

Early learning and childcare - sustainable rates for funded providers: overview 2023 to 2024

February 2024

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Introduction

1. [Funding Follows the Child](#) provides the underpinning policy framework to support the delivery of funded Early Learning and Childcare (ELC). A key aspect of Funding Follows the Child is the payment of sustainable rates to providers in the private, third and childminding sectors for the delivery of funded ELC.
2. In April 2019, [guidance was published to support local authorities to set sustainable rates](#). The guidance was produced based on feedback gathered from across the sector and sets out the principles that should underpin any approach to setting sustainable rates; and options for taking forward the process.
3. Updated joint Scottish Government and COSLA [guidance on setting sustainable rates](#) for 2022-23 was published on 26 May 2022.
4. The guidance highlights that the rates paid to providers in the private, third and childminding sectors for the delivery of funded ELC by local authorities should be sustainable and should meet the following criteria:
 - the rate will support delivery of a high quality ELC experience for all children;
 - it will be a rate that reflects the cost of delivery, including the delivery of national policy objectives;
 - the rate will allow for investment in the setting – staff, resources and physical environment; and
 - it will enable payment of the real Living Wage for those childcare workers delivering the funded entitlement.
5. The guidance also highlights that from a local authority perspective the rate must be sustainable for authorities in terms of the budgets available, and that:
 - the rate does not have a detrimental effect on the local authority's ability to continue to pay for the service in the long-term;
 - the wider package of 'in-kind benefits', available to funded providers as part of their contract with the local authority in addition to the sustainable rate, is considered; and
 - the rate does not need to be cross-subsidised by parents and carers through charges for non-funded hours.

6. The joint guidance is clear that local authorities need to reflect the most up-to-date cost information in setting rates, and that is particularly important for providers during the current costs crisis. The guidance also emphasises the importance of ongoing consultation and dialogue between local authorities and their local ELC providers.

Data Collection

7. The Scottish Government is committed to collecting and publishing data on sustainable rates annually. The [previous report on sustainable rates, with information for 2022-23](#), was published on 22 December 2022. However, at the time of this report being published 2 local authorities reported that they were planning to agree their rate(s) in early 2023. Updated information on the final sustainable rates set for 2022-23 was collected as part of the [joint Scottish Government and COSLA Review of Sustainable Rates](#), which was published on 20 December 2023. This up-to-date information on 2022-23 rates is used for comparisons in this report.
8. The Scottish Government wrote to local authorities on 10 November 2023 to request an update on the hourly rates that are currently paid to providers for the delivery of funded early learning and childcare and the rates local authorities have set for 2023-24; as well as the payments to funded providers for delivery of the free meal commitment.
9. Alongside the request for data on rates, the Scottish Government also utilised this survey to begin collecting information on the support package local authorities are offering to their funded providers for the delivery of ELC to children with additional support needs. Collection of evidence on how children with additional support needs are being supported was a recommendation of the [joint Scottish Government and COSLA Review of Sustainable Rates](#) (this data is discussed below at [Rates Review and Next Steps](#)).
10. During previous sustainable rate data collection reports we collected and published information on the general support packages made available by local authorities to funded providers. This year, given the additional requirement for local authorities to provide information on how children with additional support needs are being supported, and that it has only been around one year since the previous report was published, we agreed that this information would not be collected to keep the exercise manageable for local authorities. This information will be collected again in a future report.
11. Nonetheless, it is important to note that the general support package is a significant part of the overall support available to private and third sector

providers of funded ELC. A range of approaches to the provision of support are in place across local authorities and can include, for example, funded access to professional learning opportunities and quality improvement resources; administrative, business and legal support; and targeted support to improve business sustainability; or access to pedagogical support, for instance through a teacher. The rates presented in this report should therefore be viewed within the context of the overall package offered by each local authority. For further information about the support packages offered by local authorities in 2022-23, see [Annex D of last year's report](#).

