

From: [redacted] <[redacted]@gov.scot>
Sent: 05 May 2021 17:38
To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>
Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted]
<[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>;
[redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted]
<[redacted]@gov.scot>
Subject: RE: SHMSS - draft for SDG at May 2021 (A33140070) - finding a solution to the pressing
problem

[redacted]

Thanks for this – I think we need to pick this up in the discussion tomorrow.

I will be honest and say that I have never understood why regs used the term “market price” although I know those who were involved at the time had good reason to do so – it just has not ever been clearly articulated.

In costing the policy, which has been very complex, the analysts have worked extensively to try to work out how to fairly assess what we might reasonably expect settings across Scotland to have to pay for milk and fruit/ veg: they did this using claims data from the previous Scheme which included purchases from dairies and others; in response to pressure from COSLA and ASSIST (the catering arm), the most recent estimate also drew on the Scotland Excel pricing framework as this is the purchasing mechanism that local authorities are required to use when procuring. So what I’m trying to draw out here is that in drawing up the proposed quantum and National Average (from which the local is directly derived by using the SDG weighting) , extensive consideration has already been given to “market” issues and we think that this is what represents a reasonable sum for the Scottish Government to be paying for the policy.

Those who have been directly involved in leading this work may want to comment further here on more of the specifics.

We have a slot to discuss tomorrow, moved to 2:30 to try to accommodate most.

[redacted]

[redacted] (she/her)

Head of the Family Unit (job-share)

Directorate for Children and Families

Scottish Government
[redacted] (working hours only)

I am currently working flexibly from home part-days Monday-Thursday
(Mon, Wed, Thurs 9:30-13:15; 15:15-17:30; Tuesday 9:30-13:15).
My job-share partner, [redacted], works Wednesday- Friday.



From: [redacted]<[redacted]@gov.scot>
Sent: 05 May 2021 12:59
To: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>
Cc: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>
Subject: RE: SHMSS - draft for SDG at May 2021 (A33140070) - finding a solution to the pressing problem

Added a few comments. Happy to meet.

[redacted]
Local Government Finance Allocation Statistics

From: [redacted]<[redacted]@gov.scot>
Sent: 05 May 2021 12:28
To: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>
Cc: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>
Subject: SHMSS - draft for SDG at May 2021 (A33140070) - finding a solution to the pressing problem
Importance: High

Click on the link to open 'SHMSS - draft for SDG at May 2021' -
<https://erdm.scotland.gov.uk:8443/documents/A33140070/details>

[redacted], [redacted] (adding [redacted] and [redacted]/ [redacted] for awareness and I will follow up with you separately)

Following on from last night's email chain, I've set out a proposed process in the guise of text that could be integrated into the next SDG paper which will be needed for c. 11 May, to suggest how we might try to work within the SHMSS regulations as drafted to nonetheless ensure that we are able to use the proposed local serving rate approach and remain within our financial parameters for year 1 of the Scheme.

For whatever reason, we have a potential mismatch between the regs as drafted and the reality that we need to be able to administer; it is now almost impossible to change the regulations so we need to find a way to make this work within them, possibly by using guidance and/ or direction.

The critical section of this note for the purposes of just now is the section that deals with payments by the authority to the childcare setting. I have included the other sections however, to provide the context, viz that market price or proxies for market price have formed part of the consideration throughout the costings for the national quantum and I think we can therefore argue that in recommending that LA's set the rate in line with the Local Serving Rate, there has already been regard to market price.

Somehow we need to find a way to ensure that:

- We are operating within the legal framework as it is now too late to change this;
- SG retains the intended overall control of the budget and that LA expenditure is within appropriate parameters and ideally close to the Local Serving Rate.

If what is here does not work for your purposes, what can we do to improve it?

It may be helpful for top copy recipients to discuss today, drawing on others as desired/ feasible?

[redacted]

[redacted] (she/her)

Head of the Family Unit (job-share)

DIRECTORATE FOR CHILDREN AND FAMILIES

SCOTTISH GOVERNMENT

[redacted] (working hours only)

I am currently working flexibly from home part-days Monday-Thursday

(Mon, Wed, Thurs 9:30-13:15; 15:15-17:30; Tuesday 9:30-13:15).

My job-share partner, [redacted], works Wednesday- Friday.



RE: DRAFT Distribution Paper - May 2021 (002)

From: [redacted]<[redacted]@gov.scot>

Sent: 19 May 2021 16:23

To: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@cosla.gov.uk>

Cc: [redacted]<[redacted]@gov.scot>

Subject: RE: DRAFT Distribution Paper - May 2021 (002)

Fine by me

[redacted]

Local Government Finance Allocation Statistics

From: [redacted]<[redacted]@gov.scot>

Sent: 19 May 2021 16:10

To: [redacted]<[redacted]@cosla.gov.uk>

Cc: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>

Subject: DRAFT Distribution Paper - May 2021 (002)

[redacted]

Please see suggestions attached - what I have suggested at d) aims to pick up the discussion we had the other day with [redacted] and [redacted] and [redacted] points about the need for early clarity for authorities. If all are happy to agree to use the

LSR for year 1 this would provide baseline evidence for them to use for setting potentially different rates if they wish to in subsequent years.

I have also offered slightly amended working on the reconciliations and am copying this to [redacted] for his awareness/ in case he thinks this is badly put!

Hope this helps – very glad we did not have to write it though had kept the evening free in case! Do come back to me if anything unclear or that you don't like... I started by saying ““we would suggest” to all LA's but thought this was a bit woolly; hoping it does not now sound like we are trying to tell them or you what to do!

[redacted]

In confidence - comment by 4pm please

From: [redacted]

Sent: 19 May 2021 12:48

To: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>

Cc: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>

Subject: In confidence - comment by 4pm please

Importance: High

Hi all

With apologies for tight turnaround, [redacted] has sent on a draft paper for Leaders drawing on today's SDG meeting.

She's looking for comment later today. There are some specific areas of wording to address ([redacted] – notably on reconciliation where I think there is a conflation – see below) and we had also spoken to [redacted] who is leading our mini delivery assurance review about putting into the Leaders paper an ask that all LA's agree to pay at the LSR across their whole authority for year 1 while we take the learning, allowing confirmation of payment rates to go out asap after the Leaders discussion.

Are there any other issues we need or would benefit from putting to Leaders ?

I will be back from 3:15ish and happy to discuss to turn this round to go back to [redacted].

[redacted] – on reconciliation, [redacted] has phrased this as being paid in March 2022; while there is an option to reconcile from the first 8 months this wouldn't cover all Scheme year 1 and we'd also need to be clear about the baseline data. Would this be on the data we get in this July? We are still working on monitoring and need to confirm when we intend to seek the annual report required by the regulations, specifics of which are to be set by Ministerial direction.

[redacted]

RE: Milk and snack paper- quick q

From: [redacted]

Sent: 17 May 2021 13:20

To: [redacted] <[redacted]@cosla.gov.uk>; [redacted]< [redacted] @gov.scot>
Cc: [redacted] <[redacted]@cosla.gov.uk>; [redacted]< [redacted] @gov.scot>; [redacted]< [redacted] @gov.scot>; [redacted]< [redacted] @gov.scot>

Subject: RE: Milk and snack paper- quick q

Hi [redacted]

Happy to pick up this afternoon but it may depend quite what they meant here: having reread para 5 I think this refers to where a local authority has paid out more than the 70% in which case we'd be addressing that via reconciliation.

If it's about the payments to the settings themselves, settings are asked to notify "significant change" and this is addressed in more detail in the guidance. It may be that we need to add more detail in here. Let's pick up in the margins of this afternoon to ensure that you have what you need here.

[redacted]

RE: FOR CLEARANCE - Updated proposal for Settlement and Distribution Group on the Scottish Milk and Healthy Snack Scheme

Hi [redacted]

[redacted] is content for the paper to be submitted.

Thanks

[redacted]

[redacted] | Private Secretary | Minister for Children and Young People
•: [redacted] | Mobile: [redacted]

[redacted] Preferences can be found here - Ministerial Preferences<<http://saltire/my-workplace/ministerial-preferences-and-support/Education-and-Sk>

**FOR CLEARANCE - Updated proposal for Settlement and Distribution Group
on the Scottish Milk and Healthy Snack Scheme**

From: [redacted]

Sent: 12 May 2021 17:09

To: [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted]< [redacted] @gov.scot>; [redacted] ([redacted] @gov.scot) <[redacted] @gov.scot>; [redacted]< [redacted] @gov.scot>

Subject: FOR CLEARANCE - Updated proposal for Settlement and Distribution Group on the Scottish Milk and Healthy Snack Scheme

Importance: High

Minister for Children and Young People

FOR CLEARANCE: Settlement Distribution Group Paper – 18 May 2021 (attached)

Action

You are invited to agree that you are content for this paper to be submitted to SDG, to enable circulation as soon as possible.

Context

As you are aware, the Settlement and Distribution Group (SDG) considered a paper from the Scottish Government at its meeting on 24 March 2021, setting out the proposed funding arrangements for the Scottish Milk and Healthy Snack Scheme.

The earlier proposed distributing 50% of the maximum quantum in an initial payment in summer 2021. SDG considered that this percentage was too low and asked the Scottish Government to review this and to clarify how the Local Serving Rates (LSR) would be applied as a result of the powers set out in Regulation 9

SDG are meeting to deliberate again on the 18 May and we propose to ask them to consider the revised proposal attached, which draws on further consideration of anticipated uptake, rules governing ring-fencing and the desire to balance flexibility with appropriate financial control. This new paper:

- Proposes that the initial payment should be based on 70% of the maximum quantum;
- Clarifies that ring-fenced payments will be for use within the financial year and thus this first payment will cover the period until end March 2022 with a further payment to cover the remaining Scheme year 1 costs to be made with the 2022 Local Government Finance Settlement;
- Confirms how we propose the funding offer to align with the provisions of the Milk and Healthy Snack Scheme (Scotland) 2021 regulations whereby local authorities will determine the payments to childcare settings. As set out in the paper, we propose to set out in guidance a recommendation that these payments should be calculated by using the Local Serving Rate confirmed by the Scottish Government (the Average National Rate x the number of servings) and that the Local Serving Rate is the rate at which the SG will reimburse Local Authorities. Authorities may however choose to set a different rate and the paper confirms that the Scottish Government would only meet any additional costs associated with such variation where this has been agreed in advance and evidenced. (We do not expect many authorities to avail themselves of this flexibility however, we are aware that some rural and island

authorities in particular have highlighted that they could wish to make differentiated payments to reflect local circumstances).

