

Unless the route is considered unsafe, pupils may have to make their own way anything up to the maximum walking distance to access school transport. Parents/carers are responsible for this part of the journey. Parents/carers are also responsible for the behaviour of their children whilst on the vehicle and when waiting at the pick-up point. Persistent behaviour which is of concern can lead to a pupil being removed from school transport. Parents/carers should be aware that the Local Authority must still provide the pupil with the means of getting to school, but this may not be in a way which is particularly convenient.

#### **6.6 Pupils**

Passengers aged 14 years or over are responsible for wearing a seat belt where they are fitted.

### **7 Review**

7.1 The Schools Management Team will arrange for a review of this policy in three years, or when required by Shetland Partnership, legislation or local circumstance.

7.2 Once fully implemented, performance on school transport will be monitored via the Development Services' Transport Planning team, and reported on annually to the Schools Management Team. This report will detail information on service costs and performance on the objectives of this policy. This may then lead to recommendations regarding strategies, policies or procedures.

## Appendix A: Home to School Transport Guidance

Listed below are key guidelines which drivers must follow to support the safe transport of pupils between home and school and/or on school trips/outings.

### Pupils

School transport is provided to get pupils to and from school. The behaviour of pupils between home and school whether as a pedestrian or as a passenger in a vehicle, has a direct bearing on their safety. Pupils should be given sound advice on what constitutes responsible and safe behaviour and they should be encouraged to develop their own road safety skills. Pupils should be encouraged to adopt the following as a code of conduct in relation to their journey between home and school:

- Make sure you leave home in plenty of time so that you do not have to rush.
- Always walk on the pavement, where there is one.
- If there is no pavement, always walk facing the oncoming traffic.
- Always wear something bright to make you more visible in the dark or in bad weather.
- If you are with younger children, set them a good example and let them walk on the inside so that they are furthest away from any traffic.
- On narrow roads with no pavement, walk in single file.
- Walk, don't run.
- Act responsibly and don't be persuaded by others to act foolishly as this could compromise your own safety and the safety of others.
- Stand back when the vehicle arrives.
- Get on and off the vehicle one at a time and do not push or shove.
- Sit still on the vehicle and fasten the seat belt.
- Do not open or play with emergency doors or windows.
- Always obey the instructions of the driver.
- Treat other people with respect.
- When you get off the vehicle do not cross the road until the vehicle has moved off and you can see clearly in both directions.
- Between the vehicle and the school entrance keep your eyes open for other vehicles near the drop-off point.
- If you have left anything on the vehicle do not run after it but tell your teacher or playground supervisor as soon as possible.

### Parents/Carers

- Young children should be accompanied by an adult while walking.
- Young children should be met at the bus stop.
- Ensure that your child takes the safest route.
- Walk the route with your child at least once and talk about the hazards.

- Children must be suitably dressed for the weather and should always wear something bright, preferably with reflective and fluorescent strips or panels.
- Make sure children leave home in plenty of time so that they do not have to rush.
- Children need to be at the designated pick-up point before the scheduled departure time of their transport. Transport operators cannot wait for latecomers.
- Teach your children about road safety.
- Passengers aged 14 years or over are responsible for wearing a seatbelt where they are fitted.
- Remind your children that playing about at pick-up points or on the vehicle can result in accidents or injuries. Extreme or persistent misbehaviour may lead to the withdrawal of school transport from the pupils responsible.
- Ensure children do as the driver says and not to misbehave. Parents / carers can be held responsible for any vandalism caused by their children.
- When they return from school, if the vehicle stops on the opposite side of the road, cross over to meet your child do not expect them to cross the road to meet you.
- If parents/carers are concerned about the behaviour of pupils on school transport they should contact the Head Teacher.
- If the service is unreliable, or parents/carers are concerned about the vehicles being used or the attitude of the driver, they should contact the Quality Improvement Officer for the school, preferably in writing. It is important that complaints are notified promptly. It becomes difficult to take effective action or identify who was at fault if the complaint is made long after the incident occurred.
- All behavioural issues which are of concern to the driver must be dealt with. Concerns over the conduct of pupils must not be ignored as this only encourages situations / patterns to develop and escalate. If it becomes apparent that a particular pupil cannot continue to be allowed to travel on school transport, the Head Teacher must inform Children's Services immediately by contacting the relevant Quality Improvement Officer. As the Local Authority is required by law to provide school transport, an appropriate way forward must be found. In achieving this, the Quality Improvement Officer should work together with relevant school staff, the pupil, their parents/carers and Executive Manager – Transport Planning where necessary to find an appropriate way forward. Some possible solutions may be:
  - Provision of bus fares to facilitate the use of public transport.
  - Return to school transport on the same or a suitable alternative route with agreed conditions.
  - Provision of bus fares with parents/carers transporting their children.
- Report any discipline or behaviour concerns to the Head Teacher of the relevant school. This should be done even if the driver feels they have dealt with a particular issue effectively.

- Be aware that the safety and welfare of all pupils on the vehicle is of paramount importance and a considerable degree of responsibility rests with the driver on each journey.
- Understand their responsibilities as defined in the Shetland Islands Council School Transport Policy.

### Drivers

- Do not drive a vehicle which you are not suitably licensed or insured to drive.
- Do not drive a vehicle you suspect of being unroadworthy or in contravention of relevant regulations or legislation.
- Follow the scheduled route and use pick-up and set down points designated by the contractor or agreed by the authority.
- Approach each stop slowly and carefully and keep doors closed until the vehicle has stopped.
- If applicable, check pupil bus passes. Pupils who do not have a pass should not be refused transport but it should be reported to the relevant Head Teacher.
- Do not drive off until all pupils are seated, the doors are closed and you have checked that no pupils are in the vicinity of the vehicle.
- Remind pupils to fasten their seat belts before driving off.
- Know who to contact in the event of an emergency, such as a breakdown, an accident, adverse weather conditions, an unforeseen delay or other hazard.
- Never eject a pupil from the vehicle under any circumstances. Report any discipline or behaviour concerns to the head teacher of the relevant school. This should be done even if the driver feels they have dealt with a particular issue effectively. In the event of extreme or persistent misbehaviour the authority reserves the right to suspend school transport provision for the pupils responsible. Transport arrangements will then become the responsibility of their parents/carers.
- Understand their responsibilities as defined in the Shetland Islands Council School Transport Policy.

### Schools

- All behaviour issues which are of concern to the driver must be dealt with. Concerns over the conduct of pupils must not be ignored as this only encourages situations / patterns to develop and escalate. If it becomes apparent that a particular pupil cannot continue to be allowed to travel on school transport, the Head Teacher must inform Children's Services immediately by contacting the relevant Quality Improvement Officer. As the Local Authority is required by law to provide school transport, an appropriate way forward must be found. In achieving this, the Quality Improvement Officer should work together with relevant school staff, the pupil, their parents/carers and the Executive Manager -

Transport Planning where necessary to find an appropriate way forward. Some possible solutions may be:

- Provision of bus fares to facilitate the use of public transport.
- Return to school transport on the same or a suitable alternative route with agreed conditions.
- Provision of bus fares with parents/carers transporting their children.
- Be aware that the safety and welfare of all pupils on the vehicle is of paramount importance and a considerable degree of responsibility rests with the driver on each journey.
- Understand their responsibilities as defined in the Shetland Islands Council School Transport Policy.



**Education and Families Committee****20 March 2014****Children's Services Directorate Plan 2013/14****Report No: CS-17-13-D1****Report by: Director of Children's Services****Children's Services****1.0 Summary**

- 1.1 This report presents the Children's Services Directorate Plan and Service Action Plans for each area of the Directorate, which sets the policy and performance management framework for the Directorate and outlines the aims, objectives and actions for the financial year 2013/14.
- 1.2 The Directorate plan and Service Action Plans are aligned to the Council's agreed budget strategy and will be fully integrated with new Shetland Single Outcome Agreement / Community Plan and the SIC Corporate Plan 2013-2018 / Change Management Programme as they are brought to Council in the June meeting cycle.
- 1.3 Progress reports will be submitted to this committee on a quarterly basis to allow members to monitor the delivery and progress of the plans.

**2.0 Decisions Required**

- 2.1 The Committee is requested to:
  - 2.1.1 review and discuss the contents of the Directorate Plan and Service Action Plans;
  - 2.1.2 endorse the contents of the Plans; and
  - 2.1.3 approve the priorities for the Children's Services Directorate for the financial year 2013/14 as set out in the Plan.

**3.0 Detail**

- 3.1 The Council's Planning and Performance Management Framework and the Council's constitutional arrangements require the reporting of activity and performance to functional Committees.

- 3.2 The draft Directorate Plan sets out the key aims, objectives and actions, core performance measures and key risk management activities of the Directorate so the Committee can understand how the Directorate is contributing to the delivery of the Single Outcome Agreement / Community Plan, the Council Improvement Plan and the agreed Budget Strategy.
- 3.3 The Committee is asked to consider and discuss any aspect of the information provided and to endorse the contents of the Directorate Plan and Service Action Plans and approve the priorities for Children's Services for the 2013/14 financial year.
- 3.4 Quarterly progress reports will be submitted to this committee to allow members to monitor the delivery and progress of the plan.

## 4.0 Implications

### Strategic

- 4.1 Delivery On Corporate Priorities – Effective Planning and Performance Management are key features of the Council's Improvement Plan.
- 4.2 Community /Stakeholder Issues – Consultation with customers and other stakeholders is on-going as an integral part of each aspect of service delivery.
- 4.3 Policy And/Or Delegated Authority –
  - 4.3.1 The Council's Constitution – Part C - Scheme of Administration and Delegations provides in its terms of reference for Functional Committees (2.3.1 (2)) that they;
 

“Monitor and review achievement of key outcomes in the Service Plans within their functional area by ensuring –

    - (a) Appropriate performance measures are in place, and to monitor the relevant Planning and Performance Management Framework.
    - (b) Best value in the use of resources to achieve these key outcomes is met within a performance culture of continuous improvement and customer focus.”
- 4.4 Risk Management – Embedding a culture of continuous improvement and customer focus are key aspects of the Council's improvement activity. Effective performance management is an important component of that which requires the production and consideration of these reports. Failure to deliver and embed this increases the risk of the Council working inefficiently, failing to focus on customer needs and being subject to further negative external scrutiny.
- 4.5 Equalities, Health And Human Rights – NONE
- 4.6 Environmental – NONE

## Resources

- 4.7 Financial – The actions, measures and risk management described in this report will be delivered within existing approved budgets and are aimed at ensuring delivery of the Council's agreed budget strategy.
- 4.8 Legal – NONE
- 4.9 Human Resources - NONE
- 4.10 Assets And Property – NONE

## **5.0 Conclusions**

- 5.1 The Children's Services Directorate Plan and Service Action Plans are the key performance management document for the directorate. It sets out our aims, objectives and actions for the coming year. The adoption of these plans will allow the directorate to demonstrate how it contributes to the delivery of the council's priorities within its resources. It will allow members to monitor delivery and progress of the plans and the performance of the directorate throughout the year.

For further information please contact:

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*Report finalised: date*

## List of Appendices

Appendix 1	<a href="#">Children's Services Directorate Plan 2013/14</a>
Appendix 1(a)	<a href="#">Action Plan for Children's Services Directorate 2012/14</a>
Appendix 1(b) (i)	<a href="#">Sport and Leisure Service Plan 2013/14</a>
Appendix 1(b) (ii)	<a href="#">Shetland Library Service Plan 2013/14</a>
Appendix 1(b) (iii)	<a href="#">Children and Families Service Plan 2013/14</a>
Appendix 1(b) (iv)	<a href="#">Children's Resources Service Plan 2013/14</a>
Appendix 1(b) (v)	<a href="#">Schools and Quality Improvement Service Plan 2013/14</a>



**Children’s Services Priority:** To get it right for every child.

**Aim:** We will deliver the best possible service we can which balances access, opportunities and resources.

<b>Children’s Services Objective</b>	<b>Strategy for implementation</b>	<b>Target outcome</b>	<b>Responsibility and Timescales</b>	<b>Impact</b>
Best possible services are provided using resources efficiently.	To review some areas of the Directorate which could be delivered more efficiently.	Outcomes are delivered for the service users which are appropriate.	Director of Children’s Services and Children’s Services Management Team	There are areas of the Directorate which may be delivered in a different way.
Services are provided to all that ensure equality and fairness.	To review the activities which are provided across the Directorate to ensure that they are fair and equal for all.	Equality of provision as far as practicable.	Director of Children’s Services and Children’s Services Management Team	There will always be some inequality, particularly for the Remote Isles.
A new Anderson High School is built on the site at Lower Staney Hill.	To progress the project in line with the outcome of the external funding application.  To move to the construction phase.	A new High School in Lerwick which can deliver Curriculum for Excellence.	Director of Children’s Services and Children’s Services Management Team.	Quality education will continue to be delivered in a fit for purpose building.
We will take action to improve risk management across the Directorate.	To prioritise update of Risk Registers, and work with our business unit managers to ensure regular reviews of all risks are carried out.	Proportion of overdue risk reviews reduced to under 5%	Director of Children’s Services and Children’s Services Management Team.	Improved efficiency. A systematic approach to identifying risks and developing effective responses.

<b>Children's Services Objective</b>	<b>Strategy for implementation</b>	<b>Target outcome</b>	<b>Responsibility and Timescales</b>	<b>Impact</b>
We will improve accommodation for the services we provide.	Review condition and use of Old Library Centre and Bruce Family Centre, with a view to improvement of these assets. Work with Assets and Properties to ensure suitable accommodation is arranged for staff and customers.	A plan in place for improvement of buildings that are not up to standard. Psychological Services moved to suitable accommodation, and moves of more staff to Hayfield completed.	Director of Children's Services and Children's Services Management Team.	Improvement of property assets, customer service and staffing efficiency.

**Children's Services Priority:** To develop partnership working within the Council, and across agencies, where it secures improved outcomes for all.

**Aim:** We will provide clear and consistent communication to all staff, customers and partners in order to achieve the department's priorities.

<b>Children's Services Objective</b>	<b>Strategy for implementation</b>	<b>Target outcome</b>	<b>Responsibility and Timescales</b>	<b>Impact</b>
Key messages will be delivered, supported by the corporate communications team.	Invite a member of the corporate communications team to attend Children's Services Management Team on a regular basis.	Clear key messages are delivered to all in an appropriate format.	Director of Children's Services and Children's Services Management Team.	Better understanding of the key messages by everyone involved.
Excellent communications with staff.	To continue to develop the information provided on the team brief for all staff in Children's Services.	100% positive feedback on the information provided in the team brief.	Director of Children's Services and Children's Services Management Team.	Feedback from team brief.
Achievements celebrated in the local media.	Provide press releases for local media on examples of achievement.	Local media will publish press releases.	Director of Children's Services and Children's Services Management Team.	Positive stories in the local media.
All children are safe and appropriate information is shared according to agreed protocols.	Working within Children's Services to develop GIRFEC process.	All children are safe.	Director of Children's Services and Children's Services Management Team.	Children receive support from appropriate agencies.