12. This document is only intended to set out the information provided by local authorities in response to this request.

Summary of the Returns

13. Annexes A-B set out the information provided by local authorities in the following formats:
 - Hourly rates for 3 - 5 year olds, and eligible 2 year olds, for the delivery of the funded ELC entitlement in 2022-23 and 2023-24 [Annex A].
 - Payments for delivery of free meals to providers [Annex B].
14. To allow for consistent comparisons of sustainable rates across local authorities – and in line with [the Funding Follows the Child guidance](#) (i.e. meeting the costs of delivering an hour of ELC to one child) – the rates presented in Annex A do not include any top-ups to the sustainable rate for the delivery of the free meal commitment and/or for snacks (they are presented separately in Annex B).
15. Where local authorities provided additional explanations of the data, these are set out in the “Comments” column of the respective tables. The “Comments” column also sets out any additional information provided by local authorities on alternative rates offered to providers, including childminders, and when the rate was last reviewed.
16. Where local authorities offer different rates depending on whether settings provide evidence of paying staff the real Living Wage, the rates presented in Annex A are the ones paid to the majority of providers in that local authority, and the rate paid to the minority of providers is presented in the “Comments” column of the table.

Hourly Rates paid by local authorities for the delivery of funded Early Learning and Childcare

17. All 32 local authorities have confirmed rates for 2023-24.
18. 23 of the 32 local authorities pay a higher rate for 2 year old children than for children aged 3-5 years old. The other 9 local authorities pay the same hourly rate for 2 year old children as for children aged 3-5 years old.
19. In 5 local authorities, the rate can vary between providers for reasons other than the age of the child or additional support needs. Angus pays a different rate if the provider operates from Council premises; Shetland Islands pays a different rate if the provider is not in receipt of their Building Support Package; Argyll and Bute pays an enhanced rate once the provider is paying the increased real Living Wage of £10.90 per hour; similarly, Scottish Borders only paid the increased 2023-24 rate to providers who paid their staff the real Living Wage; finally, Perth and Kinross introduced a new Community childminding pilot, which

pays an enhanced rate for care-experienced children.

20. Due to the variation in approaches to funding children with additional support needs, enhanced rates for these children are not included.
21. In Orkney, all funded provision is currently provided by childminders. For consistency, their rates are excluded from the minimum and maximum rates, and the calculation of averages highlighted in this summary. A summary of childminding rates is provided separately in [the section on Childminding rates](#).

3-5 year old rates

22. When last reported for 2022-23 the hourly rates paid to providers (excluding rates for childminders) to deliver funded Early Learning and Childcare entitlement for 3-5 year olds varied from £5.45 to £6.62 per hour, and the average reported rate across local authorities for 3-5 year olds was £5.80 per hour.
23. Out of the 32 local authorities, 23 have increased their hourly rates for 3-5 year olds in 2023-24. The other 9 have kept the same rates as reported in 2022-23.
24. Local authorities report that rates for delivering an hour of funded ELC for 3-5 year olds (excluding childminders) will vary from £5.50 to £6.89 per hour in 2023-24.
25. The average rate for 3-5 year olds across the local authorities is £6.04 per hour in 2023-24.
26. The average rate paid to providers for 3-5 year olds has increased by around 4.1% since 2022-23 (an increase in the average rate from £5.80 per hour to £6.04 per hour).
27. Average rates paid to providers for 3-5 year olds receiving funded ELC have increased by around 64.1% between 2017 and 2023, from £3.68 per hour in 2017-18¹ to £6.04 per hour in 2023-24.
28. In 2022-23 the difference between the lowest rate (£5.45 per hour) and highest rate (£6.62 per hour) paid for 3-5 year olds was £1.17, or 21.5%. In 2023-24, the difference between the lowest rate (£5.50) and the highest rate (£6.89) paid for 3-5 year olds is £1.39, or 25.3%. This means that the variance between the

¹ Based on figures presented in the [2019 report on sustainable rates](#). The average rate was £3.70 per hour at the time of publication, which was subsequently corrected to £3.68 following updated information from Moray Council.

lowest and highest rate paid for 3-5 year olds has increased by 3.8 percentage points since 2022-23.

2 year old rates

29. When last reported for 2022-23, the rates paid to providers (excluding rates for childminders) to deliver funded ELC for eligible 2 year olds varied from £5.50 to £8.50 per hour, and the average rate across local authorities for eligible 2 year olds was £6.43 per hour.
30. Out of the 32 local authorities, 19 have increased their hourly rates for eligible 2 year olds since 2022-2023 and 13 have kept the same rates as in 2022-23.
31. Local authorities report that rates for delivering an hour of funded ELC for eligible 2 year olds (excluding childminders) vary from £5.50 to £8.50 per hour.
32. The average rate for eligible 2 year olds across the local authorities for 2023-24 is £6.68 per hour. This represents an increase of around 3.9% compared to 2022-23.
33. In 2022-23, the difference between the lowest rate (£5.50 per hour) and highest rate (£8.50 per hour) paid for eligible 2 year olds was £3.00, or 54.5%. In 2023-24, the difference between the lowest rate (£5.50) and the highest rate (£8.50) paid for eligible 2 year olds has remained at the same as in 2022-23 – a gap of £3.00 per hour, or 54.5%.

