

# A BLUEPRINT FOR 2020: THE EXPANSION OF EARLY LEARNING AND CHILDCARE IN SCOTLAND

FUNDING FOLLOWS THE CHILD AND THE NATIONAL STANDARD  
FOR EARLY LEARNING AND CHILDCARE PROVIDERS:  
FREQUENTLY ASKED QUESTIONS FOR LOCAL AUTHORITIES  
AND PROVIDERS



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## **INTRODUCTION**

The Scottish Government and local authorities have committed to making an unprecedented level of investment in early learning and childcare (ELC) through the near doubling of the funded entitlement from 600 to 1140 hours per year from August 2020 for all 3 and 4 year olds, and eligible 2 year olds.

This will be high quality, flexible early learning and childcare that is accessible and affordable for families.

In order to ensure that the funded ELC entitlement is delivered in high quality settings, a Funding Follows the Child approach will be introduced in August 2020 alongside the statutory roll-out of the expanded entitlement.

It will ensure financially sustainable provision across the ELC sector. The Scottish Government and COSLA have agreed a multi-year funding package which includes funding to support the payment of sustainable rates to providers delivering the funded entitlement; to enable payment of at least the real Living Wage to all childcare workers delivering the funded hours; and to provide a free meal to every child attending a funded ELC session from August 2020

The approach is 'provider neutral' and is underpinned by a National Standard that all settings who wish to become a funded provider - regardless of whether they are in the public, private or third sector, or childminders - will have to meet.

The criteria in the National Standard focus on what children and their families should expect from their ELC experience, regardless of where they access their funded entitlement.

### **Quality at the Heart of Early Learning and Childcare Entitlement**

International research and evidence from our own [Growing Up in Scotland Study](#) shows that all children, but especially those from more disadvantaged backgrounds, can benefit from attending ELC. However, that evidence also tells us that if our ELC offer is to help give children the best start in life and contribute to closing the poverty-related attainment gap, it must be of high quality.

That is why at the heart of the National Standard are a clear and consistent set of quality criteria, recognising that the ELC expansion is fundamentally about improving the early years' experience of our youngest children.

## **Overview of this Document and Supporting Material**

This document addresses some of the frequently asked questions from local authorities and providers about the Funding Follows the Child approach, the National Standard criteria and delivery of the real Living Wage Commitment

This document should be read in conjunction with 'A Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland – Funding Follows the Child and the National Standard for Early Learning and Childcare Providers: Principles and Practice' and 'A Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland – Funding Follows the Child and the National Standard for Early Learning and Childcare Providers: Operating Guidance'.

## **SECTION 1: FUNDING FOLLOWS THE CHILD**

### **1. How many funded hours are children entitled to?**

From August 2020, children will be entitled to up to 1140 hours of early learning and childcare for all 3 and 4 year olds and eligible 2 year olds, from the relevant start date. These funded hours are free to parents at the point of access and their child's entitlement can be used in any funded provider who meets the National Standard, has a space available and is willing to enter into a contract with the local authority.

Legislation states when children are eligible for their funded entitlement based on their birth dates. Some local authorities operate different systems and it is important to contact the local authority for detailed information about when your child can start receiving their funded hours.

### **2. What choice do parents have over where their child can access their funded hours within a local authority?**

Local authorities will be able to tell parents and carers about the range of options available in each local area. All settings who meet the National Standard will be eligible to apply to become a funded provider. The types of settings can range from childminders to nurseries to outdoors and we have asked local authorities to communicate these options to parents in an accessible way.

In addition, Scottish Government will be producing guidance for parents to help them choose ELC for their child, based on their child's individual needs.

If a parent or carer wants their child to access their funded entitlement in their chosen setting, they should find out from the setting whether they are a funded provider. If they are, then the child will be able to access their funded hours with them, if they have a space available, can meet their child's needs and the setting is willing to enter into a contract with the local authority. It may be that the specific pattern of attendance the parent or carer wants is not available and we would ask that they work with the funded provider and the local authority to identify the best place for their child and to meet their family's needs.

### **3. Can a parent ask for their child to take their funded hours when they want to take it?**

There should be a range of delivery models available to children across a local authority area although this needs to be within a defined framework. For example, as set out in legislation, the minimum number of weeks over which a child can access their entitlement is 38 weeks.

In order to ensure that the Funding Follows the Child approach is sustainable, realistic and in line with local ELC delivery plans, different session times and models will be available in different settings.

The best way of exploring options is to contact the local authority as well as potential funded providers directly to find out what the options are.

**4. Can a parent choose a blended model using more than one setting for their child's statutory entitlement?**

Yes. There are a number of models available for children and some parents and carers may choose, for example, to access a nursery for some of their child's entitlement and use a childminder for the rest. The local authority will be able to tell parents and carers what options for blended models are currently available and how this can be managed. They may also consider other models if the setting is a funded provider or is eligible to apply to become a funded provider.

It is important to be aware that, in order to ensure that the Funding Follows the Child approach is sustainable and realistic, it may be that particular session times and models are in place in some settings but not in others. If a parent or carer wishes to use a blended model of funded hours, communication between the local authority, funded providers and families will be key in ensuring the child's ELC experience is of a high quality.

**5. Does a child have to access all of the funded hours they are entitled to?**

No. Parents and carers may choose to only take some of their child's funded hours. There is no requirement for children to take any or all of their funded entitlement and we would encourage parents and carers to explore the options available to their child.

If a parent or carer chooses not to take the full funded entitlement, they should discuss how this can be managed with the local authority and their chosen funded provider. We would expect the local authority and the funded provider to work closely to meet their request in the best interests of the child.

**6. What are the minimum and maximum number of hours my child can take in a session?**

At the heart of our ambitions is a high quality ELC experience for children. The Children and Young People (Scotland) Act 2014 currently sets out that "education (local) authorities must ensure sessions of [funded] early learning and childcare are:... each of more than 2.5 hours but less than 8 hours in duration."

We are confident we can demonstrate providers are able to offer a high quality experience over longer sessions and the National Standard will offer opportunities for us to measure this over time through Care Inspectorate quality evaluations.

We intend to introduce legislative changes ahead of August 2020 to remove the condition to have a minimum number of funded hours in a session and to increase the maximum number of funded hours in a session to 10 hours.

While flexibility for families is a welcome element of the expansion of hours, the key purpose of the approach is to ensure children have the best start in life. Therefore, the Scottish Government will reserve the right to amend this in legislation again if we are concerned that evidence is showing a detrimental impact on children's wellbeing and outcomes.

**7. A parent wants to access their funded hours outwith the local authority. How will this arrangement be managed?**

One of the key principles of the Funding Follows the Child approach is to allow parents and carers to make their own choices about where their child accesses their funded hours. The operating guidance states that “the choice of setting available to families is not restricted to their own local authority boundary” and it is expected that local authorities and funded providers do their best to grant this request if there are spaces available.