**Aim:** We will be proactive in working with partners in order to secure better outcomes.

<b>Children's Services Objective</b>	<b>Strategy for implementation</b>	<b>Target outcome</b>	<b>Responsibility and Timescales</b>	<b>Impact</b>
Staff will effectively contribute to partner groups.	To ensure that Children's Services are represented on the appropriate groups in Shetland.	Services will work together across Shetland.  100% attendance at appropriate groups for Children's Services representatives.	Director of Children's Services and Children's Services Management Team.	Evidence of partner input in service planning.  Children's Services contributing to groups in Shetland.
Improvements for children will be delivered through service priorities.	To participate in the Community Planning process.	To contribute to the performance measures and targets set for children in Shetland.	Director of Children's Services and Children's Services Management Team.	Services are delivered which demonstrate improvements for children.

**Children's Services Priority:** To demonstrate effective leadership and clear direction for staff and services.

**Aim:** We will ensure staff feel valued and supported particularly through periods of challenge and change.

<b>Children's Services Objective</b>	<b>Strategy for implementation</b>	<b>Target outcome</b>	<b>Responsibility and Timescales</b>	<b>Impact</b>
All staff reviews are undertaken and that appropriate CPD opportunities are accessed.	To implement the new annual staff review policy for all staff.  From the annual staff reviews identify appropriate training for staff to attend.	All staff have an annual review. Statistics on training.	Director of Children's Services and Children's Services Management Team.	Staff feel valued and have appropriate training to enable them to be effective at their job.
Staff are involved in service planning and their contributions are valued.	Regular monitoring of the plans for 2013/14 by staff.  Discussion at progress meetings on areas of the plans which are appropriate as lead responsibility.  Early involvement of staff in the analysis of the self-evaluation work, review of the 2013/14 plan and the drafting of the new plan for 2014/15.	Positive feedback from the staff, client and parents surveys.	Director of Children's Services and Children's Services Management Team.	Staff surveys for the Directorate and for each area too.
Staff success is celebrated.	All successes are recognised and celebrated across the Directorate in the	Good practice examples from across the	Director of Children's Services and Children's Services Management	Positive events, activities and messages are heard in the

<b>Children's Services Objective</b>	<b>Strategy for implementation</b>	<b>Target outcome</b>	<b>Responsibility and Timescales</b>	<b>Impact</b>
	team brief, the standards and quality report and in the local media.	Directorate are known throughout Shetland.	Team.	community of Shetland.
Effective self-evaluation.	To utilise the expertise in Quality Improvement to further develop strategies for the other areas to implement.	All areas of Children's Services will have feedback from staff, clients and parents surveys.  Informed planning process for 2013-14.	Director of Children's Services and Children's Services Management Team.	Results of staff, client and parent surveys.

**Aim:** We will develop further as an effective management team to ensure we deliver each service's outcomes.

<b>Children's Services Objective</b>	<b>Strategy for implementation</b>	<b>Target outcome</b>	<b>Responsibility and Timescales</b>	<b>Impact</b>
<p>The team know each other well and work closely together.</p>	<p>To work through a coaching programme to identify the strengths and development needs of the team.</p> <p>To participate in team building activity which highlights each members strengths.</p> <p>To continue with the weekly management team meetings to build up the relationships in the team.</p> <p>To engage in informal meetings of the team on a monthly basis.</p> <p>To share information and to feedback on meetings attended on behalf of the Children's Services Department.</p>	<p>Continuing Professional Development for team members as appropriate undertaken and effectively applied.</p> <p>Confident team who are recognised by staff as being effective.</p>	<p>Director of Children's Services and Children's Services Management Team.</p>	<p>Staff survey recognises the leadership being provided by the Children's Services Management Team.</p>

<b>Children's Services Objective</b>	<b>Strategy for implementation</b>	<b>Target outcome</b>	<b>Responsibility and Timescales</b>	<b>Impact</b>
Listen to feedback on our services from customers, staff and partners and ensure these are fed into service improvement.	Develop survey to utilise existing mechanisms to gather feedback.	Effective services. Reduction in complaints. High satisfaction rates from customers and partners.	Director of Children's Services and Children's Services Management Team.	Fewer complaints. Positive relationships.

**Children's Services Priority:** To achieve improvement within reduced budgets.

**Aim:** We will deliver the budget strategy.

<b>Children's Services Objective</b>	<b>Strategy for implementation</b>	<b>Target outcome</b>	<b>Responsibility and Timescales</b>	<b>Impact</b>
The budget strategy will be delivered within the timescales.	All areas of the Directorate deliver the agreed budget strategy within the timescales.	The savings targets are met by Children's Services.	Director of Children's Services and Children's Services Management Team	There will be services which are delivered differently in Shetland.

CHILDREN'S SERVICES PERFORMANCE MEASURES

Children's Services - Directorate Measures				Responsible Officer: Helen Budge											
MEASURE - CS1		REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION											
Employee Sickness Absence - Children's Services		Corporate Report, Single Outcome Agreement	Baseline - 3.5% (Sep 2011)  Target - keep below 4%	2.1% (Dec 2012)											
PROGRESS / PLANNING	PROGRESS	PERFORMANCE		IMPROVEMENT PLANNING											
	Figures improving, now within target	<table border="1"> <caption>Sickness Absence Performance Data</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Sep-11</td> <td>3.5%</td> </tr> <tr> <td>Dec-11</td> <td>3.2%</td> </tr> <tr> <td>Mar-12</td> <td>4.4%</td> </tr> <tr> <td>Jun-12</td> <td>3.2%</td> </tr> <tr> <td>Sep-12</td> <td>2.1%</td> </tr> </tbody> </table>		Month	Percentage	Sep-11	3.5%	Dec-11	3.2%	Mar-12	4.4%	Jun-12	3.2%	Sep-12	2.1%
Month	Percentage														
Sep-11	3.5%														
Dec-11	3.2%														
Mar-12	4.4%														
Jun-12	3.2%														
Sep-12	2.1%														
MEASURE - CS2		REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION											
Customer Complaints			Baseline  Target - <xx	xx during Quarter xx											
PROGRESS / PLANNING	PROGRESS	PERFORMANCE		IMPROVEMENT PLANNING											
	Target to be set by ...														
MEASURE - CS3		REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION											
Energy Usage			Baseline  Target - <xx	xx during Quarter xx											
PROGRESS / PLANNING	PROGRESS	PERFORMANCE		IMPROVEMENT PLANNING											
	Target to be set by ...														
MEASURE - CS4		REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION											
Employee Review & Development		Service Plan (Annual)	Baseline  Target - 100%	New policy in place from April 2013, reporting to commence once system in place.											
PROGRESS / PLANNING	PROGRESS	PERFORMANCE		IMPROVEMENT PLANNING											
	Target to be set by ...														
MEASURE - CS5		REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION											
Return to Work interviews			Baseline  Target - <xx												
PROGRESS / PLANNING	PROGRESS	PERFORMANCE		IMPROVEMENT PLANNING											
	Target to be set by ...														





# Children's Services Directorate Plan 2013-14



**Building a Brighter Future for Shetland**

## **CHILDREN'S SERVICES DIRECTORATE PLAN 2013-14**

This Directorate plan provides an overview of the plans over the next year for the Children's Services Directorate. Detailed activities for each service are included in the attached Service Action Plans. These encompass activities, outcomes, objectives actions, targets and resources as well as the performance indicators for each service.

### **ABOUT US**

The Children's Services Directorate was formed as a result of the Council organisation and management re-structure in 2011. It comprises of the functions of children and families, children's resources, library services, quality improvement, schools and sports and leisure.

The Directorate has 956 full time equivalent staff and an annual budget of £41,262,000.

The Directorate has a governance system which means that it reports into two Council Committees, namely:

Children and Families, Children's Resources, Library Services, Quality Assurance and Schools - Education and Families Committee

Sports and Leisure – Social Services Committee.

### **VISION**

The management team's vision for the Directorate is as follows:

"Building a Brighter Future for Shetland".

### **PRIORITIES**

The agreed priorities of the directorate are:

To get it right for every child.

To develop partnership working within the Council, and across agencies, where it secures improved outcomes for all.

To demonstrate effective leadership and clear direction for staff and services.

To achieve improvement within reduced budgets.

## **AIMS FOR 2013-14**

The key aims for 2013-14 are:

We will deliver the best possible service we can which balances access, opportunities and resources.

We will provide clear and consistent communication to all staff, customers and partners in order to achieve the department's priorities.

We will be proactive in working with partners in order to secure better outcomes.

We will ensure staff feel valued and supported particularly through periods of challenge and change.

We will develop further as an effective management team to ensure we deliver each service's outcomes.

We will deliver the budget strategy.

## **OBJECTIVES FOR 2013-14**

The objectives link directly to the directorate aims for 2013-14. They are as follows:

Best possible services are provided using resources efficiently.

Services are provided to all that ensure equality and fairness.

A new Anderson High School is built on the site at Lower Staney Hill.

We will take action to improve risk management across the Directorate.

We will improve accommodation for the services we provide.

Key messages will be delivered, supported by the corporate communications team.

Excellent communications with staff.

Achievements celebrated in the local media.

All children are safe and appropriate information is shared according to agreed protocols.

Staff will effectively contribute to partner groups.

Improvements for children will be delivered through service priorities.

All staff reviews are undertaken and that appropriate CPD opportunities are accessed.

Staff are involved in service planning and their contributions are valued.

Staff success is celebrated.

Effective self-evaluation.

The team know each other well and work closely together.

Listen to feedback on our services from customers, staff and partners and ensure these are fed into service improvement.

The budget strategy will be delivered within the timescales.

## **LINKS TO NATIONAL AND LOCAL STRATEGIC PLANS AND FRAMEWORKS**

The Children's Services Directorate recognises its part in realising national and local aspirations and targets. These include those set out in the Single Outcome Agreement and the Corporate Plan. Four of the national policy drivers for the directorate are Curriculum for Excellence, Early Years, Getting it Right For Every Child and Let's Make Scotland More Active.

### **Children's Services Department contribute towards the following National Outcomes:**

Our young people are successful learners, confident individuals, effective contributors and responsible citizens.

Our children have the best start in life and are ready to succeed.

We have improved the life chances for children, young people and families at risk.

We live longer, healthier lives.

We can be measured against the National Indicators as follows:

Improve children's services.

Increase the proportion of pre-school centres receiving positive inspection reports.

Increase the proportion of schools receiving positive inspection reports.

Improve levels of educational attainment.

Increase the proportion of young people in learning, training or work.

Increase physical activity.

### **Children's Services contribute towards the Shetland Performance Framework and Single Outcome Agreement in the following local outcomes:**

Our young people are successful learners, confident individuals, effective contributors and responsible citizens.

All our children have the best start in life and we have improved the life chances for any children, young people and families at risk.

We have supported people to achieve their full potential at all life stages – from birth and early years through working lives to old age.

We have tackled inequalities by ensuring the needs of the most vulnerable and hard to reach groups are identified and met, and that services are targeted at those most in need.

## **We can be measured against the local Indicators as follows:**

- Positive children's services inspections.
- Increase the proportion of positive pre-school inspections.
- Increase the proportion of positive school inspections.
- Improve levels of educational attainment.
- Increase the proportion of school leavers in positive destinations.
- Increase physical activity.
- Looked after children in community settings.
- Looked after children in positive destinations.
- Increase the proportion on young people in learning, training or work.

## **Community Plan**

The Community Plan and Single Outcome Agreement outlines the five priority areas that the Community Planning Partnership had developed through the scenario planning exercise. Children's Services contribute towards the following areas:

- Communities that are learning and supportive.
- Communities that are healthy and caring.

There are also other local strategic plans which the Children's Services Department contribute towards including Active Life Strategy, Shetland Sports Strategy, Child Protection Work Plan and Shetland's Integrated Children and Young People's Services Plan 2011-14.

## **WHAT WE ACHIEVED LAST YEAR**

There are a number of achievements have been secured during the past year. The main achievements are:

- Successfully delivered an enhanced Shetland Sports Week, externally funded and in partnership with Shetland Recreational Trust, local clubs and associations.
- Refurbished three play areas.
- Hosted the Olympic flame.
- Islesburgh House Hostel awarded the number one hostel in the world status based on customer feedback for a second year.
- Implementation of Curriculum for Excellence according to agreed milestones.
- Shetland Library launched e-book lending and an improved online catalogue.
- Bookbug celebrated 10<sup>th</sup> anniversary of the service at the Library.
- Visit of the Play Talk Read bus.

- Cabinet Secretary for Lifelong Learning visited Shetland meeting with staff and pupils in schools.
- The Young Scottish Politician of the Year was Emily Shaw.
- Lesley Simpson was nominated for the national Head Teacher of the Year awards.
- Co-located more of the Children's Services staff into Hayfield House.
- Reduced the full time equivalent staff across the department.
- Achieved the budget reductions of £2,270,985.
- Obtained 100% positive inspection reports for schools inspected.
- Secured funding from the Scottish Government for a new Anderson High School.

## **SELF EVALUATION**

In 2008, Her Majesty's Inspectorate for Education completed a survey of key staff groups as part of the inspection of the education functions of Shetland Islands Council. Further surveys have been undertaken by the Schools Service in 2010, 2011 and 2012 using the inspection survey as a benchmark.

During December 2012 and January 2013 the same survey was re-distributed to staff in the re-structured department, now named Children's Services. A total of 219 Children's Services staff were invited to complete an online questionnaire. 107 people completed the survey, giving a response rate of 49%. This compares to 61% in 2008, 64% in 2010, 75% in 2011 and 61% in 2012.

The three statements with the highest percentage of positive responses were;

Health and safety information is available to me

The authority actively promotes equal opportunities for staff

I have access to the information I need to do my job effectively.

The three statements with the lowest percentage of positive responses were;

Morale is high among staff in Children's Services

Elected members demonstrate a strong commitment to improving Children's Services in Shetland.

I am involved in evaluating the implementation of the Improvement Plan.

## **HOW WE WILL WORK TOGETHER**

As a Directorate we have adopted the values identified through the 'Executive Influence' work, these are:

- Customer focus
- Fairness
- Openness and transparency
- Honesty
- Integrity
- Respect
- Trust
- Hard Work/conscientiousness
- Positive attitude

## PLANS FOR 2013-14

The Corporate Plan actions are being developed currently.

### Budget Strategy

As part of the Strategic Budget Plan the Children's Services Directorate has to undertake the following reductions in service delivery.