We have discussed the content of the paper with COSLA officials who are content.

Broader update on SMHSS

Following the feedback from DCLRP in February and identification of some ambiguities, we are bringing forward an instrument to amend the Milk and Healthy Snack Scheme (Scotland) Regulations 2021. **You have agreed to sign the Amending SSI on Thursday**, for which our thanks.

Draft statutory guidance to accompany the Scheme has been shared with a wide range of external stakeholders including local authorities, day care settings, representative organisations and the dairy industry for views and comment by 21 May. Wording on payments and financial aspects will be added once the funding arrangements have been agreed with COSLA. A final version of the guidance will be cleared with SGLD colleagues before being shared with you for sign-off ahead of publication in June (final date tbc).

Best wishes,

[redacted]

RE: SHMSS - draft for SDG at May 2021

From: [redacted]<[redacted]@gov.scot>

Sent: 12 May 2021 13:25

To: [redacted] <[redacted]@cosla.gov.uk>;[redacted] <[redacted]@cosla.gov.uk>

Cc: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>

Subject: RE: SHMSS - draft for SDG at May 2021

Hi [redacted],

Please see updated version of paper. Annex A is still included but feel free to remove if not required. Para 13 – ‘*Following consideration by SDG, Leaders will be asked to agree the funding proposal and it is hoped that confirmation of funding can*

be provided to local authorities by the end of May to allow them to confirm the rates that will apply within their boundaries no later than mid-June.’ – do you think this is achievable by these dates?

Thanks

[redacted]

[redacted]

Scottish Milk and Healthy Snack Scheme

Improving Health and Wellbeing

The Scottish Government

[redacted]

SHMSS - draft for SDG at May 2021

From: [redacted]

Sent: 12 May 2021 10:43

To: [redacted] <[redacted]@cosla.gov.uk>; [redacted] <[redacted]@cosla.gov.uk>

Cc: [redacted]< [redacted] @gov.scot>; [redacted]< [redacted] @gov.scot>; [redacted]< [redacted] @gov.scot>

Subject: SHMSS - draft for SDG at May 2021

Importance: High

[redacted]/ [redacted]

With apologies for the delay, please find attached a draft of the SDG paper – this is not yet cleared for circulation; you’ll want to consider and I’d hope to then put this forward for clearance as soon as we can. If it would help to speak, please let me know and we can do this.

Are we still on for the meeting of the 18th? I have been working with [redacted] to try to iron out the ring-fencing and payment issues and he thought that material for the 18th might now be taken in confidence.

We also now have a draft of the amending regulation that we can share – this will be laid tomorrow and should take effect from Monday to align with the opening of

registration. I say “we” but actually I don’t have this in my box yet so I will ask for this to be forwarded to you asap.

Happy to speak as helpful,

[redacted]

Update on paper on SMHSS for SDG

From: [redacted]

Sent: 11 May 2021 12:34

To: [redacted] <[redacted]@cosla.gov.uk>; [redacted] <[redacted]@cosla.gov.uk>

Cc: [redacted]< [redacted] @gov.scot>; [redacted]< [redacted] @gov.scot>; [redacted]< [redacted] @gov.scot>

Subject: Update on paper on SMHSS for SDG

[redacted]/ [redacted] ([redacted] – welcome back!)

A quick update on the SDG paper that I know was intended to go out today; we are in the process of finalising a draft to put to you (hopefully later today) and then to the Minister, hopefully allowing time for this to take on board any comments you may wish to offer. I spoke to [redacted] about the overall content yesterday but we agreed that it would be important for you to see, [redacted], it being fairly “techy” in nature.

Subject to further comment from those with a better understanding of our internal financial mechanisms, it’s likely to ask members to:

- i. Note the detail of the proposed operational approach and the implications for reconciliation;
- ii. Recommend that the initial ring-fenced payment in July 2021, be based on 70 per cent of the potential maximum, and should be distributed based on 93 per cent pre-school pupil numbers, and seven per cent rurality estimates;
- iii. Note that this initial payment will comprise the support for those months of Scheme year 1 that fall within financial year 21/ 22 (August 2021 to March 2022) and that a second payment will be made with the 2022-23 settlement for the remaining months of the Scheme year 1 which falls in 2022-23;
- iv. Recommend that payments by Local Authorities to settings be paid at the Local Serving Rate (LSR). Local Authorities may choose to pay at a higher rate, but any additional costs above the LSR will only be funded by Scottish Government if prior agreement has been sought from Ministers.

The point at iii) here is that we are not going to be allowed to use the ring-fenced mechanism to pay for the full 12 months; it can cover the 8 months of milk and snack that fall into FY 21/ 22 (and all the admin fee as we're arguing your point that this will be required in 21/22); there would then be a second payment alongside the LGF for the last 4 months of Year 1 which would in effect be paid at the same time as the first 8 months of year 2.

At iv) we're providing greater clarity as to how the LSR and financial approach set out in the paper of 24 March interact with the regulations; we're proposing an approach that would give authorities to exercise some discretion if required, confirming that the SG intention is to pay at the LSR serving rate as default but that consideration can be given to cases where there is evidence that this is not sufficient.

We recognise that LA's and settings will be keen to know soon what they may pay/receive and would hope that we might agree an in-principle date for the communication of the rate that the LA will apply in their area – perhaps from mid-June?

Further work obviously to be done on additional sections on payments for the finalised version of the guidance (likely to be published mid-June also) but let's see if we can tie down the approach first!

Hope this helps and we'll look to send on the draft paper soon, noting the desire to give as much notice as possible to SDG (and also a suggestion that this might now be taken in correspondence instead?).

Happy to discuss – I'm out of office this afternoon but can be reached on [redacted] if it's urgent.

RE: SHMSS - draft for SDG at May 2021 (A33140070) - for action by close today

From: [redacted]

Sent: 11 May 2021 12:22

To: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>

Cc[redacted]<[redacted]@gov.scot>,[redacted]<[redacted]@gov.scot>,[redacted] ([redacted])

@gov.scot) <[redacted]@gov.scot>

Subject: RE: SHMSS - draft for SDG at May 2021 (A33140070) - for action by close today

Importance: High

Dear all

Thank you for input into the drafting of the SDG paper. I'd appreciate any final comments **ideally by 5pm Tuesday** and then we will look to share a clean draft with COSLA (with the caveat that this is not yet cleared to send!) and to run a draft by Ministers once have had a chance to consider.

[redacted] – could you look at writing up a cover paper for [redacted], noting that this is to address SDG concern expressed at 24 March about the proposed level of distribution; that it clarifies the position re ring-fencing and provides greater detail on how the LSR will be used in the context of the powers set out in reg 9, which will also be described in the guidance; [redacted] – you may want to think about what else you could add here about the progress of the guidance, perhaps to reassure the Minister that she will be asked to clear finalised guidance once this has been agreed.

[redacted]/ [redacted] and team – there are a couple of points noted in comments that it would be helpful to clarify and to pick up in the thinking about the financial process, notably the question of whether reconciliations require additional grant letters or whether (it is to be hoped) that these can be tucked in with the LGF.

I'm attaching a Word copy also for the benefit of those who still can't access erDM but please do use the link if the system allows!

Click on the link to open 'SHMSS - draft for SDG at May 2021' -
<https://erdm.scotland.gov.uk:8443/documents/A33140070/details>

[redacted]

RE: SMHSS - Question re ring-fencing

From: [redacted]

Sent: 10 May 2021 15:30

To: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>

Cc: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>
Subject: RE: SHMSS - Question re ring-fencing

[redacted]

Thanks for this clarification. I think our position remains that the grant will need to be ring-fenced for at least the first 2 Scheme years.

[redacted]/ team – to note.

[redacted]

RE: SHMSS - draft for SDG at May 2021 (A33140070) - for action on Monday

From: [redacted]<[redacted]@gov.scot>
Sent: 10 May 2021 11:20
To: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>
Cc: [redacted]<[redacted]@gov.scot>
Subject: RE: SHMSS - draft for SDG at May 2021 (A33140070) - for action on Monday

Is 'the latest available number of children registered for Local Authority and partnership settings, recorded in the September 2020 pre-school pupil census' a suitable indicator for the initial distribution?

[redacted]

Local Government Finance Allocation Statistics

SHMSS - draft for SDG at May 2021 (A33140070) - for action on Monday

From: [redacted]
Sent: 09 May 2021 22:51
To: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>

Cc: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>

Subject: SHMSS - draft for SDG at May 2021 (A33140070) - for action on Monday

Click on the link to open 'SHMSS - draft for SDG at May 2021' -
<https://erdm.scotland.gov.uk:8443/documents/A33140070/details>

All

Thanks for input to date on the draft paper for SDG. I'd be really grateful if we can do what we can early on Monday to allow us to look to share a draft with COSLA who may still have substantive points to raise. Specifically:

- [redacted]: you mention that there may still be lack of clarity over the pupil data to use. I think we need to clarify this urgently and to agree with the analysts (both [redacted] copied) which data is to be used. I think I thought this was to be the ELC data as the best available but I know further thought had been given to the question of how this tallied with the 190k used in the calculations which incorporated uplifts. Certainly happy not to include the list of weightings with this paper if this is not normal practice; we will want to be able to give LA's clarity about the weighting and rates as soon as possible after we have sign-off from COSLA so grateful if [redacted] and [redacted] and [redacted] could discuss and advise – happy to be part of discussion as helpful;
- [redacted] and [redacted] – could you also check the figure for distribution as previously, on the basis of the new approach set out;
- [redacted] – do we have a figure we can cite for the expected number of children or settings from the assessment of the number of LA settings thought likely to register?
- All: there have been many discussions over months about ring-fencing but we still seem to be unclear about the proposed power to use here. [redacted] (cc'ed) has helpfully suggested that section 42 of the Education Act may give partial cover. Does anyone have any additional knowledge to bring to the table here of any other power considered in the earlier stages?
- [redacted] - thank you for catching para 18 !