If a setting is already a funded provider with another local authority then this should constitute enough evidence to fund the child in their chosen funded provider. Local authorities should work together to share information about funded providers and provide clarity and reassurance that funding can be given to this provider. It is unlikely that the setting would need to apply to become a funded provider in more than one local authority area.

Good practice would be for local authorities to keep details of these arrangements and evidence of checks for suitability to be a funded provider centrally alongside evidence of funded providers in their own area. This will ensure a clear audit trail of compliance and funding outputs for children resident in the area.

**8. What do local authorities and settings need to communicate to parents and carers from now until 2020?**

The main messages for parents and carers should cover the full range of options which are available to them, across all funded providers, during the transition phase. Some local authorities have already begun to add ‘Expansion Newsletters’ as well as other support materials to their websites to let families know about some of the changes which are happening or planned for the next few months.

This practice is helping to provide clarity for parents and carers and offers an overview of the types of settings they can begin to look into for their child.

Where there are settings already providing funded hours, it would be helpful for parents and carers to know what they plan to offer as part of the expansion. This could include an overview of the patterns of attendance they plan to offer under the funded entitlement as well as a short description of the setting's philosophy and practices in creating high quality ELC experiences for children.

In addition, clear information for parents and carers about how to apply for access to their child's funded entitlement will be necessary and we would encourage local authorities and funded providers to support parents who are completing this application, if they need it.

For parents who are already accessing their child's funded hours in a provider who is funded by the local authority, clear communication about whether the setting is meeting the National Standard needs to be arranged. This will ensure parents have time to explore other options, if this is required.

The Scottish Government will develop an online resource for parents to empower them to make informed choices about the right ELC setting for their child. In addition, we will also work with providers and local authorities to develop a national information resource that all settings and local authorities can draw on and circulate to parents to allow for consistent messaging.

## **9. How will local authorities set the affordable and sustainable funding rate for funded providers in the private and third sectors?**

We have been working with Scotland Excel to develop technical guidance on how to set an affordable and sustainable rate for funded providers in the private and third sectors, including childminders. The sustainable rate should meet the following:

- 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.

The sustainable rate should allow for re-investment of profit and surplus as this will allow a funded provider that meets the National Standard to continue to

provide the service. The cost structure of the market should inform the rate set and it will be important for local authorities to work with colleagues in their Finance departments to understand the rates being set and define what is sustainable in their local area.

Information on how other local authorities are setting their rates may be shared on the Knowledge Hub where we would encourage local authority representatives to consult and gain ideas from others when taking forward this process.

#### **10. What is meant by ‘reducing the burden’ on providers to deliver the funded hours?**

There is a commitment to simplify the process for becoming, and continuing to be, a funded provider. As the primary guarantors of quality, local authorities need to satisfy themselves that a funded provider is offering a high quality of ELC for children in line with the National Standard. As a result, funded providers will be asked to submit evidence, both upon application and through compliance monitoring procedures, to show how they are meeting the National Standard.

At the moment, we know that there are variations in the approaches adopted by local authorities as to how and when they purchase services from funded providers in the private, and third sectors, and from childminders. We are aware from our consultations and engagement with the sector that these approaches can sometimes be cumbersome and restrictive for providers.

Whilst each local authority will continue to be responsible for implementing these steps locally, the introduction of the National Standard offers an opportunity to move towards a simpler and more uniform approach across the country. This should reduce the burden on settings when presenting evidence as a funded provider as well as simplify the process for local authorities. We are working closely with Scotland Excel to ensure this applies to all of the National Standard criteria and to suggest potential simplified options for the application process in local authorities moving forward.

#### **11. Can local authorities add their own additional criteria to complement the National Standard?**

All settings wishing to become a funded provider in Scotland will be assessed against the same National Standard criteria and no additional criteria will be applied.

With the exception of scrutiny quality evaluations from the Care Inspectorate and Education Scotland, local authorities will be responsible for assessing and monitoring compliance with the National Standard in all funded providers,

including those provided by local authorities, as part of their contract management arrangements and in their role as guarantors of quality.

**12. What is meant by the phrase ‘in-line with local ELC delivery plans’?**

Local parental demand will be the primary driver of local flexibility, but within a system which safeguards high quality provision. The Children and Young People (Scotland) Act 2014 places a duty on local authorities under Section 50 to consult and plan on delivery of ELC. Statutory guidance states that this consultation should include models, flexibility and systems of choice so that parents can inform options on offer and local authorities can develop systems to allocate options. The aim is to develop a high quality system of ELC that meets a range of needs.

This local demand will be reflected in local ELC delivery plans, which set out the comprehensive strategic direction for the delivery of ELC in their local area, respond to local need and will reflect the diversity of the communities that local authorities cover and therefore all funded providers will be expected to deliver ELC in line with the programme set out in the delivery plans.

**13. How will settings apply to become funded providers with the local authority?**

There is a commitment to simplifying the process and reducing the burden on settings who wish to become a funded provider. To support this Scotland Excel are producing guidance for local authorities on transition options. However, it is expected that there will be three key steps to becoming a funded provider:

- (1) meet the criteria within the National Standard, as assessed by the local authority;
- (2) receive the offer of the locally-set sustainable funding rate from the local authority; and
- (3) sign a contract to become a funded provider.

Each local authority will continue to be responsible for implementing these steps locally, retaining flexibility around the local process. Our work with Scotland Excel alongside consultation with relevant stakeholders will aim to ensure that this process is fair, transparent and simple for as many settings and local authorities as possible. We will publish further support materials to provide guidance and advice on this process by March 2019.

## **SECTION 2: THE NATIONAL STANDARD FOR EARLY LEARNING AND CHILDCARE PROVIDERS**

### **1. Who does the National Standard apply to?**

The National Standard applies to all settings offering the funded early learning and childcare entitlement. This covers settings in the public, private and third sectors, including childminders.

### **2. Does the National Standard apply to ELC paid for directly by parents as well as to the funded hours?**

The National Standard applies to the setting offering the funded entitlement. For example, the Care Inspectorate looks at the registered service as a whole, including children who are not receiving the funded entitlement. Therefore, if the setting has been accepted as a funded provider, the quality of ELC in the whole service will need to be evaluated as 'good' or above. This should provide some reassurance that the non-funded element of the setting is also of a high quality.

The real Living Wage commitment applies to childcare workers in the setting delivering the funded entitlement. Whilst it is our ambition for all childcare workers to be paid at least the real Living Wage, it is not for the Scottish Government or local authorities to provide funding to cover the hours that staff spend delivering non-funded hours in these settings. It is therefore a business decision for funded providers as to whether they provide the additional resource to uplift the salaries for all workers in their settings, including those not engaged in delivery of the funded entitlement, to the real Living Wage.