AREA	DESCRIPTION	AMOUNT	TOTAL
DIRECTORATE	OFF ISLAND PLACEMENTS	£80,848	
			<b>£80,848</b>
SPORTS & LEISURE	PLAY AREA REFURBISHMENT	£80,000	
SPORTS & LEISURE	BUILDING MAINTENANCE	£57,000	
SPORTS & LEISURE	REMOVAL OF ADMIN CHARGE FOR PITCH BOOKINGS	£13,000	
SPORTS & LEISURE	GENERAL EFFICIENCIES	£9,260	
			<b>£159,260</b>
CHILDREN & FAMILIES	FAMILY SUPPORT CLERICAL POST	£11,807	
CHILDREN & FAMILIES	CHILDREN'S RIGHTS	£9,510	
CHILDREN & FAMILIES	SALARIES	£18,965	
			<b>£40,282</b>
CHILDREN'S RESOURCES	ASN HOLIDAY CLUB	£82,572	
CHILDREN'S RESOURCES	CHILDCARE REVIEW	£168,043	
CHILDREN'S RESOURCES	SHORT BREAKS STAFFING	£34,977	
CHILDREN'S RESOURCES	RESIDENTIAL STAFFING	£59,935	
CHILDREN'S RESOURCES	CHILDCARE STRATEGY SALARIES	£14,146	
CHILDREN'S RESOURCES	CHILDCARE STRATEGY OPERATING COSTS	£18,663	
CHILDREN'S RESOURCES	FAMILY CENTRE	£6,509	
CHILDREN'S RESOURCES	QUARFF	£8,350	
CHILDREN'S RESOURCES	GENERAL EFFICIENCIES	£3,048	
			<b>£396,243</b>
LIBRARY	1.32 FTE TEMPORARY STAFF	£29,480	
LIBRARY	OPERATING COSTS	£6,590	
			<b>£36,070</b>
SCHOOLS	SCOTTISH VOCATIONAL QUALIFICATIONS	£36,059	
SCHOOLS	EXECUTIVE MANAGER OPERATING COSTS	£650	
SCHOOLS	DSMO OPERATING COSTS	£1,658	
SCHOOLS	QUALITY IMPROVEMENT OFFICERS OPERATING	£11,500	
SCHOOLS	CATERING OPERATING COSTS	£18,500	
SCHOOLS	PIANO TUNING	£3,000	
SCHOOLS	ART MILEAGE COSTS	£500	
SCHOOLS	PARENT COUNCILS REDUCTION IN CLERKS SALARY	£6,000	
SCHOOLS	CURRICULUM FOR EXCELLENCE	£31,600	
SCHOOLS	PROBATIONERS OPERATING COSTS	£2,000	
SCHOOLS	SCIENCE TECHNICIANS OPERATING COSTS	£1,200	
SCHOOLS	STAFF DEVELOPMENT	£20,000	

SCHOOLS	JANET COURTNEY HOSTEL OPERATING COSTS	£7,000	
SCHOOLS	MIS OPERATING COSTS	£12,000	
SCHOOLS	REDUCTION IN PRIMARY SUPPLY	£100,000	
SCHOOLS	NURSERY OPERATING COSTS	£ 2,000	
SCHOOLS	REDUCTION IN SECONDARY SUPPLY	£10,000	
SCHOOLS	BLUEPRINT REDUCTION IN POST	£70,000	
			<b>£333,667</b>
SCHOOLS	SUPPORT STAFF	£467,710	
SCHOOLS	ASN	£132,641	
SCHOOLS	MUSIC	£250,000	
SCHOOLS	NURSERIES	£300,000	
SCHOOLS	DEPUTE HEADS	£330,000	
SCHOOLS	YOUTH WORK	£150,000	
SCHOOLS	SECONDARY	£627,118	
SCHOOLS	CLEANING	£67,138	
			<b>£2,324,607</b>
SCHOOLS	4 PRIMARY TEACHERS	£200,000	
SCHOOLS	BUILDING MAINTENANCE	£938,000	
SCHOOLS	SRT	£20,000	
SCHOOLS	ASN	£126,379	
			<b>£1,284,379</b>
			£3,942.65
	<b>Total Savings for Children's Services</b>		<b>£4,655,356</b>

Directorate Plan - The directorate wide plan is based on the aims and are expanded in the action plan at Appendix 1(a).

Service Plans - The Service Plans for Children and Families, Children's Resources, Library Services, Schools and Quality Improvement and Sports and Leisure are included as Appendix 1(b) (i –v).

## **BENCH MARKING**

Cost comparison.

Chartered Institute of Public Finance and Accountancy.

External inspections including Education Scotland and the Care Inspectorate.

Comparator schools for attainment.

Audit Scotland Annual Performance Indicators.

SOLACE indicators.

## **DIRECTORATE RISKS**

The key directorate risks are:

Service Users safety on premises and public buildings.

Protection of vulnerable children and young people.

Financial risk if budget strategy is not delivered.

Legal risk if statutory obligations are not met.

## KEY PERFORMANCE INDICATORS

The performance indicators for 2013/14 from the local indicators are to:

- Ensure positive Children's Services inspections.
- Increase the proportion of positive pre-school inspections.
- Increase the proportion of positive school inspections.
- Improve levels of educational attainment.
- Increase the proportion of young people in learning, training or work.
- Increase physical activity.
- Decrease overtime costs.
- Decrease sickness absence rates.
- Decrease energy usage
- Undertake 100% employee review and development.
- Hold timely return to work interviews.
- Decrease accidents / incidents.
- Decrease insurance claims.



	Section Purpose	Best Value Toolkits / Indicator Guidance	Responsible Officer
10	"Building a brighter future for Shetland" - By providing a wide range of high quality community facilities and services for people visiting and living in Shetland.	Audit Scotland - Key Performance Indicators EN117 and EN116 - European Standards for Play Areas	Neil Watt - Executive Manager - Sport and Leisure Dale Smith - Team Leader - Islesburgh Complex Magnus Malcolmson - Team Leader - Leisure Facilities James Johnston - Active Schools Manager Pete Richardson - Outdoor Education and Activities Officer

### Service Action Plan

Note each Action/Objective should be **SMART** eg Specific - (says what the team will do/deliver), **M** measurable - (shows how you are going to measure the achievement), **A**ttainable - (accomplishing the objective is within the teams realm of authority and capabilities), **R**ealistic - (the objective/action is practical, results orientated, deliverable and relevant), **T**ime Bound - (specify when the action/objective needs to be completed).

Business Activity Ref	Business Activity	Action Ref	Outcome for the Customer	Objective	Action	Alignment with Corporate Plans			Targets	Timescales	Progress				Resources	
						SOA Ref	IP Ref	CP Ref			Q1	Q2	Q3	Q4	FTE	Budget
SL1	Islesburgh Community Centre	SL1.1	Local and visitors to Shetland have improved access and better awareness of events in Shetland, which stimulated the local economy and supports community groups with the sales and marketing of tickets for their events.	Continue to develop and promote the Shetland Box Office in partnership with Shetland Arts and ICT to increase income and usage of Shetland Box Office.	Consult with tourist organisations and event organisers to promote further use of Shetland Box Office				Increase ticket sales through Shetland Box Office by 20% to 90,000 tickets sold	December 2013					23.17	£620,357
		SL1.2	Locals and visitors to Shetland would have the opportunity to participate in a family friendly activity, which highlight local music, crafts and produce and supports tourism and the local economy in Shetland.	Develop the successful Shetland Showcase by promoting the best in Shetland music, crafts and produce. A by-product of this event is the continued education and development of young Shetland-based musicians.	Organise, co-ordinate and deliver the Shetland Showcase, for a 10 week period over the main tourist season.				Sell 800 ticket for Shetland Showcase	September 2013						
		SL1.3	Community groups, festival organisers and individuals are supported to develop their organisations and increase their capacity through the provision of high quality and accessible facilities.	Increase the usage of Islesburgh Community Centre to increase income and reduce the amount of expenditure that is spent on hiring rooms outwith the Council	Through various forms of advertising increase the occupancy rates for hire of room in Islesburgh Community Centre.				60% of rooms occupied throughout the year	March 2014						
SL2	Islesburgh Hostel	SL2.1	Locals, groups and visitors to Shetland have access to high quality and affordable accommodation, which supports the local tourist sector and shetland economy as whole.	Retain the Visit Scotland five-star rating and stay in the Hostelling International top 10 "Best Hostels in the World".	Continue to maintain the high quality of facilities and services for customers				Maintain Visit Scotland five-star rating and stay in the top 10 best hostels in the world.	December 2013						
		SL2.2	Through increased usage and income the reliance on public funds will be reduced thus improving the viability of the facility.	Increase usage and income achieved from the Islesburgh Hostel	Consult with other Council departments and external agencies to consider additional uses of the hostel				Consultation and findings concluded	March 2014						

		SL2.3	Through increased usage and income the reliance on public funds will be reduced thus improving the viability of the facility.	Increase usage and income achieved from the Islesburgh Hostel	Develop and utilise marketing materials to encourage more use of the hostel, particularly by large groups			Sell 4,300 hostel bednight in 2013-14	March 2014											
SL3	Islesburgh Cafe	SL3.1	Increased awareness of the service its product availability and choices on offer.	Increase usage and income from the Central Cafe	Increase use of social media and in-house advertising to reach a wider audience.			Achieve an income target of £350,000	April 2013											
		SL3.2	Increased choice of meals to suit all dietary requirements with improved labelling and information.	Increase usage and income from the Central Cafe, particularly from customers who are gluten-free, vegetarian or are generally looking for a healthy eating options.	Develop broader menu choices with improved information to help customer make more informed nutritional choices, thus promoting a healthier lifestyle.			Achieve an income target of £350,000	April 2013											
SL4	Outdoor Sports Facilities	SL4.1	A physically active population that live longer and healthier lives through the provision of outdoor sports facilities	Provide 8 bookable outdoor sports facilities, plus other recreational areas that can be accessed by clubs, associations and the general public for a variety of activities e.g. Football, rugby, golf, archery, equestrian and walking	Deliver the agreed service for the management and maintenance of outdoor sports facilities			To increase usage of bookable outdoor sports facilities by 2% from 12,335 in 2012-13.	March 2014											
		SL4.2	A streamlined system for the bookings and administration of outdoor sports facilities at a reduced cost for the Council	Maintain a high level of service for customers, while increasing income for the Council and removing the previous administration charge for this service.	Assume responsibility for the bookings and administration of sports pitches in Lerwick			New booking and management system in place for start of the 2013 outdoor sports season.	April 2013											
SL5	Jubilee Flower Park and General Amenities	SL5.1	A physically active population that live longer and healthier lives through the provision of outdoor sports facilities and attractive gardens and planted areas.	Provide a range of outdoor sports facilities and gardens, which can be accessed by clubs, groups and the general public e.g. bowls, putting and tennis.	Deliver the agreed service for the management and maintenance of the Jubilee Flower Park.			To increase usage of bookable outdoor sports facilities by 2% from 3,000 in 2012-13.	October 2013									6.49	£227,717	
		SL5.2	An improved quality of bowling facilities for all customers through the provision of shared services with Lerwick Outdoor Bowling Club	Improve the quality of the Jubilee Flower Park bowling green at no additional cost to the Council.	Agree Service Level Agreement with Lerwick Outdoor Bowling Club to undertake ground maintenance works on the Jubilee Flower Park Bowling Green			Service Level Agreement in place and works carried out throughout the outdoor bowling season April - September 2013	September 2013											
SL6	Play Areas and Multicourts	SL6.1	As a form of early intervention all children have reasonable access to a play area within their community, which provides a safe environment for play and promotes physical activities, development of confidence and social interaction.	Ensure that all play areas provide a safe but challenging environment for children.	In accordance with British and European standards undertake the required inspection, maintenance and repairs of 71 outdoor play areas across Shetland			90 % of play areas are inspected 4 times per year plus annual independent inspection.	March 2014											
		SL6.2	There will be an enhanced play experience for children in the Sandwick area through the provision of an improved play facility.	Increase the overall play value of the Sandwick Central Play Area, through the refurbishment of the senior section of the facility.	Consult with community groups and refurbish the Sandwick Centre Play Area (Senior section)			Consultation and project completed on time and within budget	March 2014											
		SL6.3	A physically active population that live longer and healthier lives through the provision multicourts	Provide 14 well maintained multicourts across Shetland for the benefit of local communities and schools	Carry out the required inspection, maintenance and repairs of 14 multicourts across Shetland			To ensure that all 14 multicourts are inspected on an annual basis with any repairs completed.	March 2014										0.87	£148,418
	2																			
- 192 -																				
CS-17-13-F Appendix 1(b) (i).xls																				

		SL6.4	There will be an enhanced play experience for children and young people in the Scalloway area through the provision of an improved multicourt facility.	Increase the overall standard of the Fraser Park Multicourt through the refurbishment of the facility	Consult with community groups and refurbish the multicourt in the Fraser Park in Scalloway				Consultation and project completed on time and within budget	March 2014										
SL7	School and Community Games Halls	SL7.1	A physically active population that live longer and healthier lives through the provision of indoor sports facilities	Provide 4 bookable indoor games halls that can be accessed by clubs, associations and the general public for a variety of activities e.g. Football, badminton, netball, archery and athletics	Continue to develop increased usage and income from the Council's school and community games halls				Increase in usage numbers of the indoor games halls by 5% from 30,781 in 2011-12.	March 2014										
		SL7.2	A streamlined and improved system for the bookings and administration of indoor sports facilities through the sharing of information and responsibilities between the Council and Shetland Recreational Trust	Improve the bookings and management of indoor sports facilities through the implementation of a shared and centralised booking system for Council and Shetland Recreational Trust facilities	Work in partnership with Shetland Recreational Trust to implement a new shared and centralised booking system for Council and SRT sports facilities				New computerised system fully operational	September 2013							4.11	£82,885		
		SL7.3	Our young people are successful learners, confident individuals, effective contributors and responsible citizens through the provision of a new Anderson High School and enhanced sports facilities at Clickimin.	To fully participate in the new AHS shared services group to ensure that there is both school and community benefits from the development of the project	Continue to support the development of the new Anderson High School project through the Shared Services Project Team				New school and PE facilities are complete	August 2016										
		SL8.1	A strong and valued voluntary sector where sports clubs are assisted to become more sustainable	Shetland is promoting a culture of volunteerism delivering sport and physical activity opportunities in the school and community.	Recruit, retain and develop a network of volunteers, coaches, leaders and teachers who in turn deliver opportunities in school and community sport.				100% increase in the number of coaches registered on the Sports Coaching and Volunteering Programme from 28 in 2012-13	December 2013										
									152 coach education places created	June 2014										
									1000 sport and physical activity session created by Active Schools staff	July 2013										
										Coaching and volunteering database created for the management and development of people	March 2014									
		SL8.2	Our young people are successful learners, confident individuals, effective contributors and responsible citizens through leadership and participation in sport	Young people are given a role to influence and shape Shetland and Scottish sport and are given opportunities to lead and volunteer. Clubs are assisted to become more sustainable.	Increase the number of young people engaging in volunteering as sport leaders and coaches in school and community settings.				30, 16-23 year olds on Sports Coaching and Volunteering Programme	March 2014										
									10 youth sport events organised and delivered by and for young people	June 2014										
									Leadership Academy delivered in 2 schools	March 2014										
		SL8.3	Increased physical activity participation, school to club links and leadership opportunities and we take pride in our society and culture as Shetland and UK citizens	Shetlanders feel connected to global sporting events taking place in this country and Shetlanders benefit from Scotland being hosts.	Motivate and inspire Shetland's population to participate in sport by delivering programmes to maximise engagement with Glasgow 2014 and Ryder Cup 2014 such as Sport Relief, Clubgolf, Ambassador Programmes.				60 hours of volunteering completed by 16-23 year olds in the delivery of sport and physical activities in a school and/or community setting	June 2014										
									deliver successful Shetland Sports Week	August 2013										
									75% of P5 pupils participating in clubgolf programmes	June 2013										
							100% commitment to Young Ambassador Programme from Secondary Schools	September 2013												
					Develop plans for the Queens Bator Relay in Shetland and other				Agree plans to deliver Queens Baton Relay	December 2013										