I'm proposing to reread fresh in the morning; grateful for other thoughts and improvements to give this the best possible chance of progressing smoothly (without ceding key principles),

[redacted]

SHMSS - draft for SDG at May 2021 (A33140070) - comment required by close of play on Friday 7 May!

From: [redacted]

Sent: 06 May 2021 22:12

To: [redacted]<[redacted]@gov.scot>[redacted]<[redacted]@gov.scot>[redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>[redacted]<[redacted]@gov.scot>

Cc: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; Fogg S [redacted]<[redacted]@gov.scot>([redacted]<[redacted]@gov.scot>); [redacted]<[redacted]@gov.scot>[redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>

Subject: SHMSS - draft for SDG at May 2021 (A33140070) - comment required by close of play on Friday 7 May!

Importance: High

Click on the link to open 'SHMSS - draft for SDG at May 2021' -
<https://erdm.scotland.gov.uk:8443/documents/A33140070/details>

Dear all

Top copy recipients participated in a very helpful discussion this afternoon on the SHMSS, the key points of which are recorded below.

On the basis of this conversation, I have amended the draft paper for SDG and with apologies for the timesca

RE: SHMSS - draft for SDG at May 2021 (A33140070) - question for Bill!

From: [redacted]<[redacted]@gov.scot>

Sent: 06 May 2021 09:59

To: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>

Cc: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>

Subject: RE: SHMSS - draft for SDG at May 2021 (A33140070) - question for Bill!

Mal,

Yes, That is how I am reading it so the Scottish Government would be paying out in 2021-22 in advance of need which is not generally allowable.

[redacted],

The questions you have posed will be for your Finance Business Partner to comment on as we in LGF don't administer any ring-fenced grants so I would not like to give you definitive advice.

You need to make sure that what you are proposing is allowable under the Scottish Government's financial rules on carry over and payment in advance of need (your Finance Business Partner will be able to advise). Then if that is achievable make sure COSLA and local government are comfortable with these proposed arrangements.

What I do know is that under normal circumstances ring-fenced funding must be paid and spent in the financial year for which it is being provided so what you are proposing would not work however I was involved in some exchanges between policy areas and Central Finance in respect of attempts to allow local authorities to carry forward ring-fenced COVID-19 related funding from 2020-21 into 2021-22 and there was at least one occasion that this was allowed for already committed expenditure which I guess you could argue would be the case in connection with the SHMSS. Although you might be stretching it if you were funding expenditure up until the end of July 2022. These were exceptional circumstances however so it might not be allowable given your situation is not exceptional and you could easily pay a ring-fenced grant in 2021-22 and then another one in 2022-23.

Finally, I don't think I have anything to add so am happy to await the outcome and not join the meeting tomorrow. If you decided to not ring-fence the funding all these problems would disappear ☺.

[redacted]

Team Leader – Revenue and Capital

Local Government Finance

The Scottish Government

[redacted]

RE: Scottish Nursery Milk and Healthy Snack Scheme

From: [redacted]

Sent: 28 April 2021 16:48

To: [redacted] <[redacted]@cosla.gov.uk> [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@cosla.gov.uk>

Cc: [redacted] <[redacted]@cosla.gov.uk>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Subject: RE: Scottish Nursery Milk and Healthy Snack Scheme

Thanks, [redacted] – just to confirm that in wording that rather clumsily, I'm not seeking to suggest we would not pay our dues! The position remains that we are committed to meeting the agreed burden and this was an attempt to allude without too much detail to what we've previously termed "the Argyll and Bute" problem.

We would be happy to discuss in more detail as you suggest and hope to come back to you shortly also with our updated thinking on the draft guidance, the regs and proposals for the next SDG paper,

[redacted]

FW: Queries about nursery milk and snack scheme

From: [redacted]<[redacted]@gov.scot>

Sent: 22 April 2021 11:41

To: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>

Subject: FW: Queries about nursery milk and snack scheme

Relevant Q from [redacted] this morning

From: [redacted]

Sent: 22 April 2021 11:32

To: [redacted]

Subject: Queries about nursery milk and snack scheme

Hello [redacted]

Many thanks for the information about the nursery milk and snack scheme. I have a couple of queries and wonder if you could help me?

If a child attends for a full day, ie 9 hours, how many snacks does a setting put down for them? They would have at least two snacks. If the scheme does not fund two snacks, can a setting ask parents to contribute towards the second snack?

The information states that all settings in the local authority must receive the same allocation of funding per child. In Orkney, our food costs are higher (so we assume there will be a weighting for this). On the mainland of Orkney in our largest settings, economies of scale can operate, and settings can access supermarkets for food, so it is more likely that they can provide a snack within the allocated amount. We have a number of settings on the outer islands, where there may be one or two children attending only, with a tiny island shop, where prices are very high. The costs of providing a portion of fruit per child there will be much higher than on the mainland of Orkney, and it is highly likely that the allocation will not cover their costs. Is there a facility to adjust the allocation to account for this?

[redacted]

[redacted]

Service Manager Early Learning and Childcare

Education, Leisure and Housing

[redacted] Council

Council Offices

[redacted]

[redacted]

[redacted]

[redacted]

RE: SMHSS - SDG follow-up - discussion about rates paid by LA's to providers

From: [redacted]

Sent: 18 April 2021 21:18

To [redacted]<[redacted]@gov.scot>[redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>

Cc: [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]<Elizabeth.Muir@gov.scot>;

[redacted] <[redacted] @gov.scot>; [redacted] <[redacted] @gov.scot>; [redacted] <[redacted] @gov.scot>

Subject: RE: SMHSS - SDG follow-up - discussion about rates paid by LA's to providers

Importance: High

[redacted]

Thanks for this which I'm aware isn't the latest in the chain.

I wonder if we might have a short and urgent word this week involving top copy recipients (and others as desired) to think through where we are on this very core issue of how, and by whom, the rate to be paid by the local authority to the individual childcare provider is set. This is absolutely material to how whole the process works, how the money flows and the underpinning structures and legality. We appear to have 2 different answers that have evolved from separate approaches (for which we in the policy team take responsibility) and we need to resolve this swiftly.

On the issue of a rurality weighting, the expectation for the last 12 months has been that one single rate would apply across the LA for all types of settings – this was in line with the views expressed by ELC colleagues. I would be reluctant to reopen this at this stage but it may be that we should consider all options as we address the issue above.

[redacted] – helpful if we can have a word and then I'll ask you to convene a discussion.

SMHSS - Distribution assumptions

From: [redacted]< [redacted] @gov.scot>

Sent: 14 April 2021 16:50

To: [redacted] <[redacted]@gov.scot>; [redacted]< [redacted]@gov.scot>;[redacted] <[redacted] @gov.scot>

Cc: [redacted] <[redacted] @gov.scot>

Subject: SMHSS - Distribution assumptions

Hi all,

We have been doing some thinking around the uptake assumptions for Year 1 of the Scottish Milk and Healthy Snack Scheme. COSLA felt the 50% distribution in year 1 was too low and have subsequently suggested it should be closer to 80%.

Do you have a view on where the initial distribution could be reasonably raised to?

There are currently 3375 settings (all types) registered on the current UK Nursery Milk Scheme.

As at 31 December 2019 this is the breakdown of total registered settings in Scotland:

Childcare services by main service category:	Active services	Inactive services	Total
Childminding	4,604	148	4,752
Children and family centre	131	0	131
Crèche	53	3	56
Holiday playscheme	44	1	45
Nursery	2,475	18	2,493
of which: providing additional childcare e.g. breakfast club	425	1	426
of which: providing no additional childcare services	2,050	17	2,067
Out of school care	734	4	738
of which: providing additional childcare e.g. breakfast club	516	2	518
of which: providing no additional childcare services	218	2	220
Playgroup	179	1	180
Total	8,220	175	8,395
Total excluding Childminders	3,616	27	3,643

And the breakdown by provider status:

December 2019				
	Of which:			
	Total services	Local authority	Private	Voluntary/not for profit
Childminding services	4,752	0	4,752	0
Day care services	3,643	1,743	1,087	813
All childcare services	8,395	1,743	5,839	813

Thanks,

[redacted]

[redacted] | Policy Officer
 Improving Health and Wellbeing | Children and Families Directorate | Scottish Government
 [redacted] | [redacted] | [redacted]

FW: Scottish Milk and Healthy Snack Scheme: Costs and negotiations with COSLA - for Action - response required by 17 March 2021

From: [redacted]

Sent: 01 April 2021 11:23

To: [redacted] <[redacted]@gov.scot>

Subject: FW: Scottish Milk and Healthy Snack Scheme: Costs and negotiations with COSLA - for Action - response required by 17 March 2021

This is the sub which explains the context and with the proposed approach set out in the draft SDG paper; this subsequently went to SDG on 24 March.

[redacted]

RE: Scottish Milk and Healthy Snack Scheme - Correspondence - Draft Response to [redacted] letter sent 11 March (SNMA) (A32431994)

From: [redacted]
Sent: 31 March 2021 10:15
To: [redacted] <[redacted]@gov.scot>
Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>
Subject: RE: Scottish Milk and Healthy Snack Scheme - Correspondence - Draft Response to Bates Wells letter sent 11 March (SNMA) (A32431994)

[redacted]

Thank you for this which again – and as is ever- is incredibly helpful.

There are 2 concepts which should maybe discuss briefly if time allows – I am trying to gloss our policy blueprint against the regs at the moment to try and understand where the practical problems arise.

Re **market price**, the basis of the financial arrangement is that SG will make payments to local government which will be calculated by assessing a national level costing per Scheme year and distributing this amongst local authorities on the basis of a weighting agreed by COSLA's settlement and distribution group. (There is an additional complexity re uptake assumptions and reconciliations that is relevant for other factors, less so for this).

Local authorities will use their funding to pay to authorities in their area: it is expected that what they will be:

Local serving rate per anticipated serving = national serving rate x SDG weighting. This will be set out such that the allowance for milk and for healthy snack is clear.