Childminding rates

34. In the majority of local authorities, childminders receive the same rate as private and third sector funded providers. However, 8 local authorities offer a separate hourly rate for childminders delivering funded ELC. The summary to follow does not include Perth and Kinross's pilot of community childminding for care-experienced children.
35. For the 8 local authorities paying a separate rate for childminders in 2023-24, these rates vary from £4.76 to £6.30 per hour for both eligible 2 year olds and 3-5 year olds. The average rate for 3-5 year olds is £5.51 per hour, and the average rate for eligible 2 year olds is £5.55 per hour.
36. In one local authority, the separate rate paid to childminders for eligible 2 year olds has decreased since 2022-23. The other separate rates paid to childminders have either increased or stayed the same compared to 2022-23.

Rate setting timeframes

37. Out of 32 local authorities, 30 reviewed their rates in 2023, and 2 of them last reviewed their rates in 2022.
38. In 2023-24, 18 out of 32 authorities agreed and set their rates in advance of their introduction, whereas 14 backdated them. In cases of backdating, the rates are either set from the start of the financial year (April 2023) or from the start of the academic year (August 2023).
39. 12 of the 32 local authorities introduced the 2023-24 rate, or decided to keep their existing rate, from April 2023, while 20 introduced it from August 2023. One authority initially introduced an increased rate from April 2023, but reviewed it and modified it in August 2023.
40. Out of 32 local authorities, 7 authorities who introduced or reviewed their 2022-23 rate for August are now introducing the 2023-24 rate from April, in line with the financial year (up from 5 local authorities doing this in 2022-23, to 12 local authorities in 2023-24).

Payments for delivery of the free meal commitment

41. Every child attending a funded ELC session – which is any session that includes funded hours, regardless of whether they are mixed with 'paid for' hours – from August 2021 is provided with a free meal.
42. Local authorities provide settings with the funding to deliver the free meals, unless, in cases where a setting does not have onsite catering facilities, there may be an agreement that the local authority will provide meals to the setting.
43. Funding to deliver this commitment is additional to the sustainable rate and, as set out in the [Funding Follows the Child guidance](#), local authorities must ensure that they are transparent as to the funding being provided to private and third sector providers for the delivery of the free meal commitment.
44. The most common approach for 2023-24 is that local authorities will provide settings with a payment for each meal (with 21 local authorities following this approach). 11 local authorities provide payments for meals through a top-up to the hourly sustainable rate. Since 2022-23 only 1 local authority changed its approach, moving from a set rate per meal in 2022-23 to a top-up to the hourly rate in 2023-24.
45. Out of 32 local authorities, 24 kept the same meal rate as last year, 7 increased their meal rate, and 1 changed approach (a change in approach prevents making a comparison with the previous year).

46. The returns highlight some variations in the level of payment made to settings for the delivery of free meals.

Payment per meal

47. Where a payment is made per meal/day this varies from £2.00 to £4.23 per meal in 2023-24, a variance of £2.23 (or 112%) per meal between the lowest and highest set meal rate. In comparison, in 2022-23, the lowest rate was £1.99 and the highest was £3.11, a difference of £1.12 per meal, or 56%.
48. In 2023-24, where local authorities provided a payment per meal, the average paid was £2.82 per meal.
49. On average, the payments made per meal increased by 3% compared to the ones reported in 2022-23. However, this figure is skewed by one local authority increasing its payment by 36%. If this local authority is excluded from the calculation, the average increase is of 1%. Out of the 21 local authorities delivering the free meal commitment through a payment per meal, 4 of them increased their rate in 2023-24, with 3 authorities increasing it between 8% and 10%, and one increasing it by 36%. The other 17 local authorities making payments per meal did not increase their rate.