SL8

Sport and Physical Activities

			Commonwealth Games related programmes				75% schools registered for Support a 2nd Team projects	December 2013						
SL8.4	<b>A fairer and more inclusive society where sport and physical opportunities are made available to all</b>	We are tackling inequalities by targeting resources and time to those in need to increase their physical activity and reduce key risk factors for health.	Increase participation amongst underrepresented groups and inactive populations including girls and young women and children and young people with a disability.				successful delivery of Active Girls programme	March 2014						
SL8.5	<b>A physically active population developing life skills by participating and performing in sport</b>	Clubs are well organised, better connected, well promoted, sustainable and have great people and great facilities supporting them.	Organise, co-ordinate and deliver a range of coach and volunteer education and training.				successful delivery of Cashback funding including 2 football programmes and a hard to reach community group project	March 2014						
							Positive Coaching Scotland workshops delivered to 60 candidates	March 2014						
							Sports Coach UK courses delivered to 40 candidates	March 2014						
			Meet with and empower the local sporting community to work in partnership with each other and local and national agencies				Standardised development plans created and implemented for 8 sports	March 2014						
							Shetland Sports Forum event delivered	November 2013						
SL8.6	<b>People are supported to achieve their full potential in sport and we have strong, supportive sporting communities across Shetland.</b>	Support shetland sports people to compete for the Island, Scotland and Great British Teams	To support Shetland Islands Games Association and talented athletes through the Local Athlete Support Programme				Provide support for 42 athletes, competing in 8 sport at the 2013 Bermuda Island Games	July 2013						
							Train 5 people as Strength and Conditioning Coaches for the Local Athlete Support Programme	December 2013						
SL8.7	<b>School aged children are more physically active and are learning important life skills through teamwork, dedication and competition</b>	School children have the opportunity to participate in a range of inter school competitions and festivals and that these are linked to local clubs and national events. We are developing teacher's skills and knowledge.	Organise, co-ordinate and deliver a range of school sports events and teacher training.				Revise and deliver 10 school sports events	August 2013						
							50 school staff trained to deliver a range of sport and physical activities	March 2014						
							900 participants in school sports events	June 2014						
							Deliver probationer teacher training workshop	February 2014						
			Link sport and physical activities to curriculum for excellence and integrate national projects in to school curriculum time.				Update Active Schools and Curriculum for Excellence document	August 2013						
SL8.8	<b>Children and families in Early Years are more physically active</b>	Children in early years have the opportunity to participate in high quality curricular and extra-curricular sport and physical activity clubs led by confident and competent staff and volunteers.	Create a partnership with service providers to co-ordinate and deliver a programme of sport, physical activity, health and play for families and early years children.				Co-ordinate 320 hours of physical activity for P1 to P3's through extra curricular clubs	June 2014						
							Organise and deliver summer holiday programme for school children	August 2013						
SL8.9	<b>We deliver services based on the needs and aspirations of local clubs and communities</b>	Sports clubs are supported and empowered to deliver and develop school and community sport and physical activity with barriers to participation and performance are reduced.	Work in partnership with schools, sports development and clubs to develop an integrated approach across physical education, school sport and sport in the wider community to maximise resources and remove duplication of provision.				deliver on Shetland Sport Strategy Action Plan	March 2014						
							Work in partnership with Community Sports Hub Officer to create 4 hubs	March 2014						
SL8.10	<b>The population of Shetland will receive a more efficient Sport and Leisure Service.</b>	Undertake a review of the functions of the Sport and Leisure Service and their synergies with Shetland Recreational Trust	Participate in the review of Sport and Leisure Services.				Implement the recommendations of the Council on the review of Sport and Leisure Service's	March 2014						

8.17

£215,583

		SL8.11	<b>Our young people have a better experience of sport and smooth transition between school and community sport</b>	There is an integrated approach to sport and physical activity provision which creates a pathway for individuals and communities to fulfil their potential in sport.	Develop effective pathways between school and sports clubs to support the transition from school to community sport.				175 school to club links created	June 2013									
									8 school sports events delivered by Clubs	June 2014									
									6 new Sport Coaching and Volunteering Programme coaches recruited to clubs	March 2014									
		SL8.12	<b>A physically active population that live longer and healthier lives through the provision of golf facilities and services</b>	Ensure that Shetland Golf Club are delivering the high quality of services agreed through the current service level agreement and review the future of ths agreement	Monitor service level agreement with Shetland Golf Club and review future agreements				Review of current service level agreement completed and proposals agreed for the future	September 2013									
SL9	Outdoor Education	SL9.1	<b>Our young people are successful learners, confident individuals, effective contributors and responsible citizens through accessing quality outdoor adventurous activities</b>	Young people are given the opportunity to experience a wide range of outdoor activities and natural environments that have a positive impact on their futures.	To work in partnership with schools and other agencies to ensure that young peope from across Shetland are taking part in a range of outdoor activities including transition days, John Muir discovery days and holiday activities.				A minimum of 600 young people will experience at least a days outdoor activity	March 2014								1	£76,605
		SL9.2	<b>Our young people feel a sense of place and a conection to our stunning natural environment</b>	That all secondary 2 pupils will be given the opportunity to participate in John Muir Explorer days.	To work in partnership with high schools and junior high schools to ensure that young peope from across Shetland are given the oportubnity to participate in 4 John Muir Award days.				65% of all secondary 2 pupils will have taken part in 4 John Muir explorer days	June 2014									

**Actions and commitments required from other sections or partners to deliver improvements**

Partnership with other Children's Services in the delivery of services for children and young people in Isleburgh community Centre i.e. Breakfast club, Pre-school group, Out of school clubs and youth clubs.  
Partnership with Shetland Arts in the delivery of the Shetland Box Office Service  
Partnership with building maintenance, the energy unit and external contractos in the maintenance of the Islesburgh Complex  
Partnership with the Roads service in the refurbishment and maintenance of play areas and multicourts  
Partnership with Schools and Youth Services in the delivery of Active Schools, Sports Development and Outdoor Education  
Partnership with Shetland Recreational Trust in the deliver of the Shetland Sports Strategy and a wide range of services and events  
Partnership with NHS Shetland in the Delivery of the Shetland sports Strategy and other initiatives  
Partnership with sportsotland in the delivery of the Shetland Sports Strategy, Active Schools and many other initiatives  
Partnership with national governing bodies of sport in the delivery of coach education courses in Shetland  
Partnership with local clubs and assocuations in the development of sport and physical activities in Shetland  
Partnership with the Council's Grants Unit in the development and funding of community sports clubs, associations and community facilities  
Partnership with the 2014 Glasgow Commonwealth Games Organising Committee in the development of the Queens Baton Relay and other Games related projects  
Co-operation and partnership with the emergency services and other partners in the development of plans for the Queens Baton Relay in Shetland  
Co-operation from local transort operators in the provision of transport for events in Shetland  
Effective participation from the general public, Community Councils etc in consultation exercises  
DLO Stores to stock new materials when requested

**Performance Indicators**

	Council Wide Indicators / Measures	Source / Freq	Baseline	Targets (2012 – 2015)			Actions Ref
1	Overtime Cost	P&I – Monthly					
2	Sickness Absence Rates	P&I – Monthly					
3	Energy Usage	P&I - Qrtly					
4	Employee Review and Development	P&I – Monthly					
5	Return to Work Interviews	P&I – Qtrly					
6	Accidents/Incidents	P&I – Qtrly					
7	Insurance Claims	P&I – Qtrly					
	Service Indicators / Measures	Source / Freq	Baseline	Targets (2012 – 2015)			Actions Ref
1	All play areas inspected at least 4 times per year	Quarterly	% in 2011-12	90%			

2	Islesburgh Hostel - Bednights per year	Annual	4065 bednights in 2010-11	4300 bednights	
3	Islesburgh Hostel - Overall Customer Satisfaction Rate - Hi-hostel.com	Quarterly	96% in 2010-11	90%	
4	Number of attendances per 1000 of the population for all swimming pools	Annual	11768 in 2010-111	10500	
5	Total number of attendances per 1000 of the population - indoor sports facilities	Annual	15,016 in 2010-11	14900	
6	Room bookings in Islesburgh Community Centre - % of rooms occupied	Quarterly	61% in 2011-12	60%	

### Benchmarking Arrangements / Plans

Audit-Scotland Statutory Performance Indicators for Sport and Leisure

CIPFA Cultural Statistics in Scotland

Solace Benchmarking for Culture and Leisure Services

Visit Scotland grading of the Islesburgh Hostel

Hi-hostel.com Customer satisfaction rating of Islesburgh Hostel

Annual Independent Inspection of Play Areas in Shetland

Annual Independent Inspection of Outdoor Activities by Adventure Activities Licencing Authority

Annual review of sports facilities across Scotland

### Risk Register (From JCAD)

Gross Risk Profile	Uncontrolled Risk Rating	Residual Risk Profile	Current Risk Rating	Risk Ref	Risk	Details	Responsible Officer	Control Measure	% Complete

CHILDREN'S SERVICES PERFORMANCE MEASURES

Sport & Leisure		Responsible Officer: Neil Watt	
MEASURE - SL1	REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
All play areas inspected at least 4 times a year.	Service Plan	100% in 2012/13 TARGET - 90%	New quarterly reporting from 1st April 2013.
PROGRESS / PLANNING	PROGRESS	PERFORMANCE	IMPROVEMENT PLANNING
MEASURE - SL2	REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
Islesburgh Hostel - bed nights per quarter	Service Plan	4,065 nights per annum (2010/11) TARGET - 4,300 nights	4,688 nights (2011/12) <b>TARGET MET</b>
PROGRESS / PLANNING	PROGRESS	PERFORMANCE	IMPROVEMENT PLANNING
MEASURE - SL3	REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
Islesburgh Hostel - Overall customer satisfaction rate	Quarterly (based on cumulative data)	96% satisfied (2010/11) TARGET 90%	97% (2011/12) <b>TARGET MET</b>
PROGRESS / PLANNING	PROGRESS	PERFORMANCE	IMPROVEMENT PLANNING
MEASURE - SL4	REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
Number of attendances per 1,000 population for all pools	Audit Scotland Performance Indicators (Annual)	11,768 (2010/11) TARGET 10,500 per year	10,783 (2011/12) <b>TARGET MET</b>
PROGRESS / PLANNING	PROGRESS	PERFORMANCE	IMPROVEMENT PLANNING



**SHETLAND LIBRARY SERVICE ACTION PLAN 2013/14**

Section Purpose	Best Value Toolkits / Indicator Guidance	Responsible Officer
"Building a brighter future for Shetland" - By delivering and developing a public and school library service.	CIPFA Public Library Statistics PLQIM: Public Library Quality Improvement Matrix Scottish Performance Indicator 12a: Use of Libraries	Karen Fraser, Executive Manager, Library Services

**Service Action Plan**  
 Note each Action/Objective should be **SMART** eg Specific - (says what the team will do/deliver). **M** measurable - (shows how you are going to measure the achievement). **A**ttainable - (accomplishing the objective is within the teams realm of authority and capabilities). **R**ealistic - (the objective/action is practical, results orientated, deliverable and relevant). **T**ime Bound - (specify when the action/objective needs to be completed).

Business Activity Ref	Business Activity	Action Ref	Outcome for the Customer	Objective	Action	Alignment with Corporate Plans			Targets	Timescales	Progress				Resources	
						SOA Ref	IP Ref	CP Ref			Q1	Q2	Q3	Q4	FTE	Budget
SLS	Public Library Service	SLS1.1	Access to stock which is relevant and in good condition.	Meet borrowing needs of customers while reducing budgets.	Ensure purchase, promotion and circulation of suitable stock to maintain a good level of borrowing.				30% of population active borrowers.	March 2014					24.20	£930,882
		SLS1.2	Access to library resources and online request and renewal services via a web-enabled catalogue.	Development of online services, with particular regard to accessibility and user-friendliness.	Improve Library website and online catalogue.				Trial BDS enrichments for catalogue; develop improved website.	September 2013						
		SLS1.3	Free provision of materials for those whose reading relies on different formats.	Meet changing needs of customers and develop stock balance accordingly.	Develop and promote ebook lending.				Double ebook lending figure (from 261 issues in last quarter of 2012).	March 2014						
		SLS1.4	A range of reading materials and reader development, starting at pre-literacy level.	Delivery of a strong early years literacy programme, encouraging family membership.	Continue to deliver the Scottish Government's Bookbug programme.				Maintain at least 22 sessions per year in the Library.	March 2014						
		SLS1.5	Access to the Library for young children and families, through outreach events and community partnerships.	Delivery of an early years literacy programme, which targets hard-to-reach groups and the socially disadvantaged.	Help deliver family roadshows and the next Play Talk Read Bus visit.				At least 30 extra outreach sessions during Summer and Autumn 2013	November 2013						

SLS1.6	Buildings which are fit for purpose and provide a high standard of service in relaxed and informal environments.	Ensure buildings and equipment are adequate and appropriate for service delivery.	Investigate ways to improve condition of Old Library, with a view to making better use of the building for service delivery.				A plan in place to improve the public Library premises, as part of an overall plan for Directorate properties.	March 2014				
SLS1.7	Reader-centred approaches to encourage individuals to read across a range of genres.	Promotion of reading and library use, particularly among hard-to-reach groups.	Run and promote a varied programme of events to attract people to the Library.				120 events per year.	March 2014				
SLS1.8	Consistent and equitable access to library services and a range of resources.	Accessibility of services to all groups of customers; inclusion and customer focus.	Tailor reduction in opening hours (to enable budget reduction) to ensure best possible access; continue to promote 24 / 7 services.				Reduce hours April 2013; issue appropriate customer information; maintain high satisfaction rating with opening hours in annual customer survey, December 2013.	January 2014				
SLS1.9	Support for the development of information literacy and digital literacy, to enable access to information.	Ensure customers can access online information; promote digital inclusion by ensuring staff have the skills to help customers.	Implement programme of in-house coaching to ensure continual updating of relevant staff skills and knowledge.				Coaching sessions timetabled according to needs identified in recent skills survey. Briefings on Welfare Reform for all staff.	October 2013				
SLS1.10	Access to a range of materials to support the curriculum from age 3 to 18.	Ensure staff and pupils have access to materials to suit learning needs.	Communication with teaching colleagues to ensure up-to-date materials are available.				Young People's Services Librarian to review school libraries quarterly, with particular regard to stock relevance and use by school departments.	August 2013				
SLS1.11	Support for teachers using unstaffed libraries in associated primary schools.	Increase and improve use of libraries in associate primaries.	Develop and deliver guidelines and advice to teachers.				Guidelines developed and delivery commenced.	August 2013				

