

**From:** ELC Programme Office <[ELCProgrammeOffice@gov.scot](mailto:ELCProgrammeOffice@gov.scot)>  
**Sent:** 08 April 2019 08:45  
**To:** [redacted]  
**Cc:** [redacted]  
**Subject:** ELC data request: support for funded providers and hourly rates - 15 May 2019

Dear Directors of Education and ELC Leads,

### **Support for funded providers and hourly rates**

Following my letter to local authorities on 2 November 2018 the Scottish Government is now, following the end of the 2018-19 financial year, requesting an update from authorities on their actions to support partnership working throughout the year. This includes information on changes to the hourly rates paid to funded providers.

Details as to what is being requested and a copy of the template to be completed are attached (and we have included a separate word version of the template to make this easier to complete). The template has been developed in partnership with the ELC Finance Working Group and we are grateful to colleagues for their comments. **We would be grateful if local authorities could provide this template by close on Wednesday 15 May 2019 to the ELC Programme Office mailbox - [ELCProgrammeOffice@gov.scot](mailto:ELCProgrammeOffice@gov.scot).**

### **Funding Follows the Child implementation**

Colleagues may be aware that Janice MacInnes, formerly of City of Edinburgh Council, is working part-time with the Scottish Government ELC team as a Professional Advisor supporting the ELC expansion programme.

Janice will shortly start contacting ELC leads in local authorities with a view to arranging a phone call to catch up on Funding Follows the Child implementation. The purpose of these calls is to find out how each local authority is getting on with plans to implement Funding Follows the Child and the National Standard from 2020, what is worrying colleagues about this, and if there is anything the Scottish Government could do to help. The calls will help inform the next phase of our joint work to develop supporting materials and resources, and the delivery support that Simon Mair will take forward when he joins as Head of Delivery Assurance later this month.

Finally, I wanted to pass on our thanks and appreciation for the huge amount of work underway across local authorities on the expansion. I hope Easter brings some well-earned rest for you and your teams.

Alison Cumming

### **Alison Cumming**

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## Information on Rates and Support for Funded Providers

### Purpose

1. Following the letter to local authorities on 2 November 2018 the Scottish Government is now, following the end of the 2018-19 financial year, requesting an update from authorities on their own actions to support partnership working throughout the year. This includes information on changes to the hourly rate paid to funded providers. Further background is provided in **Annex A**.
2. **We would be grateful if local authorities could provide this information by close on Wednesday 15 May 2019 to the ELC Programme Office ([ELCProgrammeOffice@gov.scot](mailto:ELCProgrammeOffice@gov.scot)). If you have any questions please contact [redacted] at [redacted] or [redacted].**

### What information is being requested?

3. **Annex B** provides a template for local authorities to complete. This requests the following information:
  - **Hourly funding rates for providers in 2017-18, 2018-19 and 2019-20.** This should cover:
    - Separate rates for 2 year olds, and for 3 & 4 year olds (where different rates are applied).
    - Rates for delivery of both the current entitlement (600 hours) and phasing of expanded hours (above 600 and up to 1140 hours).
  - **Funding rates for delivery of the free meals commitment** (e.g. funding per meal) for those funded providers who are involved in the early phasing of 1140 hours.
  - **A general overview of the actions taken over the full financial year to support partnership.** It would be helpful if this could include details of any actions covered in the three points set out in the letter of 2 November 2018 (and referenced in paragraph 13 in Annex A).

### Why we are collecting and how will we use the information?

4. There is considerable interest across the sector regarding the hourly rates being set by local authorities and also with any associated funding (in particular, funding rates for delivering meals). For example, we are aware that there have been a number of Freedom of Information requests for this information.
5. We therefore intend to proactively publish a high level summary of the information collected through this exercise. This will include a table summarising the rates in each local authority area. We expect this information will be published in June following consideration and analysis of the completed templates (the Scottish Government will work with COSLA, and the ELC Finance Working Group on this).
6. We will also use the information to prepare a resource for local authorities on ways to promote effective partnership, and we may contact you for further details

to help us create case studies. We plan to launch the resource at a Partnership Summit for all authorities later in the year and will work with you and with the ELC Partnership Forum to shape the final product.



## Annex A - Background

7. The Scottish Government wrote to local authorities on 2 November 2018 regarding the allocation of the final £6 million of revenue funding for the ELC expansion in 2018-19.
8. This £6 million of revenue was held back to determine how much would be required to support delivery of the Additional Graduate commitment in 2018-19. The commitment is estimated to cost £18 million per year to deliver, with £12 million initially allocated.
9. As highlighted in the letter of 2 November 2018, progress updates on the implementation of the Additional Graduate commitment indicated that most authorities did not require any additional funding to implement the commitment in 2018-19.
10. It was agreed that the remaining £6 million would be allocated to local authorities on the basis of pre-school education grant-aided expenditure (GAE), adjusted to take account of the estimated population of eligible 2 year olds (estimated number of 2 year olds in out of work benefit households, net of the contribution of contribution-based claimant households).
11. The letter of 2 November strongly encouraged authorities to consider using this funding to support providers in the private and third sectors, including childminders, as they transition towards the statutory roll-out of 1140 hours, and the accompanying Funding Follows the Child model, from August 2020.
12. It was suggested that this support, to be provided in 2018-19, could be delivered through, but not limited to:
  - additional training and development support, including for new recruits;
  - enabling providers to access business, financial or human resources support; and/or
  - grants to providers to support capacity building.
13. The letter highlighted that “at the end of the financial year we will ask local authorities to provide a short update on the actions that they have undertaken to support partnership throughout the year, including details of any changes to the hourly rate.”

## Annex B – Template

The Scottish Government would be very grateful if authorities could provide the information requested below regarding their actions to support funded providers.

We would be very grateful if authorities could send completed templates to the ELC Programme Office ([ELCProgrammeOffice@gov.scot](mailto:ELCProgrammeOffice@gov.scot)) by **close on Wednesday 15 May**.

### 1. Local Authority Contact Information

Local Authority:

Local Authority contact (including email address):

### 2. (a) Summary of Hourly Rates for Funded Providers for current offer (600 hours) and for early phasing of expanded hours.

**Table 1:** Hourly Rates for Funded Providers

	Hourly Rates (£)			
	600 hours		Phasing of expanded hours (e.g. 1140 Hours or an offer above 600 hours)	
	2 year olds	3 & 4 year olds	2 year olds	3 & 4 year olds
2017-18				
2018-19				
2019-20				

**(b) Is there any further information that you would like to provide regarding your approach to setting of hourly rates (e.g. do you have different rates for childminders; duration of rate set)?**

**3. Please set out below the rate paid to funded providers, who are involved in the early phasing of expanded hours (e.g. more than 600 hours and up to 1140 hours) in your area, to deliver the free meal commitment.**

Please highlight if you have included funding for the meal commitment in the hourly rate or as a separate payment.

**4. Please provide an overview of the actions taken over the full financial year to support partnership. It would be helpful if this response could include details of any actions related to the following points (as set out in the letter of 2 November 2018):**

- **additional training and development support, including for new recruits;**
- **enabling providers to access business, financial or human resources support; and/or**
- **grants to providers to support capacity building.**

It would be helpful if you could provide an outline of each initiative undertaken to support partnership and, where possible, that this includes a measure of the scale or volume of activity (for example, on training and development support this could cover the number of events held and any measures of take-up by providers).

This information will be used to prepare a resource for authorities on ways to promote effective partnership, and we may contact you for further details to help us create case studies.