Payment via a 'top-up' to the sustainable rate

50. Where local authorities choose to provide an additional top-up to the sustainable rate for delivery of the meal commitment, this 'top-up' to the sustainable rate varies from £0.30 to £0.57 per hour, a variance of £0.27 per hour, or 90%. In comparison, in 2022-23, the lowest 'top-up' was £0.30 per hour and the highest was £0.50 per hour, a difference of £0.20 per hour, or 66%.
51. In 2023-24, where local authorities provided the meal payment via a 'top-up' to the sustainable rate, the average 'top-up' to the sustainable rate is £0.44 per hour.
52. On average, the payments made via a 'top-up' to the hourly rate increased by 4% since [the 2022-23 report on sustainable rates](#). This figure should be considered with caution, as out of the 11 local authorities who chose this method, only 3 increased their rate compared to 2022, with these increases ranging from 8% to 14%. Out of the other 8 local authorities, 7 did not increase their rate, and one changed approach, which does not allow for a direct comparison to be made.
53. Three authorities who pay a top-up to the sustainable rate to their private and third sector providers for meals pay a set meal rate to Childminders. These set meal payments range from £1.95 to £3.00 per meal. In other local authorities,

Childminders receive the same payment/'top-up' for meals as private and third sector providers (where applicable).

Rates Review and Next Steps

54. During 2023, COSLA and Scottish Government conducted a joint [Review of Sustainable Rates](#) ("the Review"). This was an evidence-led review, with input from local government and the childcare sector, and examined the process for setting rates for 2022-23, to identify where rate-setting processes could be improved further and how to best ensure rates are set in-line with the aims of the guidance.
55. Actions recommended by the Review include updating the Sustainable Rates Guidance to provide a more standardised approach to rate-setting and minimise any unwarranted variation between the rates set by local authorities; strengthening the guidance for setting rates for eligible 2 year olds, childminders and for meal payments; and setting clearer expectations around engagement and communications for both local authorities and funded providers.
56. The Review also recommends that COSLA and Scottish Government explore how the cost data upon which rate-setting is based can be improved to produce more robust financial evidence. This includes considering whether it would be beneficial for there to be a more central approach to cost evidence collection and analysis.
57. The Review recommends that further evidence on how local authorities are supporting funded providers to meet the needs of children with Additional Support Needs is collected. Evidence in this area has been collected as part of this data collection exercise and will be used by the Scottish Government and COSLA to help determine if further consideration in this policy area would be beneficial.
58. The Scottish Government will implement the actions recommended within the Review over the remainder of this parliament.
59. The draft Scottish Budget for 2024-25 confirmed that we will provide funding to enable payment of at least £12 per hour to staff delivering funded ELC within the private, third and childminding sectors from April 2024. Further information about the implementation of this commitment and guidance for local authorities on how to reflect this additional funding in 2024-25 rates will be published shortly.
60. The Scottish Government and COSLA will update the guidance for setting rates for 2024-25 to reflect how the additional funding being provided to enable delivery of the £12 per hour commitment will be reflected in the sustainable

rates that funded providers in the private, third and childminding sector will receive in 2024-25.

61. The wide range of actions recommended by the Review include the need to examine and improve cost data. The Scottish Government will need to ensure there is sufficient time to carry out this technically complex work and to consult on any proposed improvements to the rate-setting process with local government and the private, third and childminding sectors.
62. We are therefore developing a programme of work with local government and the sector to deliver a comprehensive update to the sustainable rates guidance and will set out more information on timescales and how the sector will be involved soon.

Annex A

Summary of local authority data on rates paid to Funded Providers to deliver an hour of funded Early Learning and Childcare (ELC)

- Table A1 sets out the hourly rates paid by local authorities to providers delivering the funded ELC entitlement to 3, 4 and 5 year olds and eligible 2 year olds in 2022-23 and 2023-24.
- To provide consistency – and in line with the [Funding Follows the Child guidance](#) (i.e. meeting the costs of delivering an hour of ELC to one child) – the rates presented in Table A1 do not include any top-ups for the delivery of the free meal commitment and/or for snacks (they are presented separately in [Annex B](#)).
- The figures presented for 2022-23 have been updated since the [previous report on sustainable rates published in December 2022](#), to reflect changes to 2022-23 rates which were not confirmed at the time of publication.
- The “Comments” column includes additional information provided by local authorities, including variations to the rate which might apply to some providers, temporary top-ups in the rates, specific rates offered to childminders, when the rate was last reviewed, and whether the rate was backdated. Top-ups to the sustainable rate to cover meals and snacks are not included in the comments section, as provision for meals is covered separately at [Annex B](#).
- Due to the variation in approaches to funding children with additional support needs, variations to the rate for this purpose are not included.
- Where local authorities have increased their rate since 2022-23, we have included the month during which the new rate took effect. This may be a date prior to the date when the new rate was agreed upon and confirmed by a local authority (if the local authority chose to backdate any increase). The exact date in the month from which the increased rate applied is not included as it was not provided by a significant number of local authorities. This field will read “N/A” (not applicable) where there has been no change since the last report.
- “2 year olds” and “3-5 year olds” is sometimes abbreviated to “2yo” and “3-5yo” respectively.