So we do not expect LA's to be making decisions on the local market price because we have set out what they will receive at a national level. A caveat to this that we are still trying to work through is that because milk prices vary so greatly we have concerns that in some LA's even the weighted adjustment might not prove to be sufficient to cover costs which could deter settings from registering for the Scheme. It would appear that normally we don't worry about this and that matters even out overall, however, as the SG has agreed to underwrite the costs of the Scheme, I am doubtful that LA's will accept picking up any extra costs and am still looking at what we might need to do – my current thinking is that if we have evidence that registration rates are lower in areas of higher milk prices, we may have to take action to top up costs in those areas but this would be expensive and complex. This

is on my red risk radar as I think it could potentially be perceived as less favourable treatment for rural areas which is what we need to avoid.

Many of the financial granularities have emerged in the time since the regs were drafted and I will need to look back on chains to see if I can understand what was being intended here at the time. My sense for the letter is that we want to say as little as possible – the guidance will need to set out the specifics of the finances.

Monitoring

You also ask more on monitoring which is the other significantly under-developed area we're trying to drive forward and the particular reason for our thinking about sharing with COSLA though we are happy to take your advice not to do so.

Under the UK NMS, claims were only paid when receipts were furnished. We're not aware that there were any spot checks of nurseries to see that the milk purchased had been provided. An earlier letter to SNMA appears to have used the term "on a par with" which I agree was not helpful and I don't know the ins and outs of how that was agreed. I think the intention will have been to suggest that we were not proposing not to monitor.

What we are currently doing is trying to set out a short summary of both the purpose of monitoring and what will be required. COSLA and Local Authorities are vehemently opposed to a system that would be bureaucratic (avoiding this was a policy driver) and that for the sums involved would not be proportionate to other activities. SNMA and their members continue to labour the point that they believe settings will spend the money on products other than milk. We think that's low risk actually – parent power will probably help here and I have been wondering if there is a way to encourage (not mandate) settings to display that "we belong to the SMHSS". So what we're looking at is how to ensure that via monitoring:

- We get a sense of the impact of the policy (via the annual return that [redacted] is developing – returning to the regs as she does so);
- We receive the information that allows us to make the financial reconciliations (this is where I may come back to you on the Scheme year/ financial year issues)
- We can be assured of financial probity (using LA existing internal audit mechanisms is the key proposal here which could involve spot checks but would not be at the level of a mandated central target and linking to the Care Inspectorate which is the hidden nuclear sanction – an organisation falling fall of financial assurance requirements could potentially lose its CI registration if the CI were not content with explanations offered).

All of this is however still for discussion with COSLA and will be set out in the guidance once finalised. So again, I think we want to avoid being drawn on specifics until then - a key point is that with the move to upfront funding paid directly to settings (which is what the SNMA particularly dislike) it has never been the intention to inspect every receipt which is how I think they are interpreting the earlier “on a par” comment.

I hope this helps. I am going to look at how we might address your comments within the letter but I am happy to discuss and take your guidance here!

[redacted]

RE: DoF Comments and Updated Agenda

From: [redacted] <[redacted]@gov.scot>

Sent: 24 March 2021 17:01

To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>

Subject: RE: DoF Comments and Updated Agenda

We have until end of April until next COSLA Leaders meeting and [redacted] advised we could update SDG via correspondence so no need to bring this to them in a meeting again. If Ministers have already agreed the full quantum and proposals, pushing the year 1 uptake to 60% shouldn't be an issue in my view. We could update Ministers via email and ask if they were content with the increased 10% without them needing to see a whole submission again. That would be the quickest way in my view.

[redacted]

Team Leader

Scottish Milk and Healthy Snack Scheme, Families and Communities Fund (FAC)

Improving Health and Wellbeing

The Scottish Government

[redacted]

RE: DoF Comments and Updated Agenda

From: [redacted] <[redacted]@gov.scot>
Sent: 24 March 2021 14:55
To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>
Cc: [redacted] <[redacted]@gov.scot>
Subject: RE: DoF Comments and Updated Agenda

Feedback from SDG:

- Content and happy to approve distribution although an ask to increase the initial 50% quantum figure as was seen as too low.
- [redacted] explained rational behind rurality figure which raised no other concerns.
- Action for us to review 50% figure and increase if possible – rationale was that local authorities would be more reassured with this approach rather than having to overspend although [redacted] did reassure the group that if an LA spent over the 50% figure they would be reimbursed.

[redacted]

Team Leader

Scottish Milk and Healthy Snack Scheme, Families and Communities Fund (FAC)

Improving Health and Wellbeing

The Scottish Government

[redacted]

Scottish Milk and Healthy Snack Scheme: Costs and negotiations with COSLA - for Action - response required by 17 March 2021

From: [redacted] <[\[redacted\]@gov.scot](#)> **On Behalf Of** Director for Children and Families
Sent: 15 March 2021 17:07
To: [redacted] <[\[redacted\]@gov.scot](#)>; Minister for Children and Young People <[MinisterCYP@gov.scot](#)>; Deputy First Minister and Cabinet Secretary for Education and Skills <[DFMCSE@gov.scot](#)>; Cabinet Secretary for Health and Sport <[CabSecHS@gov.scot](#)>
Cc: DG Health and Social Care Support Office <[DLHLTHPDGHSCSO@gov.scot](#)>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; Communications Healthier <[CommunicationsHealthier@gov.scot](#)>; Communications DFM &

Education <CommunicationsDFM&Education@gov.scot>; DG Health and Social Care Support Office <DLHLTHPDGHSCSO@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted]
<[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>;
[redacted] <[redacted]@gov.scot>; [redacted]<[redacted]@gov.scot>; [redacted]
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[redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted]
<[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; Communications Healthier
<CommunicationsHealthier@gov.scot>; Communications DFM & Education
<CommunicationsDFM&Education@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted]<
[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; Minister for Public Health and Sport
<MinisterPHS@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>;
Cabinet Secretary for Finance <CabSecFinance@gov.scot>

Subject: RE: Scottish Milk and Healthy Snack Scheme: Costs and negotiations with COSLA - for Action
- response required by 17 March 2021

1. Minister for Children and Young People

(on behalf of Minister for Public Health, Sport and Wellbeing)

2. Cabinet Secretary for Finance

2. Deputy First Minister

2. Cabinet Secretary for Health and Sport

Please find attached a 6 page submission with annexes, updating you on the estimated maximum cost in year 1 of the new Scottish Milk and Healthy Snack Scheme and seeking your authorisation of the proposed offer of funding to local government set out in the paper for Settlement and Distribution Group at Annex D.

We have been asked to submit this paper to SDG on, or as soon after, 17 March as possible.

[redacted]

Director for Children and Families

RE: SHMSS - draft paper for COSLA Leaders and SDG - for comment by close Monday if at all possible (draft to go to COSLA Tues to allow submission to Ministers mid-week to enable us to make the SDG deadlines)

From: [redacted]

Sent: 08 March 2021 10:30

To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; Director for Children and Families <DirectorforChildrenandFamilies@gov.scot>

Subject: RE: SHMSS - draft paper for COSLA Leaders and SDG - for comment by close Monday if at all possible (draft to go to COSLA Tues to allow submission to Ministers mid-week to enable us to make the SDG deadlines)

Thanks for this, [redacted].

I think that rurality is a very important indicator for the distribution of the non-admin element (the larger quantum), especially noting the higher costs we anticipate in authorities such as Argyll and Bute which remains the outlier. So I suppose a question here is whether it makes sense or becomes too complex to distribute the admin component on a different basis? We can certainly pick up this issue with COSLA in discussion.

[redacted]

RE: The 60% question

From: [redacted] <[redacted] @gov.scot>

Sent: 25 February 2021 15:43

To: [redacted] <[redacted] @gov.scot>; [redacted] <[redacted] @gov.scot>; [redacted] <[redacted] @gov.scot>; [redacted] <[redacted] @gov.scot>

Subject: RE: The 60% question

Hi [redacted],

About 48% of our population estimate were accounted for by LA settings (I don't know what proportion are accounted for by partner providers I'm afraid).

All settings previously part of the UK scheme would take us to the 160k population figure. Using the exact figures from the costing estimates, that would be equivalent to approximately 83% of our maximum population.

Thanks,

[redacted]

RE: Costings paper review

From: [redacted] <[redacted]@gov.scot>

Sent: 19 February 2021 15:16

To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Subject: RE: Costings paper review

Hi [redacted]

I will issue the updated costings paper now, please see link below for version sent on 09 Feb, marked as old version issued on 09 Feb.

OLD VERSION ISSUED ON 09 FebCostings - Revised cost proposal for Scottish Milk and Healthy Snack Scheme for discussion with CoSLA January 2021 (002)' -
<https://erdm.scotland.gov.uk:8443/documents/A32137779/details>

Thanks

[redacted]

RE: Costings paper review

From: [redacted] <[redacted]@gov.scot>

Sent: 19 February 2021 14:07

To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted]

<[redacted]@gov.scot>
Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted]
<[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>
Subject: RE: Costings paper review

Hi [redacted],

I've checked the paper and am happy the costing figures and narrative are correct.

Thanks,

[redacted]

[redacted]

Assistant Economist | Children and Families Analysis | Education Analytical Services
Scottish Government

Follow up from discussion about the allocation calculations

From: [redacted]
Sent: 02 February 2021 18:05
To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>
Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted]
<[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>
Subject: Follow up from discussion about the allocation calculations

[redacted], [redacted]

We spoke earlier and just to document briefly for the awareness of others.

The issue of how to calculate the allocations to LAs is not entirely simple and we concluded that the best way forward may be to look to discuss the technicalities with

CoSLA though not at the first meeting to discuss the proposed costing levels. I will amend the cost paper on this basis and we will look to come back to this asap.

We discussed briefly the regs which will set out the data that childcare providers must provide to LAs on request; it is likely that the LAs will need the broader dataset envisaged for enforcement purposes. At this point it appears that the data you will need relates to eligible children and registrations and we're not aware of anything else we expect to need (the regs do allow for settings being required to give an indication of the number of portions that they would anticipate requiring to provide).

We discussed briefly the 2 scenarios set out by [redacted] and noted that in-year registrations will have a resource requirement under either methodology and we'll need to be clear where this sits and how often SG would propose to review requests for additional registrations in-year. We noted that this would be more complex for a methodology that would create 32 notional LA pots against which we'd be comparing running totals than for one that keeps an eye on the use of the national quantum.