**Actions and commitments required from other sections or partners to deliver improvements**

Partnership work from NHS Shetland Health Visitors to help deliver Bookbug packs and engage new parents  
 Project team work from Shetland College Degree course students to improve website  
 Bruce Family Centre: partnership work to deliver roadshows  
 Schools and teachers: liaise and consult over improvements to school libraries  
 Adult Learning: partnership work to promote reader development and online access opportunities  
 Shetland Museum and Archives: funding and promotion for Young Writer  
 Disability Shetland: advice on improving access for young people with disabilities  
 Shetland Early Years Partnership groups: networking to increase scope of early years outreach  
 Children's Services Directorate: improvement plan for property assets  
 Shetland Arts: partnership working to promote reader development opportunities

**Performance Indicators**

	Council Wide Indicators / Measures	Source / Freq	Baseline	Targets (2012 – 2015)	Actions Ref
1	Overtime Cost	P&I – Monthly	£0 at December 2012	£0: staff work flexibly so that overtime is not used.	
2	Sickness Absence Rates	P&I – Monthly	2.4% at December 2012	Maintain below Council-wide target	
3	Energy Usage				
4	Employee Review and Development			100%	
5	Return to Work Interviews			100%	
6	Accidents/Incidents				
7	Insurance Claims				
	Service Indicators / Measures	Source / Freq	Baseline	Targets (2012 – 2015)	Actions Ref
1	Number of items issued per annum	Library systems/quarterly	188,339 (2011/12)	185,000	

2	Number of visits to Libraries	SPIs/annually	8,597 (2010/11)	9,000
3	Number of events held	Library statistics/quarterly	160 (2012/13)	120 per year
4	Number of hours of outreach delivered	Library statistics/quarterly	n/a	400 per year
5	Customer satisfaction rate	Customer Survey/annually	90.8% (2012)	88%

### Benchmarking Arrangements / Plans

CIPFA Public Library Statistics: comparison with other authorities, particularly Island authorities

Comparative Audit Scotland PI rankings

Networking / study visit arrangements with other other Library authorities

Participation in professional bodies SLIC, SLA, CILIPS and CILIP including PLQIM peer visits

Active participation in national meetings around Scottish Book Trust's early years programme

### Risk Register (From JCAD)

Gross Risk Profile	Uncontrolled Risk Rating	Residual Risk Profile	Current Risk Rating	Risk Ref	Risk	Details	Responsible Officer	Control Measure	% Complete
		Medium	6	ESL0001	Failure of Key Supplier	One main supplier - Bertrams	Karen Fraser		
		Low	2	ESL0033	Malicious damage / vandalism / sabotage	Buildings in central Lerwick	Karen Fraser		
		Medium	6	ESL0047	Industrial action	High Level of trade union membership	Karen Fraser		
		Medium	8	ESL0035	Miscellaneous - PCBs, sick building syndrome	Some buildings are old, there are no opening windows in the Library or LC.	Karen Fraser		
		Medium	9	ESL0038	Storm, Flood, other weather related, burst pipes etc	Range of library buildings - recurring leaks in St Ringans and cracked windows in old museum, where roof is also in poor condition.	Karen Fraser		
		Medium	4	ESL0039	Theft	Service is public facing and stock is freely available for browsing.	Karen Fraser		
		Medium	6	ESL0040	Travel	Library operates three vehicles in service delivery.	Karen Fraser		
		Medium	6	ESL0041	Other	Temperature control difficult in St Ringan's: excessive heat on warm days.	Karen Fraser		
		Medium	6	ESL0046	Budget control failure	Unexpected maintenance costs in old buildings.	Karen Fraser		
		Low	3	ESL0051	Records / Research data/systems/ security / confidentiality / back-up.	Electronic and paper records held.	Karen Fraser		
		Low	3	ESL0052	Staff procedure guidelines - breach of	30 staff in range of locations.	Karen Fraser		

CHILDREN'S SERVICES PERFORMANCE MEASURES

Library and Information Service		Responsible Officer: Karen Fraser		
MEASURE - LB1		REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
Number of Items Issued quarterly		CIPFA Annual Return	188,339 issues (2010/11) Target - 185,000 issues per year (46,500 per quarter)	New quarterly reporting from 1st April 2013.
PROGRESS / PLANNING	PROGRESS	PERFORMANCE		IMPROVEMENT PLANNING
MEASURE - LB2		REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
Number of visits to libraries (per annum)		Audit Scotland Performance Indicators	8,597 visits per 1,000 population (2009/10) TARGET - 9000 visits	10,040 visits per 1,000 population (2011/12) <b>TARGET MET</b>
PROGRESS / PLANNING	PROGRESS	PERFORMANCE		IMPROVEMENT PLANNING
MEASURE - LB3		REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
Number of events held		Service Plan	Target - 120 events per year (30 per quarter)	New quarterly reporting from 1st April 2013.
PROGRESS / PLANNING	PROGRESS	PERFORMANCE		IMPROVEMENT PLANNING
MEASURE - LB4		REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
Outreach : Number of hours delivered		Service Plan	Target - 400 hours per year (100 per quarter)	New quarterly reporting from 1st April 2013.
PROGRESS / PLANNING	PROGRESS	PERFORMANCE		IMPROVEMENT PLANNING
MEASURE - LB5		REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
Customer satisfaction rates from in-house survey		Service Plan	86% (2007) Target - 88%	92% (2011) <b>TARGET MET</b>
PROGRESS / PLANNING	PROGRESS	PERFORMANCE		IMPROVEMENT PLANNING

Section Purpose	Best Value Toolkits / Indicator Guidance	Responsible Officer
"Building a brighter future for Shetland" -		Executive Manager, Hughina Leslie

**Service Action Plan**  
 Note each Action/Objective should be **SMART** eg Specific - (says what the team will do/deliver). **M** measurable - (shows how you are going to measure the achievement). **A**ttainable - (accomplishing the objective is within the teams realm of authority and capabilities). **R**ealistic - (the objective/action is practical, results orientated, deliverable and relevant). **T**ime Bound - (specify when the action/objective needs to be completed).

Business Activity Ref	Business Activity	Action Ref	Outcome for the Customer	Objective	Action	Alignment with Corporate Plans			Targets	Timescales	Progress				Resources	
						SOA Ref	IP Ref	CP Ref			Q1	Q2	Q3	Q4	FTE	Budget
CF1	Child Protection	CF1.1	Children and Young people are protected from harm.	Assessing and responding to risks and needs.	In partnership with children, young people, their parents or carers all agencies to work collaboratively to ensure that risks are reduced and the needs met through a child protection plan.				All children and young people at risk of harm have a key worker.							
									All children and young people at risk of harm have a risk assessment.							
									All children and young people at risk of harm have a protection plan noting timescales, persons responsible and outcomes.							
									All children and young people at risk of harm have a contingency plan.							
									Monthly core groups to be held to monitor progress and outcomes.							
									Child protection case conferences reviews to be held within the timescales.							
CF2	Looked After Children	CF2.1	Improving the wellbeing of Children and Young People who are Looked After.	Assessing and responding to needs.	In partnership with children, young people, their parents or carers all agencies to work collaboratively to ensure that needs are met so that each child or young person can achieve the best they can.				All children and young people Looked After have a named Social Worker.							
									All children and young people Looked After have an assessment of need.							
									All children and young people Looked After have a Child's Plan noting timescales, persons responsible and outcomes.							
									All children and young people Looked After have a contingency plan.							
									All children and young people Looked After have a transition plan when leaving care.							
									Reviews held to the LAC Legislation / Guidance.							





CHILDREN'S SERVICES PERFORMANCE MEASURES

Children & Families Social Work		Responsible Officer: Hughina Leslie						
MEASURE - CF1	REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION					
Looked After Children - school, attendance rates	SG - Looked After Children Return (Annual)	93.2% (2009/10) TARGET - to be above national average	86.8% (2010/11) National average - 88.6% <b>TARGET NOT MET</b>					
PROGRESS / PLANNING	PROGRESS	PERFORMANCE	IMPROVEMENT PLANNING					
	Below national average. Low numbers mean high fluctuation in figures.	<table border="1"> <caption>School Attendance Rates</caption> <thead> <tr> <th>Year</th> <th>Attendance Rate (%)</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>93.2%</td> </tr> <tr> <td>2012</td> <td>86.8%</td> </tr> </tbody> </table>	Year	Attendance Rate (%)	2011	93.2%	2012	86.8%
Year	Attendance Rate (%)							
2011	93.2%							
2012	86.8%							
MEASURE - CF2	REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION					
LAC reviews done within required timescales.	Service Plan	No benchmark set TARGET - xx%	New measure, recording from April 2013					
PROGRESS / PLANNING	PROGRESS	PERFORMANCE	IMPROVEMENT PLANNING					
MEASURE - CF3	REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION					
Reports to the Reporter provided within timescale.	Service Plan (Quarterly)	xx% in year 2010/11 TARGET - xx%	New measure, recording from April 2013					
PROGRESS / PLANNING	PROGRESS	PERFORMANCE	IMPROVEMENT PLANNING					
MEASURE - CF4	REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION					
All Looked After Children have an Individual Education Plan	Service Plan (Quarterly)	Baseline - xx% (at 31 March 2103) TARGET - 100%	New measure, recording from April 2013					
PROGRESS / PLANNING	PROGRESS	PERFORMANCE	IMPROVEMENT PLANNING					
	New measure, recording mechanisms being introduced.							





Section Purpose		Best Value Toolkits / Indicator Guidance			Responsible Officer			
10	"A Better Brighter Future for All Children and Young People in Shetland"	GIRFEC Maturity Model Curriculum for Excellence Early Years Framework Care and Permanence Planning for Looked After Children in Scotland			Executive Manager, Martha Nocolson Team Leader Family Support Services, Kevin Valente Team Leader Children's Residential Services, Ian Seymour Team Leader Short Breaks for Children, Andy Thornton			

**Service Action Plan**

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Business Activity Ref	Business Activity	Action Ref	Outcome for the Customer	Objective	Action	Alignment with Corporate Plans			Targets	Timescales	Progress				Resources				
						SOA Ref	IP Ref	CP Ref			Q1	Q2	Q3	Q4	FTE	Budget			
CR1	Family Centre	CR1.1	Children and young people get the help they need when they need it.	Children, young people and their families feel respected and engage with the process.	Partners work together to ensure children and young people's needs are met through a single GIRFEC plan.				All children and young people in need have an assessment and child's plan which they have contributed to.	April 2014					8.80	£383,137			
										April 2014									
										April 2014									
		CR1.2	Early intervention to deliver improved outcomes for children and young people.	Build resilience in the lives of children and young people and prevent the appearance of problems in later life.	Identify opportunities to deliver early intervention	Sustain a focus on early intervention while continuing delivery of statutory frontline services.				Earlier identification of children and young people who are at risk.	April 2014								
											April 2014								
											April 2014								
		CR1.3	Securing better outcomes for the early years.	Help children, families and communities secure better outcomes for themselves.	Key role in Early Years Collaborative with partners in Shetland.	Continue to promote play across Shetland.				Delivery of high quality integrated services that meet the needs of children and families.	April-14								
											April 2014								
		CR1.4	Children and Young people and their families in need of services experience effective, efficient and sustainable service delivery.	Deliver quality services which meet legislative requirements within agreed budgets and in line with the Medium Term Financial Plan.	Consultation with children, young people and their families on service delivery and development.	Review assets.				Review processes will indicate progress in meeting identified outcomes for children and young people.	April 2014								
											April 2014								
											April 2014								
		CR1.5	Children, young people and their families are confident they will receive the services they need from a skilled and qualified workforce which meets Scottish Social Services Council requirements.	Maintain and develop a skilled and qualified workforce which meets SSSC requirements.	Ensure workforce development plans are in place which meet the changing requirements of the SSSC.	Ensure progression routes are in place for staff already qualified and registered to meet the new requirements.				Develop appropriate workforce development plans.	April 2014								
											April 2014								
					Children and young people get the help they need when they need it.	Children, young people and their families feel respected and engage with the process.	Partners work together to ensure children and young people's needs are met through a single GIRFEC				All children and young people in need have an assessment and Child's plan.	April 2014							







3	Looked After Children in community settings	SNS		90%
4	Looked After Children in foster placements			
5	Looked After Children in positive destinations	SNS		9%
6	Young people in learning, training or work	SNS		95%
7	Other service indicators			
8	Other service indicators	Local		
9	Other service indicators			

**Benchmarking Arrangements / Plans**  
National Care Standards

**Risk Register (From JCAD)**

Gross Risk Profile	Uncontrolled Risk Rating	Residual Risk Profile	Current Risk Rating	Risk Ref	Risk	Details	Responsible Officer	Control Measure	% Complete
					To be completed from JCAD Service Risks				