Table A1: Rate paid to funded providers for an hour of Early Learning and Childcare in 2022-23 and 2023-24

Council	Year	Rate paid to funded providers for one hour of ELC		Month during which increase is applied from	Comments
		2 year olds	3 - 5 year olds		
Aberdeen City	2022-23	£6.15	£5.55	August 2023	<p>The rate was reviewed in September 2023 and backdated to August 2023.</p> <p>Rates for childminders: £6.03 (2yo), £5.73 (3-5yo) (up from £5.75 (2yo) and £5.45 (3-5yo) in 2022-23).</p>
	2023-24	£6.43	£5.83		
Aberdeenshire	2022-23	£6.61	£5.83	April 2023	<p>The rate was reviewed between December 2022 and February 2023, to be introduced from April 2023.</p>
	2023-24	£7.72	£6.37		
Angus	2022-23	£7.18	£5.61	April 2023	<p>The rate was last reviewed in August 2023.</p> <p>A local costs study is in progress to inform the rate setting process for April 2024.</p> <p>Rates for voluntary sector providers operating from Council premises:</p>
	2023-24	£7.68	£5.98		

Council	Year	Rate paid to funded providers for one hour of ELC		Month during which increase is applied from	Comments
		2 year olds	3 - 5 year olds		
					<p>£6.95 (2yo), and £5.26 (3-5yo).</p> <p>Rates for childminders: £5.77 (2yo), and £5.77 (3-5yo). 2022-23 rates for childminders: £6.13 (2yo) and £5.63 (3-5yo).</p>
Argyll & Bute	2022-23	£6.90	£6.11	August 2023	<p>The rate was reviewed in October 2023 and backdated to August 2023.</p> <p>There is a higher rate when settings provide evidence of paying staff the real Living Wage. The higher rate is £7.87 for 2yo, £6.95 for 3-5yo (up from £7.18 (2yo) and £6.35 (3-5yo) in 2022-23). Currently 45% of settings are paid the higher rate.</p> <p>Rates for Childminders: £7.87 (2yo) and £6.95 (3-5yo) (up from £7.18 (2yo)</p>
	2023-24	£7.79	£6.89		

Council	Year	Rate paid to funded providers for one hour of ELC		Month during which increase is applied from	Comments
		2 year olds	3 - 5 year olds		
					and £6.35 (3-5yo) in 2022-23).
Clackmannanshire	2022-23	£6.07	£5.57	April 2023	<p>The rate was reviewed in June 2023 and backdated to April 2023.</p> <p>Rate for childminders: £5.42 (same as in 2022-23)</p> <p>In 2022-23, the rate was introduced from August.</p>
	2023-24	£6.41	£5.90		
Dumfries and Galloway	2022-23	£6.73	£5.71	April 2023	<p>The rate was reviewed in April 2023 and increased in April 2023.</p> <p>In 2022-23, the rate was introduced from August.</p>
	2023-24	£7.42	£6.30		
Dundee City	2022-23	£5.75	£5.45	August 2023	<p>The rate was reviewed in September 2023 and backdated to August 2023.</p>
	2023-24	£5.90	£5.59		
East Ayrshire	2022-23	£5.50	£5.50	N/A	<p>Rate approved in January 2024. Next review planned in line with the next guidance update.</p>
	2023-24	£5.50	£5.50		

Council	Year	Rate paid to funded providers for one hour of ELC		Month during which increase is applied from	Comments
		2 year olds	3 - 5 year olds		
					Rate for childminders: £4.76 (same as in 2022-23)
East Dunbartonshire	2022-23	£6.95	£5.77	August 2023	Rate reviewed in December 2023 and backdated to August 2023.
	2023-24	£7.09	£5.89		
East Lothian	2022-23	£7.55	£6.04	N/A	Rate last set and reviewed in August 2022.
	2023-24	£7.55	£6.04		
East Renfrewshire	2022-23	£5.69	£5.69	August 2023	Rate reviewed in Spring/Summer 2023 and introduced from August 2023.
	2023-24	£5.87	£5.87		
Edinburgh	2022-23	£6.48	£6.03	N/A	Rate reviewed for April 2023. In 2022-23, the rate was introduced from August 2022.
	2023-24	£6.48	£6.03		
Eilean Siar	2022-23	£5.75	£5.55	N/A	Rate reviewed in May 2023 and introduced from August 2023.
	2023-24	£5.75	£5.55		
Falkirk	2022-23	£5.70	£5.70	April 2023	Rates reviewed in March 2023 and introduced from April 2023. In 2022-23, the rate was introduced from August 2022.
	2023-24	£6.00	£6.00		