We touched on the question of whether we would be able to know what 100% uptake should look like in any LA either from existing data or if we were to request anything new (likely to be covered by the "eligible children" point); this isn't clear at this point and would be one of the issues to explore with CoSLA. We also noted that the overall policy approach is for the provider to be reimbursed for the children using his/ her setting by the LA in which the provision is located – where the child is domiciled is not currently taken into account. A benefit of this approach is that providers (including childminders) need only register with the LA in which their business operates and not with all those from which children might come. We were not sure however, if data on eligible children might be related to their area of domicile and whether this threw up further complexities.

We noted also the intention to ensure that we do not overpay for provision beyond that which a setting would reasonably expect to make in its catering forecasts. E.g. if a nursery has 200 children on its books but only 80 places, even if every child attended for 5 half-days thus maximising uptake of portions to provided, this would be a max of 2 sessions per day x 5 days x 80 children per session (800) per week and not 5 x 200 (all eligible children every day of the week).

Hope this helps.

[redacted]

RE: Today

From: [redacted] <[redacted]@gov.scot>
Sent: 01 February 2021 15:48
To: [redacted] <[redacted]@gov.scot>
Cc: [redacted] <[redacted]@gov.scot>
Subject: RE: Today

Hi [redacted],

From [redacted] email it seems like the number of registrations will be key in any scenario so in terms of how much is allocated to each LA per child isn't a concern of mine as this will be informed by what is agreed to by CoSLA, assist etc. but I would be more in line with [redacted] alternative option:

'The alternative, which I think would work, is to do the allocation calculation based on 100% registrations rather than actual registrations in July, and then just pay out each LA's proportion of their potential allocation based on their actual registrations – so basically our LA-specific rate-per-registration is what it would be if there were 100% registrations, rather than the ones we would calculate using the July data. That way it makes no difference when the registrations come on board, and we don't risk going over our maximum.'

This would seem more logical and most likely to be preferred option by CoSLA although it would mean we need to take a steer from Ministers on this approach.

For meeting with [redacted], I am happy with your approach and this would cover the requirement we have fro Laura to join the team. I would also look to her to lead on comms effort and developing key messaging and narrative for stakeholders.

Thanks

[redacted]

[redacted]

Team Leader

Scottish Milk and Healthy Snack Scheme, Families and Communities Fund (FAC)

Improving Health and Wellbeing

The Scottish Government

[redacted], [redacted], [redacted], [redacted], [redacted]

Revised cost proposal for Scottish Milk and Healthy Snack Scheme for discussion with CoSLA, January 2021 (A31633545)

From: [redacted]

Sent: 28 January 2021 21:39

To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted]

<[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Subject: Revised cost proposal for Scottish Milk and Healthy Snack Scheme for discussion with CoSLA, January 2021 (A31633545)

Click on the link to open 'Revised cost proposal for Scottish Milk and Healthy Snack Scheme for discussion with CoSLA, January 2021' -

<https://erdm.scotland.gov.uk:8443/documents/A31633545/details>

[redacted]

Following this afternoon's very illuminating chat with [redacted] (see separate email for note of key points), I have revised the cost paper, I hope for the last time. New text is in red.

There are 2 final points for [redacted] ([redacted]) to look at at paras 5 and 6.

Can I ask what you would want us to address prior to clearing? (other than the tidying out of all comments clearly!)

It would be great if we could get this out to CoSLA tomorrow to try and get a meeting set up for next week.

Copyees: thank you very much for all your further work to refine this..

[redacted]

Milk and snack scheme - how payments to LAs will work in practice

From: [redacted]

Sent: 28 January 2021 20:50

To: [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted] ([redacted]@gov.scot) <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Subject: Milk and snack scheme - how payments to LAs will work in practice

Importance: High

[redacted]

Thanks for making time to speak to [redacted] and me earlier today - it was really helpful to mine your expertise about the arrangements that usually apply between SG and local government, and what this might mean for the Scottish health milk and snack scheme. I said that I would write up key points both for the benefit of others with an involvement and to enable to check that we have understood these correctly!

1. You highlighted that payments to local authorities would normally happen as part of the local government settlement at the end of the financial year. This encompasses payments for the year ahead and also payments in arrears from the previous year. The costs for ELC from August 2021 have been announced and will be included in the forthcoming payment. We noted that some policies, e.g. ELC run on years that do not align with the financial year and that we would need to check with ELC or [redacted] about the arrangements for financial carryover. In the respect of our policy this would be likely to mean that in FY 22/23 for example, there would be costs from the end of Year 1 of the policy and 8 months of year 2; there would also be some complications as we worked out whether additional registrations were to be paid at Year 1 or Year 2 levels and for how much of the year if notified late; there would be a need for clarity about the accounting.
(Team –in working through detail post BRIA and REGS we need to think about who will be tracking this in the SG to ensure that the correct payments are being made and forecasting updated).
2. It was however, possible for payments to be made to local authorities at other times where powers allowed.
3. More normal practice would be for the SG to issue a letter to the LA clarifying the sum it expected to pay for the relevant policy at the financial year-end. [redacted] confirmed that this was the approach he expected to take (Q

for [redacted] – is there scope to get these letters out slightly earlier in the proposed timeline to enable LAs to make a payment to settings on or immediately after 1 August?).

4. We discussed the issue of distribution and you highlighted that the approach for the SM&HSS would be slightly different from the standard process whereby there would be an agreed quantum that would be distributed in full amongst the local authorities on the basis of the weighting agreed by SDG.
5. In this instance, we would have a maximum budget (based on cost estimates agreed by SG and CoSLA) signed off by Ministers. In July once registrations were notified ,we would have a clearer picture of the actual quantum of expenditure, noting however that it remained possible for LAs to notify additional registrations in-year. The payments to LAs would be on the basis of their actual registrations and expected portions to be provided multiplied by the national annual cost per child adjusted for the SDG weighting. So, if on the basis of our current cost estimate the “national” annual cost per child for milk and snack would be £64.66, this is the figure to which the SDG weighting would be applied. So somewhere like Edinburgh with low rurality and where costs are currently lower might expect to see this reduced e.g. to £60 and somewhere like Argyll and Bute might expect to receive a higher figure e.g. £70 (please note figures here for illustrative purposes only). We would also need to be clear with authorities that the SDG adjustment to the national rate would apply not just for initial registrations but also for any subsequent additional in-year registrations to the scheme. So as I understand it, LA's would tell us they had x number of children registered, expected to provide to them y numbers of portion of snack (where y would be equal to or less than x) and we would then confirm the annual payable rate per child and the overall sum to be paid.

(This leads me to think that I need to add into the cost table a line that summarises the national annual cost per child for milk and healthy snack.)

6. We also discussed how SDG would reach a proposed weighting; you thought it likely that this would be c. 95% population/ 5 % rurality but there might be discussion around the exact figures. You asked our thinking about timing and whether this would need to come back via DIWG and SDG before Leaders; we thought that COSLA would be content to do expedite this in correspondence but would want SDG to take a view in advance of Leaders. You also asked whether we had any available data that might allow regression to be calculated to give an accurate assessment of the current distribution of rurality. (Note: I think this is unlikely given complexities but would defer to the analysts' views here!)
7. You also asked us how we proposed to ensure that where funding was no longer required, this would be notified including the proportionality of this - e.g. if the number of eligible children in a setting were to be reduced (how many/ how long become the threshold for notification); [redacted] confirmed that we were still to work through some of the detail on this area.

8. We discussed briefly the intention for the Scheme to fold into the LGS as part of the wider ELC Settlement in the longer term, we thought from 23/ 24; our budget of £13m or so would be a drop in the wider ELC £1 billion; by this time, the SM&HSS would be fully established and it was anticipated that this integration would not be too complex.

[redacted]/ [redacted]/ [redacted] – once [redacted] has corrected any misconceptions/ poor wording her could you think about how best to capture this first in [redacted]'s table and then linking that into the blueprint for our onward working/ clarity (avoiding the use of any figures for now unless they are very clearly ridiculous and not likely to lead to errors) ?

SDG process

From: [redacted]<[redacted]@gov.scot>
Sent: 27 January 2021 14:22
To: [redacted] <[redacted]@gov.scot>
Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>
Subject: SDG process

Hi [redacted],

The team and i have had some recent conversations on the functions and processes of SDG that determine how funding is distributed across all local authorities. As the Scottish Milk and Healthy Snack Scheme is progressing and there are some immediate actions re costing and formulas for calculating, it would be really helpful if you could set out exactly the roll of the SDG. I have copied in [redacted] and [redacted] who are also very keen to understand.

Thanks

[redacted]

RE: Revised cost proposal for Scottish Milk and Healthy Snack Scheme for discussion with CoSLA, January 2021 (A31633545) - further actions to finalise

From: [redacted] <[redacted]@gov.scot>
Sent: 27 January 2021 12:46
To: [redacted] <[redacted]@gov.scot>
Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>
Subject: RE: Revised cost proposal for Scottish Milk and Healthy Snack Scheme for discussion with CoSLA, January 2021 (A31633545) - further actions to finalise

Hi [redacted],

Many thanks for our call earlier – and sorry just to clarify, the phrase should have been “lowest level above current proposal”. You have kindly agreed to work with the 19.6p figure which is the weighted average to identify the quantum this would represent and the accompanying narrative.

[redacted]

[redacted]

Deputy Director, Improving Health and Wellbeing
Children and Families Directorate
The Scottish Government

RE: Revised cost proposal for Scottish Milk and Healthy Snack Scheme for discussion with CoSLA, January 2021 (A31633545) - further actions to finalise

From: [redacted]<[redacted]@gov.scot>
Sent: 27 January 2021 09:26
To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>
Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Subject: RE: Revised cost proposal for Scottish Milk and Healthy Snack Scheme for discussion with CoSLA, January 2021 (A31633545) - further actions to finalise

[redacted], [redacted] and colleagues

I think these exchanges have been really helpful in clarifying the issues and reach some shared agreement. From the note of the COSLA meeting on 6 January which I saw last night I agree with [redacted]'s concern that going back with the same milk cost will not gain agreement, despite our proposed upwards movement on snack and admin costs. The Exel framework has the benefit of factoring in elements such as fair treatment, environmental impact etc. While our policy driver is health outcomes, Ministers are sensitive to these impacts. On that basis I'd be inclined to move ahead with the lowest level on the Exel framework. We need to understand what that will mean for the overall quantum so we can work with Finance colleagues on this too.