### **3. Does the National Standard apply to funded providers who deliver the funded entitlement in an outdoor setting or through Gaelic medium?**

Yes. The National Standard criteria apply regardless of setting characteristics such as whether the provision is being delivered through English or Gaelic medium, in a Catholic or non-denominational setting or through indoor or outdoor provision.

### **4. How will local authorities assess whether funded providers are meeting the National Standard?**

It is expected that local authorities have clear and concise procedures in place for assessing a setting's eligibility to become a funded provider. Further support materials on how to assess this evidence will be produced by March 2019 and this will include what key features to look for in the evidence provided. We are working with the Service Models Working group to develop this further and gain a

shared understanding of how the National Standard can be applied consistently across the country. We would encourage local authorities to work together and support each other through this change of approach, and to ensure that there is parity and equity in how the National Standard is applied.

Templates for applications to become a funded provider will also be made available for local authorities to consider as they develop their processes. We expect local authorities to consult local providers on the development of these processes and to review and evaluate new processes within the first few years.

## **5. Why does the National Standard quality criteria only reflect Care Inspectorate quality evaluations?**

The expertise within each inspection body for ELC means that they bring a different perspective to their evaluations of settings and both bring their own strengths to supporting improvement. Education Scotland inspections are a valuable source of evidence in understanding the quality of ELC provision in a setting. However, it would not be appropriate to require funded providers to meet the same criteria in respect of Education Scotland quality evaluations. Firstly, only a small proportion of settings are selected for evaluation by Education Scotland. It would therefore be unfair to expect settings to meet a criteria that is not universally applied. Secondly, Education Scotland do not inspect settings sufficiently frequently to allow us to stipulate that quality evaluations must be returned to good or better within a specific 'service improvement period'.

It is, however, important that Education Scotland evaluations are taken into account in assessing the quality of funded ELC provision. Sub-criteria 4.2 of the National Standard states that if one of the quality evaluations covered by the inspection is less than good, this must be addressed within the setting's improvement plan. In addition, the findings from any Education Scotland inspection will be scrutinised by the local authority as part of their procedures for monitoring compliance against the National Standard. Should the findings of the Education Scotland inspection suggest other criteria are not being met, a 'service improvement period' will begin.

## **6. What if a funded provider receives a quality evaluation below 'good' in any of the Care Inspectorate themes following scrutiny activities?**

As guarantors of quality for the National Standard, the local authority will play a key role in ensuring each child receives a high quality experience during their funded hours. If a funded provider fails to meet the Care Inspectorate quality evaluation criteria, they will be subject to a 'service improvement period'. The local authority will need to be clear about which criteria are not being met and how the funded provider can improve the quality of provision to ensure children receive

high quality ELC. It is expected that communication between the local authority and the Care Inspectorate is clear under these circumstances to ensure that any 'enhanced improvement support' is consistent between the two organisations.

The local authority will be expected to offer 'enhanced improvement support' to improve the quality of provision in order to promote consistency and continuity of care for children and their families, where possible.

In addition, the Care Inspectorate may offer support for improvement, in line with their current procedures.

**Quality of environment exemption:** Of each of the four themes inspected by the Care Inspectorate, some settings are likely to have least control over quality of environment, which could be subject to the owner of a premise agreeing to investment or temporary change due to the need to undertake repair work or (especially in the context of ELC expansion) refurbishment and/or extension work. We also recognise that some settings that rent space in buildings owned, for example, by a church or local council, will have limited control over the timing of repair work. We therefore recommend that, where a setting fails to restore its quality of environment grading to 'good' by this next inspection, the setting will be required to submit, within 2 weeks of the inspection report, improvement plans that provide sufficient reassurance that good quality will be restored within appropriate timescale agreed between the Care Inspectorate and the local authority. These plans would be submitted to the local authority but the Care Inspectorate would also have a role in reviewing these.

If these plans are considered by the Care Inspectorate and the local authority to be inadequate, the setting will be given feedback on what else needs to be included and an opportunity to resubmit the plan within a further two weeks. If the resubmitted plan still fails to provide adequate reassurance, funded status will be withdrawn.

## **7. What if there is not a recent quality evaluation for one of the themes included under the sub-criteria relating to Care Inspectorate quality evaluations?**

Under the Care Inspectorate's proportionate approach to its scrutiny activities, some settings will only be inspected against two of the four quality themes which are linked to the National Standard criteria. These settings are deemed as low risk and, therefore, are subject to a low intensity inspection. This would mean that the setting's quality evaluations will only be linked to two of the quality themes, one of which is always 'Quality of Care and Support'.

If concerns arise about other themes during the inspection process, the inspection can be changed to a high intensity and other quality themes can be scrutinised. The Care Inspectorate takes a responsive approach to the intelligence it gathers to plan inspections and, if there is evidence to suggest performance under a quality theme needs further investigation, this theme can be looked at within the inspection process.

If there are no concerns about a particular quality theme, and the Care Inspectorate has not decided to scrutinise the theme further, local authorities can be confident that the setting is operating at a 'good' quality for those themes which have not been inspected.

We will work with the Care Inspectorate to identify the key features which define 'good' quality ELC provision under each theme. We will also work with them to identify when themes may be covered during an inspection in addition to the themes included in the original inspection plan.

#### **8. What if a funded provider falls below a quality evaluation of 'good' in any of the quality indicators evaluated by Education Scotland?**

The local authority as the primary guarantors of quality should support the funded provider to improve by agreeing a clear improvement plan that identifies any areas for development through the scrutiny activity. Local authorities should also explore the findings from Education Scotland inspections to ascertain compliance with the National Standard. If this information highlights that a funded provider is not meeting one or more of the criteria, the local authority should use this information to begin relevant procedures to improve the quality of the service by instigating a 'service improvement period'.

Where necessary, Education Scotland may be able to provide follow up support to funded providers where inspectors evaluate the quality of learning and education provision to be less than good. This will ensure that identified areas for improvement are addressed within the setting's improvement plan and the funded provider is supported to implement the actions required to improve children's ELC experience.

#### **9. What if a provider is not meeting the National Standard by the end of the transition period to 2020?**

##### **Existing settings who are already offering funded hours**

If the setting does not meet the National Standard, they will not be eligible to become a funded provider from August 2020. However, support will be available to help providers to meet the standard, with additional support provided through the Delivery Support Plan for Providers. The local authority may also offer support

to ensure improvements are made to achieve the National Standard in the transition to 2020 and. If it is clear that an existing funded provider is not going to meet the National Standard from August 2020 then communication with parents will be necessary to ensure they have time to make alternative arrangements if this is what they wish to do. The local authority will also contact parents and carers to inform them that the setting will not be a funded provider in the local authority area. Parents and carers will still have the choice to use the setting on a non-funded basis as long as they are registered with the Care Inspectorate. If this is the case, settings must make it clear to parents and carers that they will not receive funding for their ELC hours and they should also be made aware that other options are available.