Council	Year	Rate paid to funded providers for one hour of ELC		Month during which increase is applied from	Comments
		2 year olds	3 - 5 year olds		
					Rate for childminders: £5.50 (up from £5.20 in 2022-23).
Fife	2022-23	£5.65	£5.65	April 2023	Rate agreed in February 2023 and introduced from April 2023. In 2022-23, the rate was introduced from August 2022.
	2023-24	£6.52	£6.52		
Glasgow City	2022-23	£6.86	£5.79	August 2023	Rate agreed in September 2023 and backdated to August 2023.
	2023-24	£7.11	£6.00		
Highland	2022-23	£6.66	£5.75	N/A	Rate reviewed in February 2023 and introduced from April 2023. In 2022-23, the rate was introduced from August 2022.
	2023-24	£6.66	£5.75		
Inverclyde	2022-23	£5.69	£5.69	August 2023	Rate agreed in November 2023 and backdated to August 2023.
	2023-24	£5.87	£5.87		
Midlothian	2022-23	£6.50	£6.02	N/A	Rate last approved in November 2022 and backdated to August 2022
	2023-24	£6.50	£6.02		

Council	Year	Rate paid to funded providers for one hour of ELC		Month during which increase is applied from	Comments
		2 year olds	3 - 5 year olds		
Moray	2022-23	£7.95	£6.62	N/A	Rate last reviewed in September 2023. Next review planned as part of the annual budget setting processes.
	2023-24	£7.95	£6.62		
North Ayrshire	2022-23	£5.76	£5.76	N/A	Last review held in April 2023 and backdated to August 2022.
	2023-24	£5.76	£5.76		
North Lanarkshire	2022-23	£6.03	£5.77	August 2023	Rate reviewed in June 2023 and introduced from August 2023.
	2023-24	£6.14	£5.87		
Orkney Islands	2022-23	N/A	N/A	N/A	Orkney does not use private nurseries for funded provision - only childminders. For consistency with other authorities, these rates are stated below, not in the main table. Rate for childminders: £5.50 (2yo), £5.50 (3-5yo) (up from £5.00 in 2022-23). The rate for childminders was reviewed in 2023
	2023-24	N/A	N/A		

Council	Year	Rate paid to funded providers for one hour of ELC		Month during which increase is applied from	Comments
		2 year olds	3 - 5 year olds		
					and introduced from April 2023.
Perth and Kinross	2022-23	£5.65	£5.45	August 2023	<p>The rate was reviewed in 2022 and an inflationary increase was applied from August 2023.</p> <p>Perth and Kinross started a pilot of community childminding, to support families facing life challenges (such as domestic abuse, bereavement, or wellbeing issues), for which the rates are the following: Retention Rate: £5.59</p> <p>Care-experienced rate (2yo): £6.66</p> <p>Care-experienced rate (3-5yo): £6.20</p>
	2023-24	£5.79	£5.59		
Renfrewshire	2022-23	£8.50	£5.71	August 2023	Rate agreed in November 2023 and backdated to August 2023.
	2023-24	£8.50	£5.97		
Scottish Borders	2022-23	£6.52	£6.21		Rate agreed in February 2023

Council	Year	Rate paid to funded providers for one hour of ELC		Month during which increase is applied from	Comments
		2 year olds	3 - 5 year olds		
	2023-24	£7.17	£6.83	April 2023	and introduced from April 2023. Scottish Borders paid the 2023-24 rate only to providers who were paying their staff the real Living Wage. There are currently 2 providers who stayed on the 2022-23 rate as they do not as yet pay the RLW but are working towards it. In 2022-23, the rate was introduced from August 2022.
Shetland Islands	2022-23	£7.77	£5.97	August 2023	Rate agreed in June 2023 and introduced from August 2023. The quoted rates are for providers who are not in receipt of the local authority's Building Support Package. Rates for nurseries eligible for Building Support Package:
	2023-24	£8.44	£6.49		