As to clearance, I'd propose to raise with [redacted] tomorrow with a view to a paper going to COSLA in the afternoon and a meeting in prospect on Friday or Monday.

Grateful if [redacted] could share the COSLA meeting note with this copylist.

[redacted]

[redacted]

Deputy Director, Improving Health and Wellbeing

Children and Families Directorate

The Scottish Government

RE: Revised cost proposal for Scottish Milk and Healthy Snack Scheme for discussion with CoSLA, January 2021 (A31633545) - further actions to finalise

From: [redacted] <[redacted]@gov.scot>

Sent: 26 January 2021 15:37

To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted]

<[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>
Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted]

Subject: RE: Revised cost proposal for Scottish Milk and Healthy Snack Scheme for discussion with CoSLA, January 2021 (A31633545) - further actions to finalise

Thanks all.

I'm struggling a bit to keep up with the discussions and versions alongside other demands, but I've had a look through the paper.

A couple of things:

- 1) Cost of milk: the key to SGs position on this is the need to recognise what the overall cost of the scheme represents. Fundamentally, we should be covering the cost of providing the milk/snack across the *range* of settings in the scheme. That's easy if they all have the same costs – e.g if they ALL use the Scot.Excel contract. But they don't, and the data we have access to suggests LA costs are higher than that for others. This, by definition, means any scheme-wide costing will be a sort of "average" and not the cost faced by each provider. The only way to "fix" that is to default to the highest cost faced by any individual provider (or group of providers), which is self-evidently not a sensible position to take into any negotiation.

One caveat – the rationale above is sound, but that isn't the same as saying "16.5p is The Right number". We don't have enough data to go that far. AS always, it's entirely within SG/Ministers' gift to offer to fund the scheme using any number they like. If you are not comfortable with the rationale above, then there can be a policy decision to use something else. Better to have a sound justification for that for audit etc., but you see what I'm getting at.

We'll distribute the overall budget through SDG, which will introduce further differences in the implied rate per child paid to each LA.

- 2) I don't really follow the additional rows on academic year etc. It's true that the falling annual costs (due to potential child numbers and tapered admin) causes complication, but like Edward, at this stage I think we need to focus on the process of calculating an annual (12 month) cost for the programme. I'm not sure COSLA need to be sighted on SG budget cover requirements, but your/[redacted]'s call.

[redacted]

[redacted]

Deputy Director, Education Analysis

I am currently working from home - Tel: [redacted]

RE: Restricted - Costing paper for CosLA - aiming to finalise this by close Friday

From: [redacted] <[redacted]@gov.scot>

Sent: 22 January 2021 13:59

To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Subject: RE: Restricted - Costing paper for CosLA - aiming to finalise this by close Friday

Thanks [redacted],

Just to clarify that funding is based on the number of children enrolled in settings that register on to the scheme and not eligible places or eligible children per local authority area. For example a setting who registers on to the scheme may have 50 eligible places at any one time but have 100 children enrolled to attend in one day. So we are funding on actual numbers of children and not capacity of a setting. 'money follows the child' approach.

Funding on enrolment will generate the higher figure (no higher than the expected 190k children figure anyway) and assumes 100% attendance –a lower unit price for milk may be justified to take account of this 100% attendance approach as we know children won't attend everyday so the 175 days would in my view (albeit still low) only be accepted if the higher 20/21p unit cost was applied.(6.98m) to account for attendance variations.

Alternatively, 240 days, 100% attendance at the lower 16.5p unit price would seem more reasonable, (totalling in my calculations to 7.52m), with excess funds for those who do not have 100% attendance being counterbalanced for those who do.

Either way, I imagine the costings in the paper will be a hard sell so just throwing ideas of more options.

Not sure that this is helpful at all.

Thanks

[redacted]

[redacted]

Team Leader

Milk and Healthy Snack Scheme, Families and Communities Fund (FAC)

Improving Health and Wellbeing

The Scottish Government

[redacted], [redacted], [redacted], [redacted], [redacted]

Restricted - Costing paper for CosLA - aiming to finalise this by close Friday

From: [redacted]

Sent: 21 January 2021 17:15

To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted] @gov.scot>; [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Subject: Restricted - Costing paper for CosLA - aiming to finalise this by close Friday

[redacted]/ [redacted] (copy as envelope with action for [redacted] and [redacted] also)

You have a window tomorrow to speak about the milk and snack costing work which falls at a fortuitous moment.

The analytical team have been working with me intensively this week to work through what we are comfortable to put to CoSLA for the next stage of the negotiations about milk and snack costing and we have a draft paper that we hope is close to conclusion. (Link attached – analysts still checking numbers as I write this.).
<https://erdm.scotland.gov.uk:8443/documents/A31633545/details>

There has been very positive collaborative discussion on this work and I am very grateful to colleagues for this. There is one issue on which we remain slightly at odds

and on which we'd welcome your views and it is the question of the milk unit cost. We discussed this earlier in the week and concluded that on balance we should retain the 16.5p proposal currently set out in the paper, for the reasons as amended by Edward. This is the one line that I am still concerned about. While I understand the argument that is put forward here for the inclusion of this figure, the question I can't still answer convincingly if we are asked by CoSLA is "if we know that 19 of our LAs are currently paying 19.8p per portion in line with the lowest costs on the Scotland Excel framework and reclaiming this in full at the moment under the NMRU scheme, and you are proposing to fund on the basis of 16.5p, who picks up this difference in cost now that we can no longer reclaim this from the NMRU?".

I'm attaching for reference the email from Procurement citing the approach re Scotland Excel; to note also that the policy is predicated on the expectation that all childcare settings within a local authority will be paid for milk and snack at the same rate i.e. no distinction between LA/ private or funded/ unfunded hours. So although the actual cost to the provider of milk and snack could be different (lower?) if the non-LA settings are not required to purchase via Scotland Excel, if [redacted] attends nursery A on Monday for 2 hours plus for a funded place and nursery or childminder B on Tuesday for 2 hours plus for unfunded ELC, on each day she should receive milk and the snack and settings A and B, if within the same authority, should receive the same level of funding for this from the LA.

So in short, the question is, are we content to present to CoSLA the 16.5p or do we need to move to the Scotland Excel cost? There is an argument that if we go in on the lower figure, there is room for subsequent movement so we have left as is for now although there is in my mind a question about credibility of this and whether CoSLA will see this as the SG failing to accept our responsibility to pay the new burden.

It would be really helpful if you could consider this in your discussion. While this is a negotiation, we need to remember that we do need to pay the genuine burden – our difficulty is agreeing and costing what this burden really is! Our hope is to get the paper to CoSLA by close Friday or at worst Monday to enable us to have the next discussion early next week with an eye to the revised Party timetable and wording of the BRIA etc.

We will also be putting advice to Ministers around the costings and I'll be working with economists on wording for this also. I am proposing that we put this forward shortly after the meeting with CoSLA so that we can give Ministers a read-out of CoSLA's response or any alternative proposal they may table. I should say that I think it probable CoSLA supported by ASSIST will argue that to meet the new burden we should be costing at 20/ 21 p for milk; and c. 23p plus for snack

(potentially with an additional preparation element) and this would push costs up further. We are however, bound to this delivery option which was agreed on the basis of the costing produced at that time and the tight timescales which precluded the option of procurement.

[redacted]/ [redacted] – I would be grateful if you could review the attached paper for your interests also to ensure that you are content with the wording used to reflect the overall funding and distribution assumptions, noting the aim is to get this to CoSLA as soon as we are all agreed.

[redacted] – copying you for your awareness, knowledge and ELC connections and as per [redacted]’s instruction!

Follow on from today's cost meeting - next steps and draft paper for CoSLA/ ASSIST

From: [redacted]

Sent: 19 January 2021 21:38

To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted]

<[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Subject: Follow on from today's cost meeting - next steps and draft paper for CoSLA/ ASSIST

Importance: High

Click on the link to open 'Costing negotiations summary thoughts Jan 2021' -
<https://erdm.scotland.gov.uk:8443/documents/A31633545/details>

Dear all

Thank you for a very helpful costing meeting today. It feels like we are now close to having a paper we could share with CoSLA/ ASSIST and I have redrafted above, drawing on your table and notes but setting it up the other way as discussed.

We debated when to go to Ministers and concluded that it would be helpful for CoSLA/ ASSIST to put their cards/ any other views on the table. What we should show them now is what you would be happy to recommend to Ministers; where they disagree, we can surface this, allow you to consider any more evidence that comes to light and then let Ministers consider how far they would want to move politically to meet CoSLA. Our aim remains to ensure that CoSLA does not say a formal “no” - if the gap is too great, this may need to move into a political space for discussion.

For the table, we debated each of the variables and I reminded you that I would feel the need of an expert to assist in presentation of the discussion of why we are interpreting the figures as we are. The line I remain most dubious about is the maintenance of 16p for milk (slight increase to the annual figure) when we hear that 19 LAs are paying 19.8p (soon to go up a penny) in line with Scotland Excel. I think we will be pushed hard here especially as we have not explicitly costed impacts of alternatives to milk although I understand the intellectual case you made here (I think!).

We didn't explicitly talk today about not addressing snack preparation but we have had no evidence here and indeed discussions with nursery providers suggest this isn't expected. So I think we await challenge and invite evidence.

You were able to accept my proposal that we look to taper the admin costs, noting that the new Scheme will only run for 8 months of 21/22.

Could you check that you are happy with how I have represented the information (notably excluding the previous far right column) **and look at the points I've asked about**. One specific is about the £8.4m which on my calculations came out higher (£8.5m) but ideally double-checking all the figures would be helpful. In the material we are putting to Ministers this week (timings tbc) we can note that you have looked again at figures on the basis of new information from ASSIST and that we are still awaiting a more formal position from CoSLA.

Ideally we will get a slot to discuss with them shortly so turning this round as quickly as we can would be really helpful.

[redacted] – do you want to clear this before it goes? I know you are due to speak to [redacted] on Friday.

[redacted] – a few queries arose re ELC in the course of discussion including whether partner providers are required to use Scotland Excel as part of the national standard (I thought they might be; LAs are in any case to pay the same for each milk and snack portion within their boundary so cannot distinguish between funded/ non-funded). We have also come up against questions about use and cost of straws and are wondering about what we know about the reality of provision of milk in nurseries and whether it is usual for milk to be provided in individual portions or poured out. Also interested in your view on whether this looks a fair proposal to cover the burden.