CHILDREN'S SERVICES PERFORMANCE MEASURES

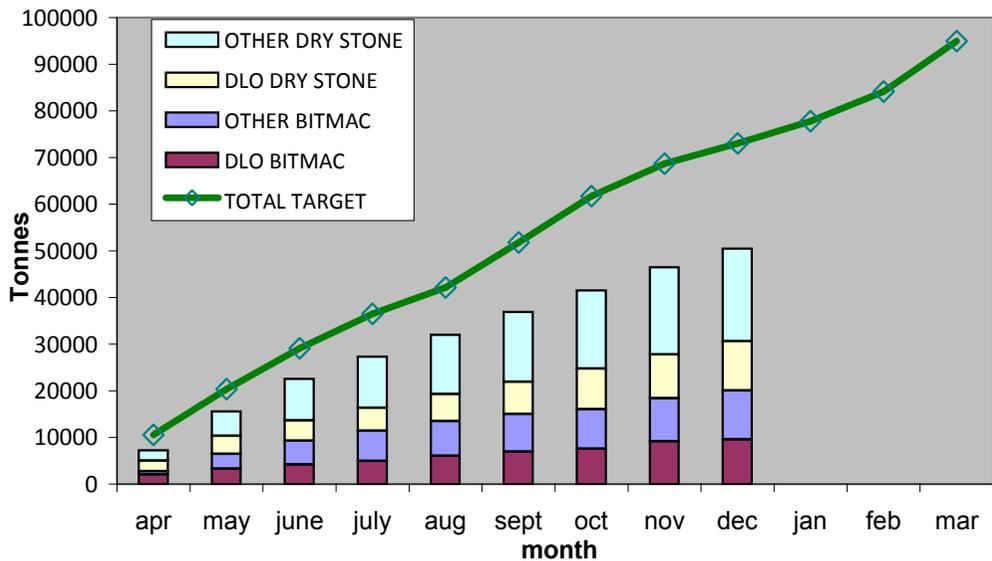
Children's Resources		Responsible Officer: Martha Nicolson		
MEASURE - CR1		REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
Annual inspection reports		Service Plan	TARGET - 100% inspection reports graded at 'Satisfactory' or better in all four categories.	100% positive inspections during 2012/13.
PROGRESS / PLANNING	PROGRESS	PERFORMANCE		IMPROVEMENT PLANNING
		<p>A line graph showing performance over time. The y-axis ranges from 70% to 100%. The x-axis shows Jun-12, Sep-12, and Dec-12. A blue line with circular markers is plotted at the 100% level for all three points.</p>		
MEASURE - CR2		REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
Number of Respite Nights (ASN)		SG Respite Return (Yearly), Service Plan	1,117 nights per annum (2010/11) No target set - for monitoring purposes	279 nights in Laburnum & Haldane Burgess Crescent (Jun - Sep 12)
PROGRESS / PLANNING	PROGRESS	PERFORMANCE		IMPROVEMENT PLANNING
		<p>A line graph showing the number of respite nights over time. The y-axis ranges from 200 to 400. The x-axis shows Jun-12, Sep-12, and Dec-12. A blue line with circular markers shows values of 310 at Jun-12, 279 at Sep-12, and a lower value at Dec-12.</p>		
MEASURE - CR3		REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
Number of Respite Day Hours		SG Respite Return (Yearly), Service Plan (Quarterly)	19,113 hours (2009/10) No target set - for monitoring purposes only	5061.5 hours (Jul - Sep 12) <b>TARGET MET</b>
PROGRESS / PLANNING	PROGRESS	PERFORMANCE		IMPROVEMENT PLANNING
		<p>A line graph showing respite day hours over time. The y-axis ranges from 4500 to 5500. The x-axis shows Jun-12 and Sep-12. A blue line with circular markers shows values of 5,007 at Jun-12 and 5,062 at Sep-12.</p>		
MEASURE - CR4		REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
Number of occupancy nights - Grodians		Service Plan	No target set - for monitoring purposes only	New measure, recording from April 2013
PROGRESS / PLANNING	PROGRESS	PERFORMANCE		IMPROVEMENT PLANNING
		<p>An empty line graph with a y-axis ranging from 4500 to 5500 and an x-axis showing Jun-12 and Sep-12.</p>		

ROADS PERFORMANCE DATE

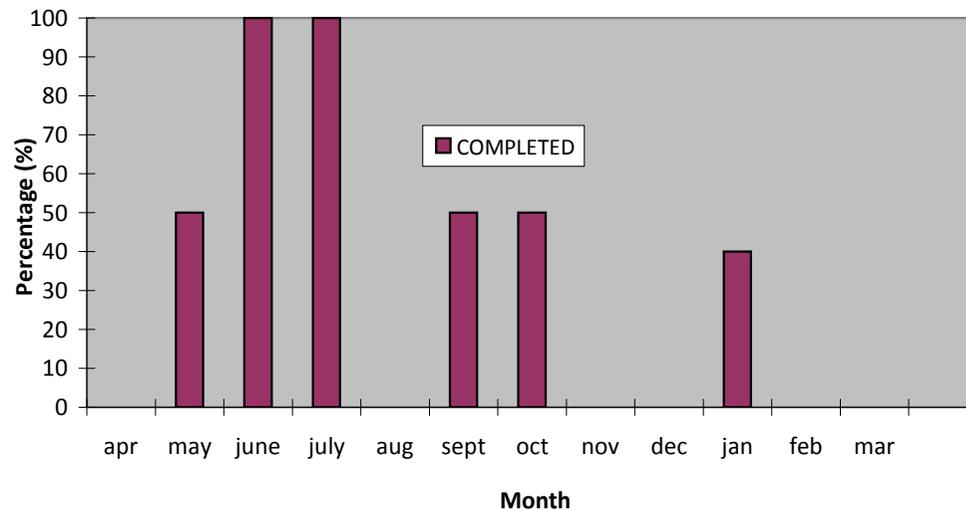
	Year	apr	may	june	july	aug	sept	oct	nov	dec	jan	feb	mar
tonnes	DLO BITMAC	2066	3308	4207	4945	6068	6933	7619	9202	9615			
	OTHER BITMAC	702	3204	5101	6531	7434	8120	8433	9246	10452			
	DLO DRY STONE	2281	3807	4341	4871	5795	6909	8704	9315	10574			
	OTHER DRY STONE	2162	5301	8891	10966	12702	14943	16738	18744	19842			
	TOTAL TARGET	10536	20356	29116	36468	42152	51820	61757	68716	73063	77824	84125	95000
days	TOTAL	4	1	1	0	2	2	4	1	5			
	COMPLETED	2	1	1	0	1	1	0	0	2			
percentage	%	50	100	100	0	50	50	0	0	40			
	Year	oct	nov	dec	jan	feb	mar						
days	winter												
	total	1380	1320	1260	1380	1200	1260						
days	Roads Service 12/13	10	3	14	5	0	0	26	29	5	18	2	0
	Others 12/13	0	6	10	6	5	0	0	1	9	0	0	0
days	Roads Service 13/14												
	Others 13/14												
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter								
percentage	11/12 ACTUAL	22	15	47	9								
	12/13 ACTUAL												
percentage	11/12 TARGET	20	20	20	20								
	12/13 TARGET												
		2007	2008	2009	2010	2011							
2007-11	2007-11 KSI	11	5	5	4	5							
	2007-11 All	51	24	72	55	46							
2004-08 Average	2004-08 KSI	10	10	10	10	10							
	2004-08 All	51	51	51	51	51							

# Roads Performance Graphs

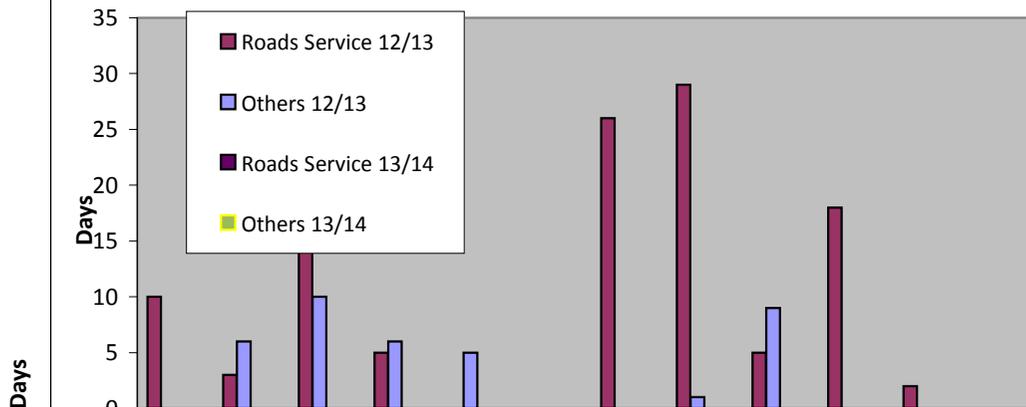
### Scord Production

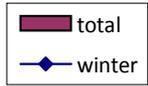


### Urgent & Emergency Jobs Completed on Time



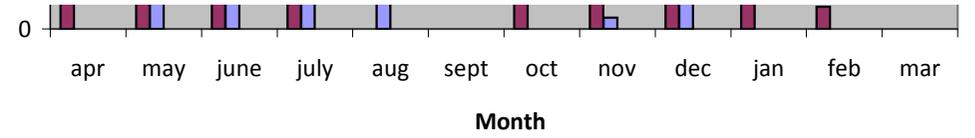
### Man Days Spent on Winter Maintenance



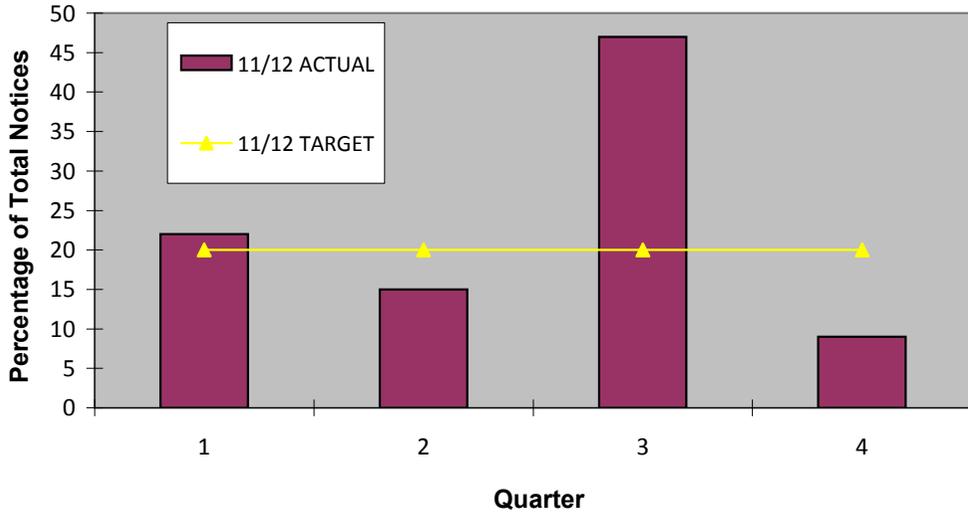


Month

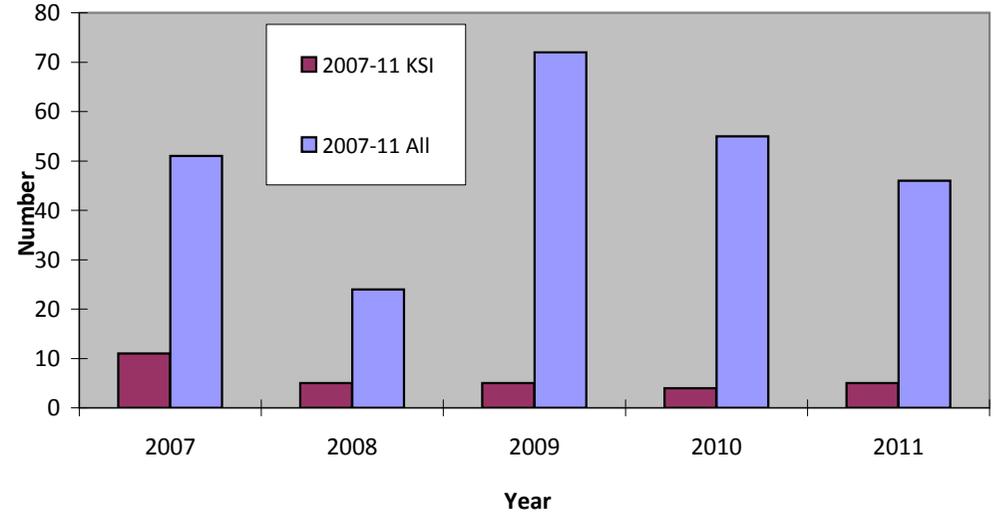
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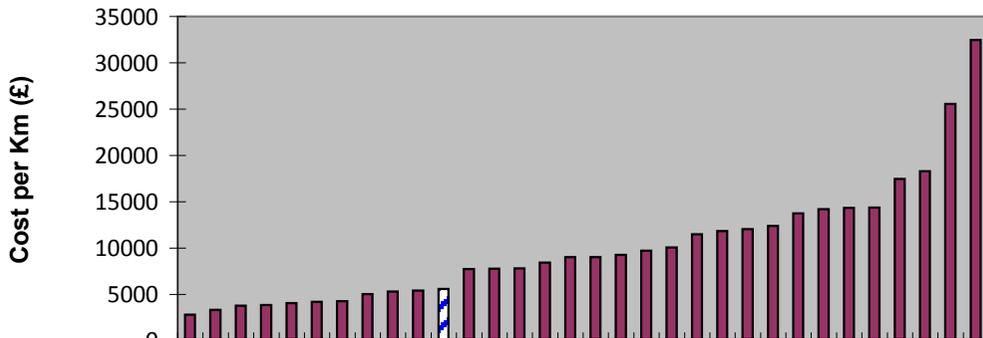
### Roadworks Register Noticing Failures



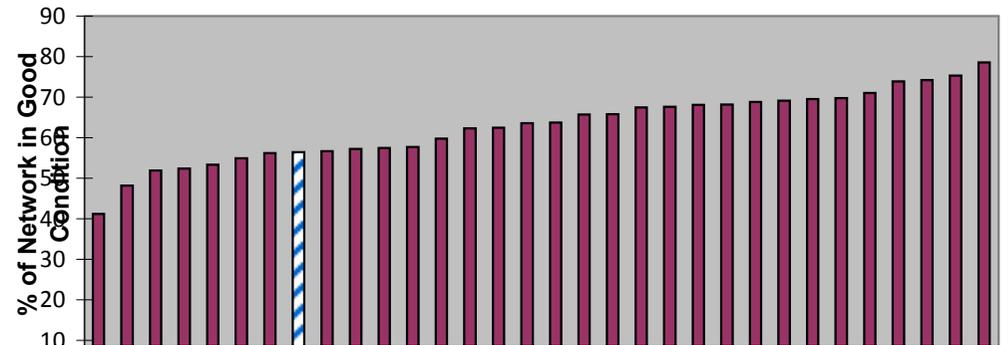
### Road Traffic Accidents (5 Year Rolling Average)



### Scottish Local Authorities: Cost of Maintenance per Km



### Scottish Local Authorities: Road Condition Indicator









	Section Purpose	Best Value Toolkits / Indicator Guidance	Responsible Officer
10	"Building a brighter future for Shetland" - Securing Outstanding Outcomes for all.	For Scotland's Children Quality Management in Education (6.1, 9.2, 9.3, 9.4) Equality Act 2010 Improving services to Children and Young People (Care Inspectorate 2013) Curriculum for Excellence: Scottish Executive CLD Guidance 2004 - "working and Learning Together to Build Stronger Communities," 2008 - Joint Statement - COSLA and Scottish Government. Strategic Guidance for Community Planning Partnership: Community Learning and Development. CLD Shetland Strategy Quality Improvement in Education (9.1, 9.2, 9.3, 9.4) Early Years Framework Report of the Commission on the Delivery of Rural Education	Helen Budge, Director of Children's Services Audrey Edwards, Executive Manager - Quality Improvement Shona Thompson, Executive Manager - Schools Maggie Spence, Quality Improvement Officer Jerry Edwards, Quality Improvement Officer Robert Sim, Quality Improvement Officer Brenda Leask, Team Leader - Youth Services Lynda Duck, Team Leader - Catering and Cleaning Head Teachers

### Effective participation from the general public, Community Councils etc in consultation exercises

**Note** each Action/Objective should be **SMART** eg **S**pecific - (says what the team will do/deliver). **M**asurable - (shows how you are going to measure the achievement). **A**ttainable - (accomplishing the objective is within the teams realm of authority and capabilities). **R**ealistic - (the objective/action is practical, results orientated, deliverable and relevant). **T**ime Bound - (specify when the action/objective needs to be completed).