Council	Year	Rate paid to funded providers for one hour of ELC		Month during which increase is applied from	Comments
		2 year olds	3 - 5 year olds		
					£7.94 (2yo), £6.11 (3-5yo)
South Ayrshire	2022-23	£5.76	£5.76	August 2023	Rate agreed in June 2023 and introduced from August 2023.
	2023-24	£6.33	£6.05		
South Lanarkshire	2022-23	£6.34	£5.71	August 2023	Rate agreed in June 2023 and introduced from August 2023.
	2023-24	£6.53	£5.88		
Stirling	2022-23	£6.51	£5.70	April 2023	Rate agreed in March 2023 and introduced from April 2023. Rate for childminders: £5.10 (up from £4.85 in 2022-23).
	2023-24	£6.51	£6.00		
West Dunbartonshire	2022-23	£5.84	£5.67	August 2023	Rate agreed in September 2023 and backdated to August 2023.
	2023-24	£5.84	£5.84		
West Lothian	2022-23	£6.50	£6.50	N/A	Rate reviewed in February 2023 for April 2023. Rate for childminders: £6.30 per hour (same as in 2022-23).
	2023-24	£6.50	£6.50		

Annex B

Summary of Funding Arrangements for Delivery of Free Meals

- Table B1 sets out information provided by local authorities on the payments made to funded providers in the private, third and childminding sectors to deliver the free meal commitment for those children receiving funded ELC in 2023-24.
- Funding to deliver this commitment is additional to the sustainable rate and local authorities must ensure that they are transparent as to the funding being provided to private, third and childminding sector providers for the delivery of the free meal commitment.
- Local authorities may fund the free meal commitment by providing funding as a separate payment per meal, or as a 'top-up' to the sustainable rate.
- Local authorities may alternatively meet the free meal commitment by providing appropriate meals directly from in-house catering.
- The [Scottish Milk and Healthy Snack Scheme](#) offers funding for a daily portion of plain fresh cow's milk (or specified alternative) and a healthy snack (fresh fruit or vegetables) for pre-school children spending 2 hours or more in the care of a regulated day care provider and/or childminder that has registered for the Scheme.
- The payments for the Scottish Milk and Healthy Snack Scheme are delivered separately from the free meal delivery.
- Where local authorities have provided additional information on the payments of the Scottish Milk and Healthy Snack Scheme, this has been included in Annex B.

Table B1: Overview of funding for settings delivering free meals to children receiving funded ELC in 2023-24

Local Authority	Funding to deliver the free meal commitment
Aberdeen City	<ul style="list-style-type: none"> £2.75 per meal (no change since 2022-23).
Aberdeenshire	<ul style="list-style-type: none"> £2.75 per meal (up from £2.50 in 2022-23). For those funded providers that either don't have the catering facilities or the ability to produce meals (i.e., don't have economies of scale to be able to afford paying a cook), Aberdeenshire Council's catering service produce the meals for the providers. Up to a maximum of five [5] or six [6] meals per week per funded child depending on whether the child's scheduled pattern of care is spread over the minimum 38 weeks (allowing for two meals per 10 hours day and up to six meals per week) or 39 or more weeks (allowing for two meals per 10 hours day and up to five meals per week) per year.
Angus	<ul style="list-style-type: none"> £3.00 per meal (no change since 2022-23). Stopped paying the £0.10 top-up per hour for snacks in 2023-24 compared to 2022-23. Up to a maximum of five [5] or six [6] meals per week per funded child depending on whether the child's scheduled pattern of care is spread over the minimum 38 weeks (allowing for two meals per 10 hours day and up to six meals per week) or 39 or more weeks (allowing for two meals per 10 hours day and up to five meals per week) per year.
Argyll and Bute	<ul style="list-style-type: none"> £4.23 per meal (up from £3.11 in 2022-23).
Clackmannanshire	<ul style="list-style-type: none"> £0.50 top-up to the hourly rate for private nurseries (changed from a set payment per meal of £3.00 in 2022-23). £3.00 per meal for Childminders (no change since 2022-23).
Dumfries and Galloway	<ul style="list-style-type: none"> £3.00 per meal (no change since 2022-23). Providers can choose to have a payment per meal or have meals provided directly to them from the local authority. More providers are choosing the latter option.