[redacted]

RE: Milk and Snacks – Costings

From: [redacted]

Sent: 18 January 2021 17:41

To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Subject: RE: Milk and Snacks - Costings

Importance: High

[redacted] et al (expanded to include team members engaged in the costing work)

Thanks very much for this which is helpful. A few thoughts here and I'd welcome discussing this so we can finalise and decide what we are sending to CoSLA – ideally I think we should propose a meeting, sending the proposal paper with it. I should note also that we are concurrently trying to finalise wording for the BRIA including on finance and we're likely to circulate draft wording on this tomorrow which will also need to be considered by CoSLA (current draft wording below).

Some specifics:

Presentation etc

- I think it would be helpful for presentation to begin with the variables and the equation rather than the total costs though I agree we need these in the table;
- We need to be clear where we are rounding and whether we are starting with unit cost and multiplying up or with annual and disaggregating for clarity– I have started to run this through the cost calculator I built myself at the weekend <https://erdm.scotland.gov.uk:8443/documents/A31633564/details> (which I'm sure looks quite basic to you; I'd be happy to see a better one if you're happy to share what you are using) and while I can see how you've got to where you're at, I think for credibility with CoSLA we should show the actuals (to 2 decimal places as they put it last time!).
- Let's not make any mention of supermarkets as this will be red rag to a bull although I appreciate that you are making a point here about what represents good value. The procurement advice seems quite clear that we must be taking account of the Scotland Excel framework.
- You ask about the 190 days: CoSLA indicated that they would usually assume children attended ELC for between 190 and 240 days. I think the 175 figure is a credible figure to offer, linking as it does with the ELC meal assumptions.

The proposal

- More substantively I remain concerned about use of figures below the Scotland Excel numbers and if we are to use these, I think it will be critical for one of the analytical team who can explain very clearly the technicalities

behind why this is credible to be able to attend. I think CoSLA will continue to push for figures that are closer to the 21 and 23p (noting the error you have picked up here) especially as we have given previous assurances that figures used would have sufficient margins to enable purchase of the non-dairy alternatives. I appreciate this may come down to a political choice – what would be helpful is to be super clear for the purposes of us lay folk on why 16p is an appropriate average.

- Admin costs: why are we so sure that there is no need for tapering? We also discussed potentially looking at learning from the Transitional Childcare Fund – what would or could this look like? CoSLA were very clear that this will be a sticking point with Leaders so I think we have to hear this and see what we could suggest instead. You'll see in my calculator I've been trying out 5/4/3 to see what this did to the figures. This may be too generous but I think need to offer something here – at absolute worst 2% in year 2 with an offer to review this on the basis of evidence to be provided? We do want to incentivise early registration so front loading may help us to do this.. (though has implications for uptake assumptions).

In terms of a paper to CoSLA, I think it would be helpful to nest your table within a paper that provides a reminder that all of this costing work is being done on the basis of maximum funding allocation i.e. potential available funding and the actual sums paid will be determined both by the SDG distribution formula (maximum allocation available to each LA) and the number of registrations achieved, noting ([redacted] may want to check and correct wording here that there is a potential for LA's to tell us in-year where additional funding will be required). Our initial thinking on this is attached here: <https://erdm.scotland.gov.uk:8443/documents/A31633545/details>.

More broadly, beyond the proposal to CoSLA, I think we need to be able to expose to Ministers the potential variations some of which are controllable and some of which are not (uptake patterns) and we need to keep an eye on our budget projections especially for year 1 where the new Scheme will be in place for 8 of the 12 months and where we are budgeting up to £1.5m for the transitional cost of the UK scheme. Our level 4 budget line to be published is currently set at £9.6m for 2021/22 to include our contributions to both Schemes. (This is why I was playing with calculators to help us to assess the potential impacts over 1 and 3 years at different variables).

Could we find time to discuss all of this tomorrow afternoon? I will be in from 1245 and happy to move anything else in the diary. We must have wording for the BRIA by Weds and we'll not be able to be as specific as would be ideal in this but hopefully can agree wording that will meet the need. Ideally we'd get the paper out to CoSLA also be Weds/ Thurs and an early date for our next meeting. We are due to put advice to Ministers this week also which may provide the opportunity for us to test what they will authorise us to offer to CoSLA... In terms of next steps we will need to get to a place where CoSLA are prepared to put to Leaders a proposal that our Ministers are happy to endorse and that CoSLA Leaders will either approve or

suggest amending. An amendment can be tested quickly with Ministers – what we don't want is an outright “no”.

Thanks again for all the thought here – both now and previously in the team.

Happy to discuss,

[redacted]

Proposed wording in the BRIA: I have drawn out the three sections of which the third is probably the most significant below:

- <https://erdm.scotland.gov.uk:8443/documents/A31082975/details>

Third funding section (first because most significant –I think we may need to remove the last para with ref to the anticipated full year cost for first full year of operation (22/23) though this would normally be expected

Summary costs

The anticipated cost to the Scottish Government in 2021/2022 is expected to be of the order of £9-£10m, including the transitional costs from the UK Nursery Milk Scheme which will remain in force up to and including 31 July 2021. This represents a substantial increase on previous expenditure on the Scottish component of the UK Nursery Milk Scheme, accounted for by anticipated increase in uptake (albeit difficult to quantify exactly at the outset), extension of the scheme to include children aged 5 and addition of the healthy snack.

Were the scheme to achieve the anticipated maximum uptake of 190,000 children, it is estimated that the full-year cost to Scottish Government in 2022/23 could be of the order of £**Y**m.

First funding section (blue is the new proposed text to replace wording that said “see the final BRIA for detail on costs”)

Funding Levels

The Scottish Government's expenditure for Scottish claims under the existing UK Nursery Milk Scheme was £3.1m for the financial year 2018-19 not including administration costs accrued by the NMRU.

The Scottish Government has agreed to meet the costs of the new burden on local government of the delivery and administration of the new Scheme. This will include: the cost of the provision of milk and the healthy snack (portion of fruit and vegetables) and the estimated administration costs for the Scheme.

It is estimated that up to 190,000 children may be eligible for the Scheme when it is introduced. The Scottish Government estimates for the maximum uptake of the Scheme are based upon this potential eligibility although it is not anticipated that all eligible children will be registered at the outset of the Scheme. This would represent a very considerable increase on the claims from Scotland to the existing UK Nursery Milk Scheme. It is however, very difficult to estimate the initial level of uptake and clearly the policy intention is for uptake to be maximised as soon as possible to ensure that as many as possible of the eligible children will be receiving milk and the healthy snack (portion of fruit and veg).

The overall quantum of funding will therefore be dependent on uptake with local authorities receiving a level of funding in line with the overall agreement reached between Scottish Government and CoSLA, and the number of registrations achieved.

It is estimated that the Scottish Government's expenditure for 2021/22 will be of the order of £9-10m, taking account of the factors outlined above and that the new Scheme will not be introduced until 1 August 2021. Milk supplied in the first months of the new financial year (until 31 July 2021) will be reclaimed from the Nursery Milk Unit (within a period of six months from the date of purchase); the cost of the healthy snack will only accrue from 1 August 2021.

Second section – policy team looking again at the section in red which is based on information they received from NMRU

The agreed quantum will be distributed to local authorities from Scottish Government. Local authorities will then provide settings with a level of funding as based on the approach as set out under the Cost section below.

The overall quantum will be based on costing assumptions which are derived from the current claims and characteristics of Scottish settings to the UK NMS. These will then incorporate adjustments to account for the addition of a healthy snack; and an additional uplift to account for a range of variables including an increase in the number of children potentially claiming, fluctuation in market prices and the extension of the provision to include 5-year-olds in preschool childcare within an eligible setting. This approach incorporates the cost of both milk agent and local authority costs per pint to Scottish settings again provided by the NMRU as set out below:

Milk Agents:

- Kidzmilk Ltd £0.29
- McQueens Dairies Ltd £0.28
- Dairylink UK Ltd £0.19
- Cool Milk Ltd £0.26
- The Nationwide Milk Service Ltd £0.28

- L. Ballantyne £0.15
- Thomson Dairies Ltd £0.23

Local Authority Agent Claims;

- The average cost per pint portion reimbursed to local authority settings £0.17
- The average cost per pint portion reimbursed to local self-claimers £0.15

Contractors and Milk Agents

The Scheme does not dictate how settings should purchase or procure the milk and snack. The key focus of the Scheme is to route the funding for these purchases directly to the childcare setting, as opposed to requiring them to claim back costs. As noted above, costing are based on NMRU data which include the administrative costs charged by milk agents or others contracted by settings to provide the milk.

We recognise that while the new Scheme will not preclude a continuing procurement relationship between local authorities/settings and contractors and milk agents, it will change the way in which payment is made to contractors and milk agents. Currently, many contractors and milk agents reclaim their total costs for the provision of milk direct from the NMRU, rather than from the childcare setting. The introduction of the new Scheme would mean that any local authority or childcare setting in contract with an agent for the provision of milk will be responsible for agreeing a price and paying this direct to the agent from the funding received from their local authority.

The NMRU data suggests that 1,391 childcare settings in Scotland use milk agents. This represents 16% of the 8,754 childcare settings in Scotland, or 38% of non-childminder settings (if we assume childminders do not use agents).

The Scottish Government recognises this will have an impact on the how milk agents and other contractors operate with their clients who are day care providers or childminders (not schools). Contractors and agents will no longer make claims on behalf of settings, and settings will need to engage to make arrangements to pay contractors.

Funding mechanism

To reduce the number of funding streams and align with current practices in Scotland the policy proposes that the initially agreed funding will be ring-fenced until 2022-2023 and that thereafter it would be merged as part of the ELC settlement as agreed by CoSLA Leaders. There will be an annual review of the costing assumptions to ensure the quantum is adequate and reflects funding required. While the Scottish Government appreciates that ring fencing can be controversial, there is a need to align here with other ELC custom and practice and to ensure that all involved in the implementation of this policy are able to assess whether the financing provided adequately meets the requirements.

