



EDUCATION POLICY DEVELOPMENT AND SCRUTINY PANEL

PROGRESS REPORT ON OUT OF SCHOOL CARE SOCIAL ENTERPRISE DEVELOPMENT

REPORT BY HEAD OF EDUCATION (DEVELOPMENT)

A. PURPOSE OF REPORT

To inform the Education Policy Development and Scrutiny Panel of the progress made in developing a single social enterprise organisation for Out of School Care in West Lothian.

B. RECOMMENDATION

To approve development of a supportive partnership with an established social enterprise organisation within West Lothian.

C. SUMMARY OF IMPLICATIONS

I Council Values

- Focusing on our customers needs
- Being honest, open and accountable
- Providing equality of opportunities
- Making best use of resources
- Working in partnership

II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)

- Regulation of Care (Scotland) Act 2001
- Meeting the Childcare Challenge: A Childcare Strategy for Scotland, 1998
- West Lothian Community Planning Partnership Regeneration Outcome Agreement
- National Review of the Early Years and Childcare Workforce
- Charities and Trustee Investment (Scotland) Act 2005

III Resources - (Financial, Staffing and Property)

Direct financial support from West Lothian Council Early Years and Childcare Partnership in the sum of £750K over a five year period. Additional initial start up costs to be identified. Continuation of free lets in council premises for all current and future OOSC clubs.

IV Consultations

Reports/research:

- Scottish Out of School Care Network, Audit (2004);
- West Lothian Early Years and Childcare Partnership commissioned Avante Development Study (2006)
- West Lothian Sector Consultation Report; Aug 2007

D. TERMS OF REPORT

1.0 Background

Volunteer parent committees currently manage the independent Out of School Care (OOSC) sector in West Lothian. Following high level consultation with these committees and West Lothian Council it was agreed that the sector would benefit from a move to a more professional management structure that would ensure a more robust, sustainable and high quality provision. The creation of a single organisation to deliver Out of School Care would enable the sector to sustain this development. The preferred governance structure that has met with stakeholders overall approval was a Social Enterprise: a Charitable Company, Ltd by Guarantee. The initial business plan (December 2007) was developed and secured an outline funding commitment of £750k over 5 years from West Lothian Council and the “in principle” agreement of 14 mainstream OOSC organisations to develop the new business (November 24 2008).

2.0 Progress in developing a single Social Enterprise organisation Developments

2.1

Council Officers and members of the Early Years and Childcare Partnership (EYCP) agreed that further work to develop relationships between the separate organisations would be beneficial in strengthening ownership of the final outcome. The Social Enterprise OOSC Working Group (Working Group) was created with representatives from the organisations that had given their note of intent to move to the new enterprise. The early stages have focussed on making decisions on how the new business should be structured. Meetings have been held and agreement reached on five main areas in the new business including Governance, Staff Management, Financial Management, Quality and Transition (Appendix 1).

2.2 Current Position

The Working Group has:

- agreed to elect four parent representatives from current committees engaged with the process, who will form the nucleus of a Board for the new enterprise. The EYCP Steering Group is working with Scottish Business in the Community, Council Officers and the members of the Working Group to identify suitable non-parent candidates for Board membership.
- agreed a strategy for the transfer of all assets into the new enterprise with a management plan for financial reserves over the first five years.

- identified that their organisations are at different levels of readiness to move to the new enterprise. To support the transition process they have agreed to move their fees and pay scales to align with the new enterprise.
- agreed that their employees should attend workshops to enable them to meet and work together and input into the design for the new organisation

3.0 Issues Impacting on the Development

3.1 Communication

The OOSC sector is dependent on parent volunteers. Due to high demands on their time there is a high level of attrition of committees resulting in a lack of continuity of vision and participation within the clubs engaging with the process. This has resulted in lack of or misinformation, being transferred between clubs' representatives and their committees and between individual committee members. The Working Group, for the most part, has maintained a strong consistent membership but on occasions work is slowed down while areas are revisited for new representatives. This impacts on the members who are fully engaged and want, and are able to move forward more quickly. The EYCP OOSC Steering Group continues to facilitate this communication process.

3.2 Economic

The changing economic environment has increased associated risks with any new development. Members of the Working Group want to ensure that this risk is managed and minimised for their local community. Issues raised regarding changes in economic context include:

- Reductions in childcare requirements
- The impact of the closure of another club on the original business plan
- Pressure on external funding opportunities
- Increased cost to families through fees
- Desirable to design the organisation to match hub development with business growth

3.3 New Provision

Local communities at Boghall and Simpson Primary Schools have indicated a potential need for the development of new out of school care clubs to support families' economic activity.

4.0 Alternative strategies

The EYCP Steering have sought advice from senior Council Officers on managing the changing environment and risks. Discussions have led to the investigation of an alternative implementation strategy. This has been based on identifying a local and successful social enterprise with childcare experience to work in partnership to support the development of the new enterprise and new local OOSC provision.

4.1 Partnership Working with existing Social Enterprise

Developing an existing partnership with a successful, established organisation would allow opportunities to more easily access external funding. Senior Officers considered this arrangement would offer a higher level of financial and quality management. A demonstration project would provide the clubs with confidence to make the transfer as risk would be managed and they would be professionally supported.

Broxburn Family and Community Development Centre is a social enterprise that provides support for families to become economically active through adult education, outreach programmes and childcare. Over the last 21 years this organisation has worked in partnership with West Lothian council to develop a number of key projects across West Lothian. They have shown significant expertise managing and growing a successful social enterprise. The organisation currently supports OOSC through workforce development, providing a programme of high quality training and development. They have contributed substantial time, commitment and support for the sector during recent developments.

E. CONCLUSION

Though all organisations engaged have noted their intent to participate and move to the new enterprise, there are still some inconsistencies with levels of commitment. These arise out of concerns regarding potential costs to parents and the level of risk of the new enterprise. There is an overwhelming desire to see change in the sector but reluctance in some cases to make the change without significant reassurances and risk reduction.

The EYCP OOSC Steering Group have discussed with senior Council Officers the need to proceed with the development to provide West Lothian with a high quality, sustainable and accessible service and to reduce the level of risk of the new venture.

In order to minimise risk, support an increasingly weakening sector, progress development and provide high quality employment and childcare, an alternative method of implementation needs to be considered.

The development of an existing partnership with an established, experienced, well-managed social enterprise would provide the basis for a stronger investment of West Lothian Council funds in the current climate.

F. BACKGROUND REFERENCES

- Scottish Executive - Schools Out (2003)
- Scottish Executive - A Smart, Successful Scotland (2004)
- Early Years and Childcare Partnership - Management Models (2006)
- Scottish Executive – A Social Enterprise Strategy For Scotland (2006)
- Children's Services and Lifelong Learning Committee Report: Out of School Care Development Officer Post: 18 January 2005

- Children's Services and Lifelong Learning Committee Report: Out of School Care Development Action Plan, 4 October 2005
- Early Years Advisory Group Report: Briefing on the Development of a social enterprise organisation to manage the Out of School Care sector, 22 January 2007
- Early Years and Childcare Partnership Sector Consultation Report; August 2007
- Early Years and Childcare Partnership OOSC Business Analysis and Plan; December 2007

Appendices/Attachments: One

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