Local Authority	Funding to deliver the free meal commitment
Dundee City	<ul style="list-style-type: none"> £2.10 per meal (no change since 2022-23).
East Ayrshire	<ul style="list-style-type: none"> £3.00 per meal (no change since 2022-23). 2 out of the 7 funded providers are sited close to a primary school and therefore have opted to receive meals direct from the Council's catering service.
East Dunbartonshire	<ul style="list-style-type: none"> £0.50 top-up to the hourly rate (no change since 2022-23). There are 3 Funded Provider establishments who do not have facilities to make lunch within their premises. In those circumstances, the Council provides lunches for those settings.
East Lothian	<ul style="list-style-type: none"> £0.35 top-up to the hourly rate (no change since 2022-23).
East Renfrewshire	<ul style="list-style-type: none"> £0.57 top-up to the hourly rate (up to a maximum of £3.42 per day depending on attendance patterns) (up from £0.50/£3.00 maximum per day in 2022-23)
Edinburgh	<ul style="list-style-type: none"> £3.10 per meal (no change since 2022-23).
Eilean Siar	<ul style="list-style-type: none"> £2.00 per meal (no change since 2022-23).
Falkirk	<ul style="list-style-type: none"> £0.40 top-up to the hourly rate for PVI nurseries (up from £0.37 top-up in 2022-23). £1.95 per meal for Childminders (up from £1.90 per meal in 2022-23).
Fife	<ul style="list-style-type: none"> £0.40 top-up to the hourly rate (no change since 2022-23).
Glasgow City	<ul style="list-style-type: none"> £3.00 per meal (no change since 2022-23).
Highland	<ul style="list-style-type: none"> £3.00 per meal (no change since 2022-23).
Inverclyde	<ul style="list-style-type: none"> £0.50 top-up to the hourly rate (up to a maximum of £3.00 per day, five times a week) (no change since 2022-23).

Local Authority	Funding to deliver the free meal commitment
Midlothian	<ul style="list-style-type: none"> • £0.40 top-up to the hourly rate (no change since 2022-23). • Meals funding is included in the hourly sustainable rate and is not a separate payment (to note: the rate reported in Annex A does not include the meal payment).
Moray	<ul style="list-style-type: none"> • £2.35 per meal (no change since 2022-23).
North Ayrshire	<ul style="list-style-type: none"> • £3.00 per meal for PVI providers (no change since 2022-23). • Nurseries can choose to be paid the meal rate or have the meals delivered by North Ayrshire Council facilities. • £2.50 per meal for Childminders (no change since 2022-23).
North Lanarkshire	<ul style="list-style-type: none"> • £3.00 per meal (no change since 2022-23).
Orkney Islands	<ul style="list-style-type: none"> • £2.40 per meal (no change since 2022-23).
Perth and Kinross	<ul style="list-style-type: none"> • £2.80 per meal (no change since 2022-23). • Funded Provider ELC settings also receive a 20p set payment for snack on top of the meal payment and Scottish Milk and Healthy Snack Scheme funding entitlement.
Renfrewshire	<ul style="list-style-type: none"> • £3.00 per meal (no change since 2022-23).
Scottish Borders	<ul style="list-style-type: none"> • £2.40 per meal (no change since 2022-23). • Additional payment of 10p per child per day to assist with the cost of a 2nd snack for the children. This payment is made to all funded children whether they attend LA, PVI or childminder.
Shetland Islands	<ul style="list-style-type: none"> • £2.16 per meal (up from £1.99 in 2022-23).
South Ayrshire	<ul style="list-style-type: none"> • £3.11 per meal (up from £2.87 in 2022-23).
South Lanarkshire	<ul style="list-style-type: none"> • £0.50 top-up to the hourly rate (no change since 2022-23). • Scottish Milk and Healthy Snack Scheme funding continues to support the provision of milk and healthy snack this year providing additional support to all early learning and childcare establishments, including local authority.
Stirling	<ul style="list-style-type: none"> • £0.40 top-up to the hourly rate (up from £0.35 top up for 3-5yo in 2022-23, no change for 2yo rate). • Alternatively, there is the option to have a Stirling Council lunch delivered to the setting.

Local Authority	Funding to deliver the free meal commitment
West Dunbartonshire	<ul style="list-style-type: none"> • £3.00 per meal (no change since 2022-23).
West Lothian	<ul style="list-style-type: none"> • £0.30 top-up to the hourly rate for the meal (no change since 2022-23). • Scottish Milk and Healthy Snack Scheme funding continues to support the provision of milk and healthy snack.



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The Scottish Government
St Andrew's House
Edinburgh
EH1 3DG

ISBN: 978-1-83521-946-1 (web only)

Published by The Scottish Government, February 2024

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA
PPDAS1415974 (02/24)

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