Business Activity Ref	Business Activity	Action Ref	Outcome for the Customer	Objective	Action	Alignment with Corporate Plans			Targets	Timescales	Progress				Resources	
						SOA Ref	IP Ref	CP Ref			Q1	Q2	Q3	Q4	FTE	Budget
SQ11	Implement the recommendations from Donaldson Review - Teaching Scotland's Children	SQ11.1	A plan is in place to implement the recommendations of The Donaldson Review - Teaching Scotland's Children.	A clear way forward is in place for how Shetland will address the recommendations in Teaching Scotland's Children.	In consultation with relevant staff in schools, prepare an Action Plan which takes account of Local Authority responsibilities in Teaching Scotland's Children.				Develop local framework for Education Leadership and model for Professional Growth in Leadership.	By December 2013						
SQ12	Equalities	SQ12.1	All customers are treated equally.	Before 2014/15 all schools will have an equality milestone in their development plan.	Schools will continue to record incidents of bullying and racism. Schools will update their behaviour policies to promote good behaviour and prevent bullying.				All schools' self-evaluation will take account of equality issues by August 2014	August 2014						
SQ13	Getting It Right for Every Child (GIRFEC)	SQ13.1	Children and Young People get the help they need, when they need it through revised implementation of the Getting it Right for Every Child.	All children and Young People in need of help and support receive the right help at the right time. Every child and every Young person in need of support have an assessment of their needs and a plan put in place to support them.	All staff in Schools and Quality Improvement will implement the outcomes of the GIRFEC review.				A policy and supporting documents is in place and used consistently by all staff in Schools and Quality Improvement.	April 2014						
SQ14	Youth Services	SQ14.1	A re-shaped Youth Service which is more responsive to local needs.	To agree a Youth Strategy for Shetland.	Consultation with relevant organisations.				Report to Education and Families Committee.	May 2013						
				To have a revised structure in place to support the new strategy.	Map provision.				Proposed strategy and revised structure	Implement by August 2013						
					Staff meetings.					March / April 2013						

					Meet with Youth Groups.					March / April 2013												
SQ5	Blueprint for Education	SQ5.1	<b>An agreed way forward is in place for schools affected by the Blueprint proposals in 2013/14.</b>	To undertake statutory consultation under the Schools (Consultation) (Scotland) Act 2012 on the proposed closure of: Olnafirth Primary School Skerries School - Secondary Department Aith Junior High School Secondary Department Sandwick Junior High School Secondary Department	Once the Commission on the delivery of Rural Education has reported: Plan Consultations Issue Notices Involve Education Scotland Hold Public Meetings Collate Consultation Reports.				Report with recommendations to Education and Families Committee for determination.	By December 2013												
SQ6	Curriculum for Excellence	SQ6.1	<b>Curriculum for Excellence is fully implemented.</b>	Structure for Senior Phase agreed: New National Qualifications developed and delivered, Development of Literacy, Numeracy and Health and Wellbeing, Implement fully "Building the Curriculum 4", Modern Approaches fully embedded in all schools.	Continued work with partners e.g. Scottish Qualification Authority, Skills Development Scotland and Shetland College, To support subject development groups to develop new courses, To work with secondary head teachers to develop the Senior Phase, To continue to support the work of Glow as a teaching tool, To embed in our schools agreed approaches to wider achievement e.g. Duke of Edinburgh.				Each child and young person has full access to the entitlements of Curriculum for Excellence and they are supported to reach their full potential.	By August 2014												
SQ7	Budget Savings for 2013/14	SQ7.1	<b>To maintain quality of service within revised budgets.</b>	To deliver the budget proposals for Schools and Quality Improvement for 2013/14, as agreed by Shetland Islands Council on 20 February 2013.	To complete the review of Additional Support Needs and implement its recommendations.				Report to Education and Families Committee in May 2013.	Complete by March 2014												
					To complete the review of Music Instruction and implement its recommendations.				Report to Education and Families Committee in May 2013.	Complete by March 2014												
					To reduce teacher input in nurseries according to agreed strategy.				Revised Strategy for delivery of pre-school education.	March 2014												
					To reduce secondary teaching staff by 12.0FTE approx.				Achieve required reduction.	March 2014												
					To achieve a reduction in support staff across the school estate.				Review existing Devolved Schools Management scheme; devise and implement formula for support staff	March 2014												
					To ensure that Depute Head Teachers take on an appropriate teaching commitment.				Depute Heads teaching equivalent to 0.5FTE	March 2014												
					All schools to work with the Environment and Energy Team to deliver behavioural changes in				Targets will be set appropriate to each setting.	March 2014												
SQ8	New Anderson High School and Hall of Residence	SQ8.1	<b>New build Anderson High School and Hall of Residence.</b>	To progress the new build Anderson High School in accordance with Council decision.	Site acquired Design finalised for both school and Hall of Residence Pre-Application Consultation Process Planning permission granted Contracts and advisors approved.				To be on site no later than March 2014	By March 2014												
SQ9	Early Years Collaborative	SQ9.1	<b>To contribute to local work in Shetland which delivers on the aims of the Early Years Collaborative.</b>	To ensure the principles of early intervention in the Early Years Framework are in place in Shetland.	Ensure relevant staff from Schools/Quality Improvement participate in the local work to gather information on Early Years provision. . Ensure staff participate fully in workshop activities to change the way we work together locally to deliver improvement in the early years.				There are national targets set for each Workstream in the Early Years Collaborative. Local targets will be set from these.	April 2014												

709.00 £32,360,451

**Actions and commitments required from other sections or partners to deliver improvements**

Commitment from all Directorates in respect of the new Anderson High School - this project has been classed as Top Priority for all relevant staff  
 Partnership with sports/scotland in respect of enhancements to the Clickimin area in relation to the new build Anderson High School  
 Commitment from Finance, Human Resource and Governance and Law staff in respect of the delivery of the required budget savings and resultant staff reductions  
 Commitment from all Directorates in respect of the statutory consultation process required to deliver the Blueprint for Education  
 Partnership with Parent Councils and Community Councils in respect of the statutory consultation process required to deliver the Blueprint for Education  
 Partnership with other Children's Services and other agencies, e.g. The NHS in the implementation of the outcomes of the GIRFEC Review  
 Partnership with other Children's Services and other agencies e.g. Shetland Youth Information Service; Voluntary Action Shetland, in the delivery of a Youth Strategy for Shetland  
 Partnership with other Children's Services, the Shetland College and other agencies, e.g. Skills Development Scotland in the further development and delivery of the senior phase of Curriculum for Excellence

**Performance Indicators**

	Council Wide Indicators / Measures	Source / Freq	Baseline	Targets (2012 – 2015)	Actions Ref
1	Overtime Cost	P&I – Monthly			
2	Sickness Absence Rates	P&I – Monthly			
3	Energy Usage	P&I - Qtrly			
4	Employee Review and Development	P&I – Monthly			
5	Return to Work Interviews	P&I – Qtrly			
6	Accidents/Incidents	P&I – Qtrly			
7	Insurance Claims	P&I – Qtrly			
	Service Indicators / Measures	Source / Freq	Baseline	Targets (2012 – 2015)	Actions Ref
SC1	Free School Meals % of Primary pupils registered for Free School Meals	Annual Scottish Government	8.3% of pupils	No target set	
SC2	Free School Meals % of Secondary pupils registered for Free School Meals	Annual Scottish Government	5.7% of pupils	No target set	
SQ1	Educational Attainment - number of pupils achieving 5 or more qualifications at SCQF level 3 or higher.	Annual Scottish Government SQA	93%	No target set	
SQ2	Educational Attainment - number of pupils achieving 5 or more qualifications at SCQF level 4 or higher.	Annual Scottish Government SQA	86%	No target set	
SQ3	Educational Attainment - number of pupils achieving 5 or more qualifications at SCQF level 5 or higher.	Annual Scottish Government SQA	52.0%	No target set	
SQ4	Attendance Rates - Primary School pupils	Quarterly Performance Measures	95.5%	Above national average 94.8%	
SQ5	Attendance Rates - Secondary School pupils	Quarterly Performance Measures	93.0%	Above national average 91.1% (2011). Current figure 93% (2011)	
SQ6	Positive inspection reports for pre-school settings	Quarterly Performance Measures	100.0%	100%	
SQ7	Positive inspection reports for schools	Quarterly Performance Measures	100.0%	100%	
SQ8	Positive destinations for school leavers	Annual Scottish Government	91.7%	Above national average 88.9% (2011)	
SQ9	Primary School teacher / pupil ratio	Annual Scottish Government	11.3 pupils per teacher%	No target set (national average is 16.3)	
SQ10	Average Primary class size	Annual Scottish Government	18.2 pupils per class	No target set (national average 22.7)	
SQ11	Exclusion rates - Primary pupils	Annual Scottish Government	1.1 pupil per 1000	No target set (national average 6 pupils per 1000)	
SQ12	Exclusion rates - Secondary pupils	Annual Scottish Government	12.0 pupils per 1000	No target set (national average 40 pupils per 1000)	
SC3	Clothing Grants	Annual Performance Measures	XX	No target set	
SC4	Education Maintenance Allowance (EMA's)	Annual Performance Measures	XX	No target set	
SC5	Bursaries	Annual Performance Measures	XX	No target set.	

**Benchmarking Arrangements / Plans**

**Risk Register (From JCAD)**

Gross Risk Profile	Uncontrolled Risk Rating	Residual Risk Profile	Current Risk Rating	Risk Ref	Risk	Details	Responsible Officer	Control Measure	% Complete
0		Medium	9	ES10001	Staff number/skills shortage.	QI Service has fewer staff than previously so working to capacity and with a significant workload.	Audrey Edwards		
0		High	12	ESS0032	Communications poor	Complex service number of service reviews: Blueprint for	Shona Thompson		
0		Medium	9	ESS0020	Deadlines - failure to meet	The Anderson High School new build is a complex project, placing	Shona Thompson		
0		Medium	9	ESS0022	Other bodies - relations with	Breakdown in working relationships with colleagues in other agencies eg NHS, Voluntary Sector etc.	Shona Thompson		
0		High	12	ESS0002	Records / Research /data systems /security/ confidentiality/ back-up	Poor records management both paper and electronic. Security is inadequate and inappropriate.	Shona Thompson		
0		High	12	ESS0035	Staff number/skills shortage.	Lack of staff to provide full range of services as expected	Shona Thompson		
0		High	12	Ess0042	Stress	Conflicting pressures on Schools Service Central Staff, Reduced	Shona Thompson		
0		Medium	9	ESS0037	Service level conditions - absence of own.	No service level agreements in place - no guarantee of service	Shona Thompson		

CHILDREN'S SERVICES PERFORMANCE MEASURES

Schools			
		Responsible Officer: Shona Thompson	
MEASURE - SC1	REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
Free School Meals - % of Primary Pupils registered for Free School Meals		Benchmark - xx pupils per 1,000 (2010/11 national average) Target - ??	xx pupils per 1,000 National average is xx pupils per 1,000
PROGRESS / PLANNING	PROGRESS	PERFORMANCE	IMPROVEMENT PLANNING
MEASURE - SC2	REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
Free School Meals - % of Secondary Pupils registered for Free School Meals		Benchmark - xx pupils per 1,000 (2010/11 national average) Target - ??	xx pupils per 1,000 National average is xx pupils per 1,000
PROGRESS / PLANNING	PROGRESS	PERFORMANCE	IMPROVEMENT PLANNING
MEASURE - SC3	REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
Clothing Grants		Baseline - xx pupils per 1,000 (2010/11) Target - ??	xx pupils per 1,000 Scottish average is xx pupils per 1,000
PROGRESS / PLANNING	PROGRESS	PERFORMANCE	IMPROVEMENT PLANNING
MEASURE - SC4	REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
Education Maintenance Allowance (EMA's)		Baseline - xx pupils per 1,000 (2010/11) Target - ??	xx pupils per 1,000 Scottish average is xx pupils per 1,000
PROGRESS / PLANNING	PROGRESS	PERFORMANCE	IMPROVEMENT PLANNING

CHILDREN'S SERVICES PERFORMANCE MEASURES

Education : Quality Improvement			
		Responsible Officer: Audrey Edwards	
MEASURE - SQ1	REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
Educational attainment - number of pupils achieving 5 or more qualifications at SCQF Level 3 or higher	SQA reports to government (Annual)	Baseline - 94.6% (August 2008) Target - 92.0%	93% of pupils (August 2012)
PROGRESS / PLANNING	PROGRESS	PERFORMANCE	IMPROVEMENT PLANNING
MEASURE - SQ2	REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
Educational attainment - number of pupils achieving 4 or more qualifications at SCQF Level 4 or higher	SQA reports to government (Annual)	Baseline - 89.8% (August 2008) Target - 88.0%	86% of pupils (August 2012)
PROGRESS / PLANNING	PROGRESS	PERFORMANCE	IMPROVEMENT PLANNING
MEASURE - SQ3	REPORTING MECHANISM	BASELINE / TARGET	CURRENT POSITION
Educational attainment - number of pupils achieving 5 or more qualifications at SCQF Level 5 or higher	SQA reports to government (Annual)	Baseline - 49.4% (August 2008) Target - 47%	52% of pupils (August 2012)
PROGRESS / PLANNING	PROGRESS	PERFORMANCE	IMPROVEMENT PLANNING



**Education and Families Committee****20 March 2013****New Anderson High School – Progress Report****CS-18-13-F****Director of Children’s Services****Children’s Services****1.0 Summary**

The purpose of this report is to up date on progress with the project to replace the Anderson High School:

- 1.1 There are six local authorities building schools in the programme, working together through hub North Scotland. All of these schools have to be developed in a timely manner through the appointment of contractor, architect and technical consultants.
- 1.2 The main objective is to ensure that these projects are delivered to a start of construction readiness position within 12 to 18 months of the Scottish Futures Trust’s announcement of the Scottish Schools for the Future funding and that this is not compromised.
- 1.3 There are four Tier 1 building contractors, four Tier 1 architects and three Tier 1 technical consultants in the hub North Scotland area.

