

DUNDEE CITY COUNCIL

REPORT TO: SOCIAL WORK COMMITTEE – 19 August 2002

REPORT ON: HAPPYHILLOCK CHILD CARE CENTRE

REPORT BY: DIRECTOR OF SOCIAL WORK

REPORT NO: 624 - 2002

1.0 PURPOSE OF THE REPORT

The purpose of this report is to seek approval for proposed changes in the allocation of places and the charging policy in operation at Happyhillock Child Care Centre. This follows the implementation of the decision taken at the Dundee City Council Policy and Resources Committee in February 2002, to change the operational function of Happyhillock Child Care Centre to that of providing child care services for student and working parents as part of a proposal to rationalise Child and Family Centre provision.

2.0 RECOMMENDATIONS

It is recommended that:

- 2.1 Happyhillock Child Care Centre is approved as a provider of childcare services for student parents, working parents on low incomes and working parents able to meet the cost of the full charge for a childcare service.
- 2.2 Users of this service should be charged in accordance with the scheme laid out in Appendix 1.
- 2.3 The new service is actively marketed and the charging policy and income targets kept under review.
- 2.4 Instruct the Director of Social Work to closely monitor the take-up of the service and its financial viability and report back to Committee in June 2003.

3.0 FINANCIAL IMPLICATIONS

- 3.1 These proposals will result in income of £71,500 in 2002/03 and £123,000 in a full financial year. The shortfall between this projected income for the Centre and the annual income target of £195,000 previously set will be met by reducing the unit cost of the service, and by containing the overspend within the Children's Services Section of the Social Work Department budget.

However, the financial viability of making this provision will be kept under review and should it not be possible in the longer term to break even by reducing costs and meeting income targets, then it may be necessary to re-examine the position.

4.0 LOCAL AGENDA 21 IMPLICATIONS

None.

5.0 EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1 Refocusing the balance of service targeting in this way will increase the availability of good quality, affordable childcare for all, allowing families in Dundee equal access to employment and training opportunities. The flexible and tailor-made family support services which will also be on offer will meet other child and parental needs and will help those families with additional needs sustain their commitment to employment or training.

6.0 BACKGROUND

- 6.1 A pilot scheme supported by Sure Start funding was established in Happyhillock Child Care Centre in August 2001, when some childcare places were offered to working parents on low incomes, alongside services to children in need and parental support services. This pilot showed not only that there was a need for good quality, flexible childcare for low income families, but also that many of these families had other needs which were being met as part of the service offered at Happyhillock. In practice however this model proved difficult to manage, as at times of staff sickness or vacancies within the Centre, the service commitment given to the children of working parents had to be given priority over services to children in need. At the same time it was recognised that there was over-provision of child and family centre services in the north east of the city.
- 6.2 At a Policy and Resources Committee on 14 February 2002 it was agreed therefore that the whole provision at Happyhillock Child Care Centre should be dedicated to childcare for students and working parents on low incomes. This would require services to children in need and their families living in the Mid Craigie area to be provided from Linlathen, Douglas and Whitfield Child and Family Centres, but it was estimated that there was capacity between these three Centres to meet local need for family support services in the Mid Craigie area.
- 6.3 The new service at Happyhillock was to be offered city wide to families with childcare needs on low incomes, with priority being given to those families who have a need for other supports or services to help sustain parents in employment, education or training. The plan was to develop the provision at Happyhillock as a daycare resource centre providing childcare services tailored to meet individual families' needs, together with additional services like information, advice and family support to meet a diverse range of identified child and parental need.
- 6.4 The Policy and Resources Committee also agreed a charging policy for childcare services at Happyhillock Child Care Centre which took account of the financial support available to parents from Working Families Tax Credit. A maximum charge of £135 per week, equivalent to the maximum childcare costs payable from Working Families Tax Credit, was set for a childcare service at Happyhillock, on the basis of which it was projected that an annual income of up to £195,000 could be generated. Whilst it was clear that Happyhillock would be offering a fuller service than that provided by day nurseries, it was recognised that this amount was higher than the typical maximum charges of most local private nurseries. It was decided for this reason that the charging policy and service uptake levels would have to be kept under active review .

7.0 PROPOSED CHARGING LEVELS AND SERVICE TARGETING

- 7.1 Since the Policy and Resources Committee, steps have been taken to implement the proposed changes. Families who continue to need family support services have transferred to one of the three other Centres in the north east of the city. The new services to be provided at Happyhillock were advertised widely and there were a high number of enquiries from parents seeking childcare for training or employment purposes. However there was no uptake of the childcare places available, despite the significant efforts made by Centre staff to emphasise the added value of the parent support services on offer. The consistent feedback from all parents was that the charge set was not competitive compared to the private sector and for many it was not affordable.

- 7.2 In the light of this feedback a review has been undertaken of the pricing structure and targeting priorities introduced for childcare services at Happyhillock and a range of alternative options taken under consideration. It is now proposed that the weekly charge for a daycare place at Happyhillock be set at £85 per week in line with average prices in the private childcare sector. At the same time it is argued that income generation potential within the Centre would be strengthened if the service was open to a wider group of families on the social and economic spectrum. For this reason it is proposed also that a proportion of childcare places (10) should be made available to families who can afford to pay the full charge for a daycare service in the Centre. The remaining 30 places would be allocated to student parents and low income working parents as originally planned.
- 7.3 It is estimated that income to the Centre for all 40 places would be £123,000 in a full year, with £71,500 being generated in 2002-2003. Although this would still result in a shortfall against the annual income target set, the pricing structure proposed would ensure that the potential for maximising income generation for chargeable services at Happyhillock Child Care Centre is realised.
- 7.4 It is anticipated that the competitive price proposed will ensure that parents take up places at Happyhillock Child Care Centre, allowing the Centre the opportunity to develop into a viable and valuable childcare resource for the city. Given that the majority of families who would be using the Centre's services would still be student or low income working parents, the original aim of the service, which was to support those in greatest need to return to or remain in education, training or employment, would remain its main priority.
- 7.5 To this end the Centre would as initially intended remain strongly linked into the existing network of Child Family Centre resources across Dundee and would work in partnership with Dundee's Early Years and Childcare Team. This would help to identify families with childcare needs, to promote access to services at Happyhillock and to ensure that the use of resources in the new service is maximised. The Centre would also develop close working relationships with other local and city-wide providers in the voluntary and private sectors.

8.0 CONSULTATION

- 8.1 The Director of Finance and the Director of Education have been consulted in the preparation of this report.

9.0 BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing the above report.

10.0 SIGNATURE

Director of Social Work

Date

HAPPYHILLOCK CHILDCARE SERVICE

The following charging scheme would apply:

1 Charge for the Service

The charge for the service is £85 per child per week and £150 per week for 2 or more children

2 Income position – in receipt of Working Families Tax Credit or Disabled Persons Tax Credit and qualifying for childcare costs

Family will pay £25.50 per week for 1 child (£45 for 2 children), balance from Working Families Tax Credit £59.50 per week for 1 child (£105 for 2 children):

Income to Council: £85 per week for 1 child (£150 for 2 children)

3 Income position – students/adults in training

Family will pay Nil; college will pay full charge

Income to Council: £85 per week per child

4 Income Position – above levels to claim Working Families Tax Credit or Disabled Persons Tax Credit

Family will pay full charge

Income to Council: £85 per first child per week (£150 per week for 2 or more children)