After August 2020, the provider can re-apply to become a funded provider as long as they can show how they are meeting the National Standard at this point.

### **Existing and new settings who wish to provide funded hours**

Those existing and new settings who wish to provide the funded hours who are not yet meeting the National Standard can use the operating guidance to plan improvements in their setting to meet the quality criteria. As improvements are made or during the registration process, evidence of compliance can be collected for the application and we would recommend that the setting contacts the local authority to find out what evidence will be required when applying to become a funded provider.

## **10. What 'enhanced improvement support' can funded providers expect from local authorities in the transition period, if they are not meeting the National Standard?**

### **Existing settings who are already offering funded hours**

If a setting is not yet meeting the National Standard, but is currently providing funded hours, the local authority may offer support to ensure improvements are made to achieve this Standard, in line with their current resources and processes. They will also be able to use the commitments made in the Delivery Support Plan for Providers to support these settings in becoming a funded provider. It is ultimately the responsibility of the setting to make the necessary changes to meet the National Standard and local authorities will make it clear which criteria in the National Standard have not yet been met.

If the setting has received a quality evaluation below good through Care Inspectorate scrutiny activities, the setting may be provided support from the Care Inspectorate under Section 44(1) of the Public Services Reform (Scotland) Act 2010 which places a general duty of furthering improvement on the Care

Inspectorate. It will be for individual settings to set this agreement with the Care Inspectorate and work with them to make improvements in this case.

If the Standard is not met by implementation of the Funding Follows the Child approach in August 2020, the local authority will begin to make contingency arrangements to ensure that parents and carers can make informed choices about their child's access to their funded hours.

Some local authorities may recognise that there are areas in which the capacity to offer funded hours will be low and may prioritise enhanced improvement support to services in these areas to ensure that local needs are met. This may be in relation to areas of deprivation where a commitment to the funded entitlement may not be fulfilled or in areas where current provision for funded hours is low. It is for local authorities to decide how they plan their resources to meet the commitment and this will be based on the needs of the local authority as a whole, in line with local ELC delivery plans.

### **Existing settings who wish to provide funded hours**

There will be no expectation from a local authority to provide 'enhanced improvement support' if the setting is not currently offering funded hours. There may be circumstances where the local authority contacts a setting to arrange some development work if they are considered to be located in an area where there is the need for more capacity to ensure all children receive their funded hours. This will not take the form of 'enhanced improvement support' and it is ultimately the responsibility of the setting to make improvements to meet the National Standard.

The Care Inspectorate may offer some improvement support in line with their legislative commitment to help settings develop where the quality of provision requires significant improvement. This type of support would need to be agreed between the provider and the Care Inspectorate and would focus on areas which have been identified as part of the inspection process rather than against the National Standard.

### **New settings who wish to provide funded hours**

There will be no expectation from a local authority to provide 'enhanced improvement support' in new settings. There may be circumstances where the local authority contacts a new setting to arrange some development work if they are considered to be located in an area where there is the need for more capacity to ensure all children receive their funded hours. This will not take the form of 'enhanced improvement support' and it is ultimately the responsibility of the setting to make improvements to meet the National Standard.

The Care Inspectorate may offer some support in meeting the National Standard during the registration process. This type of support would need to be agreed between the provider and the Care Inspectorate and would focus on areas which have been identified as part of the registration process rather than against the National Standard.

## **11. What is a 'service improvement period' and how long is this?**

A 'service improvement period' will apply when a funded provider is not meeting one or more of the National Standard criteria. This may be in relation to the quality evaluations from Care Inspectorate scrutiny activities or based on other intelligence such as Education Scotland inspections findings or feedback from parents and carers.

The 'service improvement period' gives the funded provider an opportunity to improve the quality of their provision within a fair timescale. The local authority can instigate a 'service improvement period' when one or more of the National Standard criteria are not being met.

If this is in relation to Care Inspectorate scrutiny activities, the 'service improvement period' will begin upon publication of the inspection or scrutiny report.

If the local authority has other evidence of non-compliance against the National Standard criteria, the 'service improvement period' will begin when communication is sent from the local authority to the funded provider detailing the National Standard criteria which are not being met.

In both circumstances, the local authority must detail to the funded provider:

- which National Standard criteria and sub-criteria are not being met;
- what evidence they have that the criteria is not being met;
- how the service can improve their practice to meet the criteria;
- what enhanced improvement support will be available to ensure the quality of provision improves; and
- the specific review dates for monitoring during and at the end of the 'service improvement period'.

The length of the 'service improvement period' is 12 months or, if the criteria not met are related to Care Inspectorate quality evaluations, the 'service improvement period' will end upon publication of the next inspection report. At this time, the local authority will make a decision about whether the setting will remain a funded provider, based on the evidence of progress over the 'service improvement period.'

**12. What happens if the service does not meet the National Standard criteria within the ‘service improvement period’?**

The priority when making this decision is to ensure that the continuity and consistency of care for children is well managed and that the impact on families is reduced, where possible.

If the local authority finds that the funded provider is not meeting the National Standard criteria after the ‘service improvement period’, they will communicate with the funded provider the reasons for their decision and detail the criteria which are not being met. At this time, a transition phase to remove funded provider status will begin. We would expect that, in order to ensure a smooth transition for children and their families, that this transition phase would last around 3 months. A confirmed date for the removal of funded provider status will be given by the local authority when confirming their decision.

Communication with parents and carers about the process for removing funded provider status will be essential from both the local authority and the setting. Parents and carers must understand the various options available to them, including other funded providers who may be able to offer their child their funded hours or options to remain in the setting on a non-funded basis. They should also be told the date when their funded entitlement in the setting will be withdrawn.

**13. How will the National Standard take account of any changes to the inspection frameworks of the Care Inspectorate and Education Scotland?**

The National Standard reflects the current scrutiny and inspection frameworks of the Care Inspectorate and Education Scotland. When changes are made to these inspection frameworks, criteria relating to quality evaluations will be updated to reflect this and ensure consistency between the scrutiny work of the Care Inspectorate and Education Scotland. The Care Inspectorate and Education Scotland are currently developing a shared inspection framework for all ELC settings.

**14. If a provider doesn’t have a framework for play and learning yet. How can they be supported to develop this?**

There are a number of support resources available on the National Improvement Hub which may be of help as settings define their approach to ELC, in line with their ethos, vision and values. In addition, some of the settings identified to receive support from the Innovation Fund focus on pedagogy and setting frameworks for play and learning. These can be used to draw inspiration and identify key theories for developing and creating a framework for play. Smaller settings may be able to evidence this within their individualised planning

approaches while larger settings may be more comfortable producing an overall statement and direction for the service as their framework.