**2.0 Decision Required**

- 2.1 Education and Families Committee is asked to note the progress towards the appointment of a contractor, architect and technical consultants for the new Anderson High School

**3.0 Detail**

- 3.1 In 2010 the Council undertook statutory consultation on the relocation of Anderson High School from the current Knab site to Lower Staney Hill in Lerwick. The site referred to during this process incorporated a larger area than the part of the Lower Staney Hill that is zoned for Educational purposes as shown in Appendix A. On 8 December 2010

the Council approved a recommendation from Services Committee that the school be moved to a green field site at Lower Staney Hill.

- 3.2 On 7 December 2011, the Council RESOLVED to:
- Reconfirm the decision of June 2010 to build a new school at the Lower Staney Hill Site and to include residential accommodation, subject to a funding package which is in line with the Council's Reserves Policy and Strategic Budget Plans;
  - Ensure that the project is affordable for Shetland Islands Council by (a) participating in the national building programme for investment in schools estate (which, if successful, may secure up to two-thirds funding of eligible costs); and (b) developing the accommodation schedule to national standards, including provision for secondary young people with complex additional support needs Shetland wide;
  - Take full advantage of shared facilities with Shetland Recreational Trust; and
  - Note that participating in the national programme will require Shetland Islands Council to participate in a national partnership arrangement for design, procurement and facilities management probably through the non-distributing profit model.
- 3.3 On 21 July 2012 Shetland Islands Council submitted an application to the Scottish Government for funding of a replacement Anderson High School and associated Hall of Residence. On 26 September 2012 the Cabinet Secretary announced that Shetland Islands Council's application for funding had been successful.
- 3.4 The Head of Schools Infrastructure Unit at the Scottish Government then wrote to the Director of Children's Services confirming the announcement by the Cabinet Secretary. This stated that the project was to be Revenue funded via a Design, Build, Finance and Maintain (DBFM) contract. It has to be taken forward in conjunction with the Scottish Futures Trust who over-see the Scotland's Schools for the Future programme on behalf of the Scottish Government.
- 3.5 A number of local authorities, including Shetland Islands Council, have been identified as having the potential to commence construction within the next 12 to 18 months. In this regard, the Cabinet Secretary for Education and Lifelong Learning is keen to be kept informed of the indicative timeframe for the delivery of key milestones to construction start for this particular project.
- 3.6 Scottish Futures Trust have confirmed to the Chair of Education and Families and officers of Shetland Islands Council that the Scottish Government will support two thirds of the funding for a new, like for like replacement Anderson High School. The new school will include accommodation for the education of young people with additional support needs who are currently educated at the Gressy Loan building. Additional funding for this addition to the school will be made available on a like for like square meterage basis. Finally, Scottish Government will provide two thirds of the funding for a new, like for like replacement Hall of Residence.

- 3.7 The preliminary costings which have been worked up are based on the like for like replacement as described above:
- 3.7.1 A like for like replacement school based on pupil capacity;
  - 3.7.2 A metric of 11m<sup>2</sup> per pupil;
  - 3.7.3 A cost per m<sup>2</sup> of £1,900, but subject to a geographical uplift of 25%, i.e. £2,375 per m<sup>2</sup>;
  - 3.7.4 Additional Support Needs provision over and above the above metric, based on the floor area of the existing facilities and the same rate per m<sup>2</sup> (£2,375);
  - 3.7.5 Halls of Residence provision to Care Commission standards, based on a like for like capacity and a maximum rate per m<sup>2</sup> of £2,375. This rate may be reduced depending on the outcome of detailed costing work, but only if the user requirements are met at that rate.
- 3.8 Final budget figures, and the detail of how Shetland Islands Council's contribution to the project will be configured, will only be clarified over the next few months.
- 3.9 Five other local authorities in the north hub territory are delivering revenue funded secondary school projects in Phase 3 of Scotland's Schools for the Future Programme. These authorities are Aberdeen City Council, Aberdeenshire Council, The Moray Council, The Highland Council and Argyll and Bute Council. Through economies of scale, there will be benefits to be gained through this group approach. Our project is targeting to be on site within 12-18 months, and the Hub North procurement route can allow this to happen.
- 3.10 As indicated above this project has to be taken forward as a Design, Build, Finance and Maintain contract. However, the Hall of Residence could be taken forward as Design and Build only.
- 3.10.1 Shetland Islands Council will have to submit a New Project Request document to Hub North that outlines the project specification and includes the affordability cap figures for Shetland Islands Council's Capital and on-going revenue contributions. This is being developed currently.
- 3.11 Hub North will appoint the building contractor, architect and technical consultants from Tier 1 and will take account of the Scottish Schools for the Future programme approach, experience, capacity and readiness.
- 3.12 There will be an executive architect who will look at the collaboration areas including accommodation schedules, common configurations, room layouts, acoustic performance, floor to floor and ceiling heights, circulation space, fixtures and fittings, lockers, administration/soft FM requirement, car parking, bicycle park provision, other external areas and material specifications.

## 4.0 Implications

### Strategic

- 4.1 Delivery On Corporate Priorities – Provision of a new Anderson High School is a key Shetland Islands Council priority, with links to the delivery of the Blueprint for Education.
- 4.2 Community /Stakeholder Issues – Extensive consultation on this project has already been undertaken over a number of years. The most recent was a statutory consultation on the relocation of the site. A sub group of the Project Team has been established for stakeholders to enable ongoing engagement.
- 4.3 Policy And/Or Delegated Authority – Shetland Islands Council has taken the decision to proceed with this project and the provision of funding is addressed in the Medium Term Financial Plan.

The Committee has responsibility for monitoring and reviewing the achievement of key outcomes in terms of the Performance Monitoring Management Framework. This report is related to the function of an education authority.

- 4.4 Risk Management – There are a number of risks which are associated with this project. Safety and Risk will work very closely with the Project Team to ensure they are properly identified, recorded and minimised to an acceptable level. Engagement with Hub North will also reduce risks.
- 4.5 Equalities, Health And Human Rights – None arising from this report.
- 4.6 Environmental – None arising from this report.

### Resources

- 4.7 Financial –. Shetland Islands Council approved “The Council Budget Book 2013-14” on 20 February 2013 (Min Ref: 85/13), which includes the Asset Investment Plan. The Budget Book states that “The Council’s £12m contribution to the new Anderson High School will either come from the Council’s reserves or from external borrowing depending on which option is the most cost effective for the Council at the time a decision is required.”
- 4.8 Legal – Governance and Law will be involved in the process of agreeing land purchase, accommodation works, contracts and other agreements.
- 4.9 Human Resources – None arising from this report.
- 4.10 Assets And Property – This will lead to the replacement of two assets within the Council’s portfolio, and depending on future decisions taken, could lead to a significant capital receipt for the Council.

## 5.0 Conclusions

- 5.1 This report is for noting, regarding the progress of a new Anderson High School and associated Hall of Residence.

For further information please contact:

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Report Finalised: 12 March 2013

### Background documents:

Services Committee 7 December 2010, (Min. Ref. SC 109/10)

Report: Decision on Relocation of Anderson High School

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=11498>

Shetland Islands Council 5 December 2012 (Min Ref: SIC 114/12)

Report: New Anderson High School – Acceptance of Funding, Governance Arrangements and Approval to Proceed

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=13905>

END









**Education and Families Committee  
Executive Committee**

**20 March 2013  
15 April 2013**

<b>Scalloway Primary School Former Secondary Department – Feasibility Study Progress Report</b>	
<b>Report No: CPS-03-13-F</b>	
<b>Report Presented by Executive Manager – Capital Programme</b>	<b>Capital Programme Service</b>

## **1.0 Summary**

- 1.1 This report sets out progress on the Feasibility Study to determine the future use of the vacant Scalloway School former secondary department, as requested, at Education and Families Committee on 29 February 2012 (Min Ref: EF 05-12) and at Shetland Islands Council on 21 March 2012 (Min Ref: 32/12). The Council asked that the feasibility study take into account the potential for future significant housing development in the area, and that fixed term leases could be utilised to allow alternative uses of the buildings in the future.
  
- 1.2 Scalloway Community Council was consulted at their meeting on 21 May 2012. Staff from Capital Programme Service (CPS) gave a presentation and discussed the options under investigation. On 18 December 2012, NHS Shetland decided that locating their new health centre in the current primary department of Scalloway School was their preferred option. The Chief Executive of NHS Shetland stated this to our Chief Executive in a letter dated 29 January 2013. NHS met with Scalloway Community Council earlier this year to provide an update.

- 1.3 On 21 February 2013 SIC wrote to NHS Shetland, setting out head terms for the proposals. NHS Shetland responded on 4 March 2013. They are content with the arrangements in outline terms, but there are matters of detail that will need to be negotiated by staff in both organisations. The Heads of Terms are contained in Appendix 1, and it is recommended that these remain exempt until such time as negotiations are complete.
- 1.4 A Parent Council meeting was held in Scalloway Primary School on 4 March 2013. Staff from CPS, Schools Service, NHS Shetland and 360 Architects (working on behalf of NHS Shetland) met parents and teachers to update them on the options that would be presented to Members.

## 2.0 Decision Required

- 2.1 That the Education and Families Committee **RESOLVE**:
  - 2.1.1 that primary pupils in Scalloway School be relocated to the former Secondary Department; and
  - 2.1.2 to confirm that the vacated Primary Department is surplus to requirements in terms of the School estate; and
- 2.2 RECOMMEND that the Executive Committee **RESOLVES** to give delegated authority to the Executive Manager – Capital Programme to finalise arrangements with NHS Shetland, by 31 May 2013, on the basis that these are in line with the Heads of Terms set out in the letter of 21 February 2013 from SIC to NHS Shetland and listed in Appendix 1.

## 3.0 Detail

- 3.1 The secondary department of Scalloway School closed on Thursday 30 June 2011. The secondary pupils transferred to the Anderson High School and the secondary department has been vacant since that time.
- 3.2 Children's Services still use the existing primary department of the school delivering education to 135 pupils aged from 4-12 years. The existing building is in good condition however it will need rewiring, new fire alarm, disability access improvements and work to parts of the heating system.
- 3.3 Options
  - 3.3.1 NHS Shetland – moving the Scalloway Health Centre within the existing buildings (the preferred option).
    - 3.3.1.1 This would involve mixed use, with NHS Shetland Health Centre located in the current primary department, the moving of the primary department P3 to P7 to the first floor of the old secondary department and

an early years facility with P1 & P2 on the ground floor of the old secondary department. Relocation of the Scalloway Community Work Office would also be possible.

3.3.1.2 Independent childcare provision would be possible as part of the early year's area on the ground floor of the old secondary department. There are currently two such enterprises located in Scalloway, one in the Anderson buildings and one in the Youth Centre. Both have links to the SIC Nursery and Primary school and it could reduce drop off and collection time, as well as being a compatible use, but further consultation is required on this aspect of the project.

3.3.1.3 This represents the preferred option for both the Council and NHS Shetland in that it would maximise the utilisation of the property in a way that achieves best value for money for the public funds to be invested. It would free the Council from a proportion of the rates and other overheads associated with maintaining the entire building. Given this, it is necessary for the Council to decide two things:

- That it agrees with this proposal to allow it to proceed
- That it does so, setting the parameters for the use of its premises in this way

It is important that these decisions are taken now, in order that these detail can be formalised with NHS Shetland, in line with their reporting cycles, and that works can begin during the incoming financial year.

3.3.1.4 The main issue with this option is segregation of the school from other functions to reduce risk to pupils. This would be most easily achieved by the Health Centre using the existing primary space. Design work carried out by 360 Architects on behalf of NHS Shetland (attached) has culminated in a scheme that would address these issues and that work has been used to draft the Heads of Terms that were proposed to NHS Shetland in our letter to them of 21 February 2013, set out in Appendix 1.

3.3.2 Until a decision is taken on this preferred option, alternatives will not be explored further.

## **4.0 Implications**

### Strategic

4.1 Delivery On Corporate Priorities – This report sets out recommendations that are aligned with the Shetland Islands Council

Corporate Plan 2010-12. In particular, it should seek to deliver the objectives set out in Section 2: Maintaining a Sustainable Society.

- 4.2 Community/ Stakeholder Issues – This report consider options that have been put forward by the Community, Council officers and other agencies as described in section 3 above.
- 4.3 Policy And/ Or Delegated Authority – In accordance with Section 2.3.1 of the Council's Scheme of Administration and Delegations, the Education and Families Committee has delegated authority to make decisions on matters within its functional areas in accordance with the policies of the Council. This decision is related to management of the School estate, and therefore is a function of the Education authority. The Executive Committee has delegated authority to make decisions on matters within its functional areas, including responsibility for asset management.
- 4.4 Risk Management – The feasibility study has considered how the building could be separated to ensure there is no conflict between the interests of all user groups, and to ensure the most effective use of the space available in a council property.
- 4.5 Equalities, Health And Human Rights – The selected option will have to take account of current DDA legislation. An equalities impact assessment has been completed. It improves the issues and useability of this building. The main point of debate was relocating the older years p3 to p7 on the first floor rather than ground floor department. The childrens early years upto p2 can remain on the ground floor with immediate access to improved play facilities outside. No further issues were raised in any of the consultations.
- 4.6 Environmental – Improved utilisation of the building will contribute to the Council's carbon reduction agenda.

#### Resources

- 4.7 Financial – The costs of the feasibility study are being partly met from within existing Council resources and partly by NHS Shetland

The proposed option, allows the Council to transfer a significant amount of capital and/ or revenue expenditure to the NHS, maximising the annual savings on the closure of Scalloway Secondary Department. Failure to reduce the net ongoing running costs of the Council carries a significant risk of the Council's financial policies not being adhered to and will require a further draw from Reserves.

- 4.8 Legal – Any legal issues, for example leasing arrangements for any proposed third party users.
- 4.9 Human Resources – Input will be sought from Community Planning & Development, who have already been consulted.
- 4.10 Assets and Property – Irrespective of the outcome of the feasibility study, some building works will inevitably be required.

## 5.0 Conclusions

- 5.1 This report sets out the terms we wish to agree with NHS Shetland on future use of the Scalloway Primary School and the enabling works they will undertake to allow this to proceed. It sets out the work done to date, including consultations, and presents the preferred option for approval.

For further information please contact:

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### Appendices

Appendix 1 - Heads of Terms – Exempt Information

Background documents: Scalloway report to Services Committee ESCD-32-F; Blueprint for Education in Shetland Decision on Scalloway School Secondary Department, 07 December 2010 and Shetland Islands Council on 08 December 2010

Education and Families Committee CS-07-12F; Scalloway Secondary Department void space feasibility study

Education and Families Committee CPS-04-12-d1 Scalloway School Secondary Department – Feasibility Study Progress Report

Travel Plan Scalloway School

<http://www.sic.gov.uk/services/safety-risk/documents/scalloway1.pdf>

NHS Shetland Presentation from 360 Architects

END