Local authorities may decide to support settings to access training and development opportunities which detail the expectations of this criteria. While generalised evidence will be asked for nationally, some local authorities may have specific local priorities which need to be reflected in a funded provider's framework for play and learning. Holding consultation sessions and development workshops may help to ensure that a coherent and consistent approach is taken across each area in consultation with all funded providers.

**15. If a funded provider has been asked to provide funded hours for a child with additional support needs, what can local authorities do to support the setting and the child best through this process?**

Most settings will be well equipped to manage children's varying needs. If a setting has any concerns about being able to meet a child's additional support needs, then we expect all parties to be able to come together to have meaningful, respectful conversations to support good decision-making that has the child's best interests at the centre.

We would expect that the current approaches in local authorities to supporting children with additional support needs are used to ascertain the best place for each child to access their funded hours. Multi-agency meetings can be used to discuss the variety of options available, gather the views of parents and carers and to hear the opinions of the proposed funded provider on how they plan to meet the child's individual needs. Decisions about where the child should access their funded hours should be made in line with the Additional Support Needs (2004) Act and details of the choice made should be explained using the Getting It Right For Every Child wellbeing indicators. This will ensure that there is clarity and consistency in the approaches to placing children with additional support needs in a local authority area. Key to the success of this will be the inclusion of the funded provider the parent has chosen in informing the decisions made.

If it is decided that reasonable changes to the care and learning environment can be made within the funded provider to ensure that children's additional support needs can be met, clear timescales should be set for the child starting in the service. The funded provider must agree to attend all multi-agency meetings for the child to promote consistency and continuity of care and ensure that their additional support needs do not provide a barrier to them accessing a full range of experiences.

Should a decision be taken that the child will not attend a particular setting, clear reasoning and evaluation of the case should be communicated to the funded provider by the local authority about why this decision has been taken and why it is felt that this will be of more benefit to the child's development.

Should a decision be taken against the wishes of the parent, clear reasoning and evaluation of the case should be communicated to the parent to help them understand why this decision has been taken and why it is felt that this will be of more benefit to the child's development.

**16. If a provider doesn't have a clear and comprehensive policy for the provision of healthy meals and snacks for children how can they be supported to develop this?**

Setting the Table includes a section on 'Food Policy Development' under the 'Putting Guidance into Practice' alongside other advice to create a healthy eating policy for different types of settings which impacts positively on practice. This document is currently under review and it may be beneficial for local authorities to arrange training and development opportunities for funded providers to support the development of these practices across their local area.

In addition, the Care Inspectorate has published good practice guidance on food in ELC titled 'Food Matters: Nurturing happy, healthy children'. It is a resource that highlights examples of good practice from across ELC. They have worked alongside the sector to enable settings, practitioners and families to tell their own stories of how they are supporting children to eat well and enjoy good food every day.

We will work with delivery partners to develop a national resource of communication materials that settings can distribute to parents and carers. This will include material on healthy eating and the free meal commitment. We will also create online platforms for settings and local authorities to identify and share best practice on innovative collaborative solutions to delivering the commitment.

From 2020, we are also proposing that nursery milk is delivered as part of the funded entitlement. Alongside this, we are considering including an offer of a daily healthy snack such as a piece of prepared fruit or vegetable. We will confirm the final details of the nursery milk and healthy snack offer in early 2019 following the confirmation of the policy position in light of the [Welfare Foods consultation](#).

**17. Do I need to provide a hot meal as part of the child's funded hours?**

No. We understand that settings may want to operate different models for providing meals and snacks which best meets the needs of the children and families experiencing the service. Some settings may not have the facilities to offer hot meals and parents and carers may choose for their child to opt out of the free meal entitlement. As long as the child receives a meal which is healthy, nutritious and in line with best practice guidance, the setting will meet the criteria. The meal does not have to be a lunch and we would recommend talking to parents, carers and children about what would suit them best when planning the provision of meals. This will ensure that what is offered is meeting the needs of those using the setting.

Setting the Table is currently under review and we hope to include a variety of hot and cold options for settings to consider when planning the meals and snacks they want to offer. In addition, guidance on offering meals and snacks in outdoor settings is being developed within an online 'How to...' Guide for practitioners on how to access outdoor spaces to create safe, nurturing and inspiring outdoor learning experiences.

Local authorities are expected to work in partnership with funded providers to support them in identifying solutions to deliver the free meals commitment, particularly where funded providers do not have onsite catering facilities.

**18. If a child takes their funded hours using a blended model, who provides the child's meal?**

Where the child's funded hours are being delivered using a blended model, involving more than one provider across the day, it will be for the individual funded providers to agree with parents and carers as well as the local authority who will provide the meal.

**19. How will the local authority assess the business sustainability of funded providers in the private and third sectors?**

We are currently working with Scotland Excel and the Care Inspectorate to ascertain the parameters for demonstrating business sustainability based on a risk model. Evidence such as business forecasts/projections and accounts will be used to define the perceived risk of a setting and determine whether they are financially viable providers.

More information on these checks will follow with the support materials to be published by March 2019 and will be user tested with colleagues in local authorities before being finalised.

**20. I am a childminder who wants to become a funded provider but I don't have a qualification yet. Where can I get support to get my qualification in the next 5 years?**

Childminders who want to become a funded provider should be able to demonstrate that they have applied and have been accepted onto a relevant qualification. We are currently working with training providers and colleges to explore how relevant prior experience, training and qualifications can be recognised and accredited towards a mandatory qualification. So far, many of these organisations have been positive about the development of a resource which could support childminders to collate evidence of their existing practice and used towards assessment for the SVQ Social Services (Children and Young People) at SCQF Level 7. We are doing this by making links from their practice to the relevant National Occupational Standards at SCQF 7. This could support childminders to value and recognise their own experiences and knowledge which can be directly used as evidence towards a qualification.

We are also looking at how this process could be supported and funded. Currently, provided the applicant's individual income does not exceed £25,000 per annum, fee grants for part-time courses are available from the Student Awards Agency Scotland (SAAS). Another source of part-funding is the Skills Development Scotland Individual Training Account. We will explore whether other dedicated funding needs to be made available to help childminders to fund their qualifications.

In addition, childminders have been involved in the development of the 'My Childminding Journey' resource to support experienced childminders who are providing good quality care as a way of enabling access to a qualification. 'Your Childminding Journey' was designed to help childminders reflect on their practice and we are currently developing the Childminding Route Planner to help support them in this process. Evidence collated could be used for self-assessment, supporting the inspection process, quality assurance and quality improvement processes, providing recognition of prior learning towards qualifications and in assisting childminders to choose the best route towards qualification for their individual situation.

Some local authorities are already offering funding to childminders to support them in gaining a qualification. This is based on certain criteria and is locally managed. Local authorities may wish to explore if this option would benefit their ability to offer the funded entitlement across their area.

**21. Do I need to register with the Scottish Social Services Council (SSSC) if I am a childminder?**

No. There is no legal requirement for childminders to register with SSSC and they are already registered with the Care Inspectorate. The National Standard (sub-criteria 1.2 and 1.4) asks childminders to meet the requirements and Codes of Practice that SSSC require from registered practitioners and this is sufficient evidence to show they are meeting this aspect of the National Standard. It is recommended that childminders have a good understanding of the SSSC Codes of Practice as this will support them to understand the expectations of the workforce as a whole. It may also support them to show how they are meeting the National Standard in their application to become a funded provider.

**22. I'm planning to open a new setting and I want to become a funded provider. What do I need to do?**

The best way to get a good understanding of what is expected is to work with the Care Inspectorate to discuss ways to meet the National Standard during the registration process. Going through the process of registration should support new settings to understand the expectations of the sector and will support their development to meet the National Standard. Part of the process of registration requires each setting to collate evidence which may also be helpful when applying to become a funded provider with a probationary status. There will be other requirements the Care Inspectorate will expect in order for the setting to become a registered care service but, in order to become a funded provider, settings will also need to meet the criteria set out in the National Standard.

New settings may also want to discuss their aspirations with the local authority directly before making an application. The local authority will be able to communicate what can be expected when they apply and may be able to point new settings in the direction of funded providers who are currently high performing.

In addition, organisations such as Early Years Scotland, SCMA, Business Gateway, the Enterprise Networks, Just Enterprise and Social Investment Scotland may be able to support the new setting in developing aspects of their business model.

## **SECTION 3: THE REAL LIVING WAGE COMMITMENT**

### **1. What is the real Living Wage?**

The real Living Wage is a voluntary wage rate of pay, which is based on the cost of living. It applies to all workers aged 18 and over.

The rate is calculated by the Resolution Foundation and overseen by the Independent Living Wage Commission. These figures are calculated annually and are usually announced in November each year.

More information on the Living Wage can be found at:  
<https://scottishlivingwage.org/what-is-the-living-wage>.

For further information on the calculation of the Living Wage see:  
<https://www.resolutionfoundation.org/app/uploads/2016/10/Living-wage-calculations.pdf>.

### **2. What is the difference between the real Living Wage and the National Living Wage?**

The National Living Wage is an enhanced legal minimum wage for workers that are aged 25 and over. This means that from 1 April 2018 all employers must pay all of their staff that are over 25 a minimum of £7.83 per hour. This will rise to £8.21 from 1<sup>st</sup> April 2019.

The National Minimum Wage is the legal [minimum wage](#) for 21-24 year olds. Lower rates apply for those aged 18-20; 16-17; and for apprentices. The rates for each of these age groups for 2018-19 and 2019-20 are set out below.

Age group	Nationally defined legal minimum wages (from 1 April 2018)	Nationally defined legal minimum wages (from 1 April 2019)
25 and over	£7.83	£8.21
21 - 24	£7.38	£7.70
18 - 20	£5.90	£6.15
16 – 17	£4.20	£4.35
Apprentices	£3.70	£3.90

The National Minimum Wage rates are set by the UK Government. More information can be found at: <https://www.gov.uk/national-minimum-wage-rates>.

### **3. Do providers have to become Living Wage accredited to become a funded provider from 2020?**

No. Whilst the Scottish Government encourages more providers to become Living Wage accredited, it is not required to meet the criteria.

To be a Living Wage accredited employer you must confirm that you pay all of your directly employed staff the real Living Wage that meets the cost of living, and have a plan in place for your contracted staff.

Further information on Living Wage accreditation can be found at:

<https://scottishlivingwage.org/userfiles/files/18%20Living%20Wage%20Employers%20Guide%202018.pdf>.

### **4. Are any ELC providers Living Wage accredited?**

There are already a number of Living Wage accredited private and third sector employers operating in the sector. More information on Living Wage accredited employers in the sector can be found at: <https://scottishlivingwage.org/accredited>.

There are also other private and voluntary sector providers in the sector who are paying at least the real Living Wage, but have not sought accreditation.

### **5. How do I become a Living Wage Accredited employer?**

Information on how to become a Living Wage accredited employer can be found on the Living Wage Scotland site:

[https://scottishlivingwage.org/accreditation/how\\_do\\_you\\_become\\_accredited\\_as\\_a\\_living\\_wage\\_employer](https://scottishlivingwage.org/accreditation/how_do_you_become_accredited_as_a_living_wage_employer).

### **6. Who is covered by the ELC real Living Wage commitment?**

The commitment covers all directly employed childcare workers in a setting who are providing direct care to children receiving the funded entitlement regardless of age or qualification and of the setting in which they are employed. This includes staff who are regularly employed by childminders to provide direct care to children.

### **7. Are Modern Apprentices included in the commitment?**

In line with the requirements for Living Wage accreditation, apprentices do not have to receive the Living Wage - in recognition that particularly in the earlier stages apprentices may spend more time training than working. However, it is good practice to ensure pay rises over the course of the apprenticeship.

**8. When will the commitment be rolled out?**

The commitment will be introduced from August 2020 as part of the national statutory roll-out of 1140 hours and the introduction of the Funding Follows the Child approach.

**9. Is there a timescale for providers to demonstrate that they are paying the real Living Wage to staff delivering the funded entitlement?**

Providers who agree to deliver the funded entitlement will pay the real Living Wage to all childcare workers delivering the funded entitlement and commit to adopting and demonstrating Fair Work practices in their setting.

It is expected that providers will move to paying the real Living Wage to all childcare workers delivering the funded entitlement once they start to receive the sustainable funding rate from the statutory national roll-out of 1140 hours in 2020.

**10. In the Fair Work criteria what is meant by “in accordance with the supporting guidance on Transition Options” with regards to payment of the real Living Wage to all childcare workers delivering the funded entitlement?**

Scotland Excel are developing guidance on Transition Options, which will set out options for local authorities to consider when redeveloping their processes to assess ELC funded providers who are contracting with the authority.

This guidance will also set out potential options for implementing the real Living Wage commitment, including how to implement this criteria when tendering.

**11. What funding will settings receive to enable delivery of the Living Wage commitment?**

The Scottish Government has committed to providing the funding to allow local authorities to set sustainable hourly rates for funded providers in the private and third sectors from August 2020. This sustainable hourly rate will reflect the costs of paying the real Living Wage to ELC workers delivering the funded entitlement.

**12. Why is the Scottish Government/local authorities not providing the funding for all workers – regardless of whether they are delivering the funded entitlement – to receive the real Living Wage?**

It is the Scottish Government’s ambition that all staff in ELC settings are paid at least the real Living Wage.

However, the funding provided by the Scottish Government/local authorities is for the delivery of a service on behalf of the public sector. A contract will be agreed by the provider and the local authority for the delivery of these funded hours. If funding were provided for non-funded hours then this could be interpreted as a subsidy and therefore could be in breach of State Aid Rules.

To put this in context the Financial Review of Early Learning and Childcare in Scotland, published in September 2016, highlighted that, on average, around 23% of income for funded providers in the private and third sector was from the funded hours. Whilst this is expected to increase with the delivery of the expanded entitlement from 2020, it is still expected that for many providers the fees that they charge to parents and carers for non-funded hours will be a significant (and in some cases still the largest) source of income.

It is also important to note that not all registered providers of daycare for children are delivering the funded entitlement. For example, Care Inspectorate data highlights that in December 2017 among private sector providers, 83 per cent of registered settings were delivering the funded entitlement.

It is at the discretion of providers as to how they operate the non-funded hours aspects of their business, reflecting their business model, cost structures and local market conditions.

It is not for local authorities or the Scottish Government to seek to comment on or intervene in the aspects of a funded providers business that are out-with of the funded entitlement.

**13. Staff in my setting deliver a combination of funded and non-funded hours. Can I pay staff delivering non-funded hours less than the real Living Wage?**

It is the Scottish Government's ambition that all staff in ELC settings are paid at least the real Living Wage.

The funding provided only covers the hours spent delivering the funded hours, and does not cover the hours that staff spend delivering non-funded ELC in these settings, either as 'wraparound care' or to children who are not eligible for the funded entitlement.

However, in line with the wider Fair Work criteria in the National Standard employers must demonstrate fair and equal pay policy within their settings.

The multi-year funding agreement provides the funding to enable providers to receive a sustainable funding rate for delivering the funded entitlement.

It is at the discretion of providers as to how they operate the non-funded hours aspects of their business, which will reflect their business model, cost structures and local market conditions.

It will therefore be a business decision for providers as to whether they provide the additional resource to uplift the salaries for all childcare workers, including those not engaged in delivery of the funded ELC provision, to the real Living Wage.

However, the purpose of this commitment is to recognise the contribution workers in ELC make to improving the quality of the experience for children. It is an opportunity to invest in ELC as a career of choice by helping to address one aspect of the recruitment and retention challenge in the sector.

**14. What support will providers receive to support the implementation of Fair Work practices, including payment of the real Living Wage?**

Whilst we understand that some aspects of the Fair Work criteria may initially appear challenging, we know that many providers are already delivering Fair Work practices in their day to day activity.

We will therefore, as part of our wider engagement events with the sector on the transition to 2020, work with the Scottish Government's Fair Work Directorate to run sessions with providers to identify what Fair Work practice looks like within an ELC setting and how they can demonstrate this. To support this, we will work with providers to develop case studies based on current ELC providers who are demonstrating fair work practices (and draw on lessons from other sectors). This will enable us to work through challenges with providers, and identify if any further supporting guidance is required.

We are also exploring, as part of the development of our Delivery Support Plan for Providers, the potential for some targeted advice and support to providers on implementing Fair Work practices, in particular, payment of the real Living Wage.

## **ANNEX A: GLOSSARY**

<b>Term</b>	<b>Description</b>
Accessibility	The commitment to ensure that ELC capacity is sufficient and is as conveniently geographically located as possible – particularly in areas of higher deprivation and in rural communities – to support families and enable parents and carers to work, train and study, while also appropriately meeting the needs of children who require additional support and parents who request ELC through the medium of Gaelic.
Active learning	Learning which engages and challenges children’s thinking using real-life and imaginary situations. It takes full advantage of the opportunities for learning presented by spontaneous play, planned, purposeful play, investigating and exploring, events and life experiences and focused learning and teaching supported, when necessary, through sensitive intervention to support or extend learning.
Affordability	The increased access to affordable ELC which will help to reduce barriers to participating in the labour market which parents and carers face.
Blended Model	The model where children are attending two or more settings, managed by different providers, who are working together to provide them with their entitlement to ELC.
Continuous Professional Learning	Ongoing learning and development to improve and extend professional practice throughout an individual’s career. Maintaining and developing effective knowledge, skills and values helps everyone working in ELC to deliver good practice when working with children, parents and carers as well as other professionals.
COSLA	COSLA, the Confederation Of Scottish Local Authorities, is the voice of Local Government in Scotland. They provide political leadership on national issues, and work with local authorities to improve local services and strengthen local democracy. They are co-creators of the Funding Follows the Child approach and the National Standard with the Scottish Government.

Early learning and childcare / ELC	<p>The relevant legislation defines early learning and childcare as: “<i>a service consisting of education and care, of a kind which is suitable in the ordinary case for children who are under school age, regard being had to the importance of interactions and other experiences which support learning and development in a caring and nurturing setting.</i>”</p> <p>It emphasises the holistic and seamless provision of nurture, care and the development of social, emotional, physical and cognitive skills, abilities and wellbeing. Learning cannot take place without a nurturing and caring environment.</p>
Eligible children	<p>An eligible child is defined in legislation (the Children and Young People (Scotland) Act 2014 and the Provision of Early Learning and Childcare (Specified Children) (Scotland) Order 2014, as amended).</p> <p>This is all 3 and 4 year olds and <a href="#">some children aged 2, from the relevant start date</a>. The date the child can access their funded entitlement depends on their birth date.</p>
Fair Work practices	<p>Practices that create an environment which offers effective voice, opportunity, security, fulfilment and respect; that balances the rights and responsibilities of employers and workers and that can generate benefits for individuals, organisations and society.</p> <p>Ensuring that staff are fairly remunerated – through, for example, supporting payment of the real Living Wage – is a key aspect of demonstrating commitment to fair work practices.</p>
Financially sustainable provision	<p>Provision which ensures that providers across all sectors are willing and able to deliver the funded entitlement, including receiving a sustainable funding rate.</p>
Flexibility	<p>Support for parents and carers in work, training or study, and a commitment to offer patterns of provision better aligned with working patterns whilst delivering this in a way that ensures a high quality experience for the child.</p>

Free at the point of access	The commitment to parents and carers that they will not have to pay for any part of their child's funded entitlement at any time and are not asked to make any upfront payment, including a deposit or any other payment, in respect of the funded hours. It also ensures that funded providers cannot charge parents and carers top-up fees to the funded entitlement or ask them to purchase additional hours to access the funded hours. This does not include additional charges such as the cost of outings or extra-curricular activities which can be charged to parents and carers if these are clearly detailed in the payment agreement.
Funded entitlement	The statutory entitlement stated in the Children and Young People (Scotland) Act 2014 for all children aged 3 and 4 years old and eligible 2 year olds to 1140 hours of early learning and childcare from August 2020 <sup>1</sup> .
Funded hours	The hours of ELC provision for children which are funded through the local authority up to the statutory entitlement of 1140 hours of ELC for eligible children.
Funded Provider	An ELC setting who meets the National Standard and offers the ELC funded entitlement to children.
Funded provider on a probationary basis	A newly registered setting which has become a funded provider before their first Care Inspectorate inspection, providing they meet the other criteria in the National Standard.
Funding Follows the Child	The approach for parents and carers to make informed choices about where they want their child to take their funded entitlement to ELC. It is defined by a 'provider neutral' approach which allows parents and carers to choose providers – regardless of whether they are in the public, private or third sectors, including childminders – if the setting meets the National Standard, has a place available and is willing to enter into a contract with the local authority.

<sup>1</sup> This legislation will be amended to change the statutory entitlement for ELC from 600 hours to 1140 hours from August 2020.

Getting It Right for Every Child	The national approach in Scotland to improving outcomes and supporting the wellbeing of our children and young people by offering the right help at the right time from the right people. It supports them and their parents or carers to work in partnership with the services that can help them. Wellbeing sits at the heart of the GIRFEC approach and reflects the need to tailor the support and help that children, young people and their families are offered to support their wellbeing. A child or young person's wellbeing is influenced by everything around them and the different experiences and needs they have at different times in their lives.
Key enablers of flexibility and choice	The role of the local authority to ensure every child in their area is able to access their funded entitlement in a high quality setting which meets their needs, through regular consultation on local parental demand and by ensuring a 'provider neutral' approach to local ELC delivery plans.
Multi-year funding package	The annual revenue investment in ELC agreed which will reach around £990 million by 2021-22. This is an increase of £567 million on 2016-17 levels. £476 million in capital funding over four years has also been provided to support the next phase of infrastructure investment in ELC. The total additional revenue and capital spend over five years from 2017-18 and to 2021-22 will reach almost £2 billion.
National Standard	The Standard that all funded providers in Scotland will need to meet to offer the funded entitlement to children from August 2020. This is regardless of whether the funded hours are provided by a setting in the public, private or third sectors, including provision offered by childminders. It is aligned to the guiding principles for the expansion to 1140 hours: quality; flexibility; accessibility and affordability. It is also underpinned by the regulations in the <a href="#">Public Services Reform (Scotland) Act 2010</a> which applies to all care services across Scotland, including daycare of children and childminding settings.

Non-funded hours	The hours of ELC provision which are <b>not paid for</b> through the local authority. These hours are likely to be in addition to the funded hours children need, hours for children who are not eligible for the funded entitlement, or are paid ELC hours in settings who are not funded providers.
Poverty-related attainment gap	The gap in attainment and children's outcomes between children in the most and least deprived areas of Scotland.
Primary guarantors of quality	The role of the local authority to ensure that ELC funded providers are meeting the National Standard through meaningful and genuine partnership working, including providing support for improvement and monitoring compliance against the quality criteria.
Provider	Any organisation offering ELC provision registered with the Care Inspectorate under daycare of children or childminding registrations.
Provider neutral	The approach which enables parents and carers to choose from a variety of ELC settings that best suits the needs of their child, in line with Funding Follows the Child. It allows parents and carers to choose from a number of different providers – regardless of whether they are in the public, private or third sectors, including childminders – if the setting meets the National Standard, has a place available and is willing to enter into a contract with the local authority.
Quality	A high quality experience for all children, which complements other early years and educational activity to close the poverty-related attainment gap and recognises the value of those we entrust to support our children to fulfil their potential.

Real Living Wage	The rate of pay for staff that is calculated based on the cost of living. Employers who pay the Living Wage to their staff can apply for Living Wage Accreditation. The real Living Wage rate at December 2018 was £9.00 an hour. The rate is updated in the first week of November each year. The real Living Wage should not be confused with the National Minimum Wage (including the “national living wage” for those aged 25 and over) which is the legal minimum an employer must pay an employee and is set by the UK Government.
Regional Improvement Collaboratives	Regional Improvement Collaboratives bring together local authority and Education Scotland resources and expertise, to enhance the educational improvement support that is provided to schools and funded ELC providers. The 6 Collaboratives across Scotland include sector and curriculum area support, including additional support for learning. They provide targeted advice and support in order to drive improvement, making use of available evidence and data. Each Collaborative sets out its work plan and regional support offer through a Regional Improvement Plan.
Scotland Excel	The Centre of Procurement Expertise for the local government sector. Their services are designed to help local authorities meet the twin challenges of reducing budgets at a time of growing demand. Collaborative procurement increases efficiency and ensures money is saved to protect front line services. By working together through Scotland Excel, local authorities work to realise a host of social, economic and environmental benefits from their spend.
Scrutiny activities	The Care Inspectorate and Education Scotland undertake a number of scrutiny activities to provide public assurance, regulate and support improvement in care and learning across ELC. This includes inspections, registrations of care services and investigating complaints made about ELC settings. Information from these activities can be used by local authorities to ascertain compliance against the National Standard criteria.

Service improvement period	The time given to a funded provider to improve the quality of ELC when they are not meeting one or more of the National Standard criteria. The length of the 'service improvement period' is 12 months or, if the criteria not met are related to Care Inspectorate quality evaluations, the 'service improvement period' will end upon publication of the next inspection report.
Service Models Working Group	A group of professionals from the ELC sector who work alongside Scottish Government officials tasked with supporting the development of the Funding Follows the Child approach and the National Standard.
Setting	Any service offering ELC provision registered with the Care Inspectorate under daycare of children or childminding registrations.
Staffing structure	The structure of staff used in services to ensure that children's health, safety and welfare needs are met. This can include how staff are deployed to ensure adequate supervision or how management structures are used to support a culture of continuous improvement.
Sustainable rate	The hourly rate that is paid to funded providers in the private and third sectors, and childminders, to deliver the funded entitlement ensuring they can remain financially viable while offering funded hours to eligible children. The rate will support delivery of a high quality ELC experience for all children; reflect the cost of delivery, including the delivery of national policy objectives; allow for investment in the setting – staff, resources and physical environment; and enable payment of the real Living Wage for those childcare workers delivering the funded entitlement.
Top-up fees	Costs which are in addition to the funded entitlement. These must be clearly stated in any payment agreement. Parents and carers are not expected to pay any top up fees in order to access their child's funded entitlement. This may apply to non-funded hours or additional costs such as outings or extra-curricular activities.



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