Funding delivery

The policy proposes that local authorities would receive the agreed quantum from the Scottish Government based on the costing assumptions below. Local authorities would be responsible for

delivering upfront a calculated sum directly to the childcare setting based on the number pre school children in attendance.

Over 80% of childcare settings have an existing financial relationship with their local authority so this policy concluded that the logical approach to reducing administration as much as possible was to use these existing connections. Processing information for these settings should be relatively straightforward, and CoSLA has indicated that they do not envisage any major issues with payments.

Those preschool daycare providers who are not currently providing state-funded hours would be required to register their interest to be part of the Scheme by getting in touch with their local authority via a registration process. They would be required to provide information such as the name of the care setting and the number of children 5 and under registered in that setting, the number of days a week those children attend, and account details for payment. Each local authority may have a different approach on how to obtain this information, and SEEMiS Early Years could be utilised for this process in the future. This information will be used by the local authority to calculate an accurate sum to be allocated to that care setting and register them for payments.

Healthy snack (portion of fruit or vegetables).

The healthy snack is an addition to the new Scheme. Many childcare settings already provide snacks to children attending daycare; the new Scheme will fund the provision of one healthy snack (a portion of fruit or vegetable) per two-hour session attended.

Scottish Government and CosLA will agree the costing for the healthy snack which will form part of the overall funding quantum to be distributed through the same methods as for milk.

The provision of the healthy snack provides a new opportunity for businesses to supply this new commodity and will be an additional cost borne by government.

Costs

Scottish Government analysts will estimate the cost of the new Scheme based on the following:

- A milk unit cost per child, per annum derived from claims data provided by the NMRU together with data from the Care Inspectorate on the average age profile of settings. An uplift is applied to this figure to take account of uncertainties.
- A snack unit cost per child, per annum derived from data from the Scottish Household Survey on the use of childcare and a snack price per portion to be agreed with stakeholders. This will be derived from data on wholesale prices and other sources of information.
- A number of potential claimants based on claims data provided by the NMRU together with data from the Care Inspectorate on the average age profile of settings. This is adjusted to take account of the extension of provision to five year olds, and an uplift is then applied to this figure to take account of uncertainties, particularly over an increased number of childminders utilising the scheme.
- Administration costs calculated as a proportion of the sum of milk and healthy snack costs.

Feedback from CoSLA and the ELC Finance Working Group suggest that the assumptions above are reasonable.

The quantum will be distributed (Scheme plus administration) based on the best available nationally collected data for the number of children meeting the criteria for receiving Milk and a Healthy Snack. As with the ELC formula, there are two or three options for how this is calculated – provision-based, population based, or a mix. Recommendations from senior finance colleagues suggested to use provision-based numbers from the Care Inspectorate, using the distribution of children registered in childcare settings across Local Authorities.

In the future, we expect that this will be distributed as part of a new ELC formula. This is in line with the recommendation to the Floor Report not to add additional lines to the settlement where possible, and also fits in with the move to rationalise the eight current ELC lines into one. This will however go through the usual process.

The new burden of the new Scheme will completely funded by the Scottish Government and there should therefore be no associated costs for any childcare settings. The Scottish Government is not aware of any additional costs to the sector at this time. Local authorities will be funded for the administration required to deliver the scheme which will be based on an agreed distribution formula, as noted above.

FW: Milk and Snacks – Costings

From: [redacted]
Sent: 18 January 2021 15:52
To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>
Cc: [redacted] <[redacted]@gov.scot>
Subject: FW: Milk and Snacks - Costings

[redacted] ([redacted]/[redacted] – not copied back to analysts yet).

To see below from the economists. This is helpful though I think the costs are still too low to be palatable to CosLA and we need to explain clearly why the milk portion in particular is still below the Scotland Excel framework cost. This rounding is also odd/ slightly unhelpful.

I built a cost calculator at the weekend to try to get a sense of the cost changes under different scenarios including these would be affected by changes in the admin percentages and the uptake assumptions (not currently in any of the externally facing calculations but material to what we would actually expect to pay). I'll try to run these figures through it also for direct comparison.

Next steps I suggest are to:

- Discuss this with the economists, also other wording I want to test to put back re the headline funding expectations;
- Consider how long we think we have to debate all of this. Personally I would be really surprised if CoSLA agree to put anything to Leaders that goes in at less than 20p for each of milk and snack and it could be that they hold out for more; we'll need to see what Ministers' appetite is for this.
- Agree what we are sending to CoSLA and when we are proposing a meeting – and what lines we need to be cleared to use at this.

I will look again at the BRIA lines on the basis of what we have here for now – as this would give us a year 1 outside cost of £11.8m (based on an unrealistic 100% uptake) before the £1.5m transition costs, we may need to reflect this although on these costs I would still expect to come in under £9.6m total for 21/ 22 unless we have an absolute miracle on registration.

[redacted] – we are meeting at 4 and we can perhaps touch on this then and I'll go back to economists afterwards. Timing is so tight with home schooling etc on top of everything else..

[redacted]

Milk and Snacks – Costings

From: [redacted]<[redacted]@gov.scot>

Sent: 18 January 2021 15:20

To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Subject: Milk and Snacks - Costings

Hi both,

Following our discussion last week, we have set out three costings below encompassing the original SG estimate, a calculation based on COSLA's positions and a compromise proposal. As you can see, there is a considerable divergence in costs between the three positions. We have also provided commentary setting out the basis for our costings for each of the different elements.

I'd be grateful if we could keep this internal at this stage as we may wish to make changes to some of the wording prior to it being shared with COSLA.

<u>Ref</u>	<u>Original SG estimate</u>	<u>Compromise</u>	<u>COSLA proposal</u>	<u>Comment</u>
Milk cost	£4,700,000	£5,500,000	£7,100,000	Under the NN
Snack cost	£3,700,000	£6,300,000	£9,900,000	
Admin cost	£420,000	£590,000	£850,000	Admin cost u
Total cost	£8,600,000	£12,300,000	£17,900,000	
<hr/>				
A Population	190000	190000	190000	
B Admin cost (1st year)	5%	5%	5%	
C Number of days per annum	152	175	190	
<hr/>				
D Milk unit cost (per annum)	£24.66	£28.87	£37.21	
E Milk unit cost (per portion)*	£0.16	£0.16	£0.20	Supermarket
<hr/>				
F Snack unit cost (per annum)	£19.76	£30.39	£52.44	
G Snack unit cost (per portion)	£0.13	£0.17	£0.28	

A A population of 190,000 is used for all three estimates. SG analysts estimate that there are around 160,000 submitting claims for milk. It appears that while nearly all DCC settings submit claims only around a third not all children in these settings are currently provided with milk. As such, we have applied an uplift of 20%. 190,000 is a reasonable figure to use for the costing as there are 210,000 registered places in childcare in Scotland.

suggest the number of eligible children will fall in the coming years. The projected decrease in the number determining the time period for which the agreed costing methodology should apply.

**Concerns that not all of the 160,000 children were receiving milk in these settings are addressed below

B SG have suggested a 5% administration cost for the first year of the scheme to take account of onboarding LAs. Going forward, we expect the burden to decrease and we suggest an administration cost of 2% from above – note that COSLA have suggested a taper to 2% instead.

C **SG Position - 152 days:** Scottish Household Survey data suggests that three and four year old children, on four days a week. Since then the expansion to 1140 hours of funded provision will have likely increased as funded provision has simply replaced privately purchased childcare or increased the number of hours per week for the fact 0 - 2 year olds, the majority of which do not have access to funded childcare but are entitled to the same.

Compromise - 175 days: This was assumption used for the provision of lunch in settings providing 1140 hours per year olds. This does not take into account that unfunded 0-2 year olds attend at significantly lower rate.

COSLA position - 190 days: To discuss with policy where this figure came from.

D/E **SG** - Analysts used financial and settings data from NMRU claims to calculate that milk cost per annum per child was £20.55. Taking into account the new delivery mechanism for the scheme and an assumption that providers would be provided with milk on every day of attendance, we applied a 20% uplift to this figure. Note that providers submitted to the NMRU.

Compromise: A weighted average, using CI registrations data, of per portion cost based on the Scotland Excel estimate for all other providers. Note that the SG estimate used in this calculation will likely be an overestimate of the LA element of provision under the NMRU scheme unit cost.

COSLA - Scotland Excel data suggests that the weighted average of milk costs per portion to LA providers overall average of £0.21 specified in the data provided by COSLA). This does not take into account other providers under these contracts.

F/G **SG** - Our initial proposal for a snack unit cost was based on a whole apple when purchased wholesale in schools challenged by COSLA. No unit uplift was applied to this figure.

Compromise: As below, but with some of the more expensive items removed from the basket – specifically the £0.44 per portion).

COSLA - COSLA provided us with a Scotland Excel data set on the cost of snacks to LA providers. We have taken an average unit price from this. We have made no adjustment or weighting to this basket (ie we assume all providers are equal). We identified an error (fruit and snack treated equally in weight of typical portion) in the COSLA calculation.

Best wishes,

[redacted]

[redacted] | Assistant Economist | Education Analytical Services: Children and Families Analysis

FW: Finding a contact to discuss SG expectations of Scotland Excel

From: [redacted] <[redacted]@gov.scot>

Sent: 14 January 2021 18:04

To: [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Subject: FW: Finding a contact to discuss SG expectations of Scotland Excel

Importance: High

[redacted],

Having worked on food and drink contracts in the past, and knowing Scotland Excel well, I can say with a huge degree of confidence that their framework will offer extremely good value for money – possibly the best available by some margin (note that VfM rarely means the cheapest available). They retender their contract regularly and benchmark costs. They're measured against value for money and are held to account by their board who are composed on council elected members. If your early costing is cheaper, I suspect that it isn't a like-for-like comparison (e.g. Scotland Excel's prices will include compliance with SG policies regarding things like fair treatment of the dairy cows, hygiene standards, healthy eating standards, local sourcing, local jobs and so on; cheaper alternatives tend to ignore these polices).

On SG expectations of using Scotland Excel and nothing else, Scotland Excel are part of the public sector (they're not a supplier), they were set-up by SG, they're funded by the councils, and the overarching SG policy is that public bodies should use collaborative frameworks placed by the Scottish public sector procurement Centres of Expertise (Scotland Excel being the CoE for councils). Councils are allowed to go elsewhere but we expect that would happen only in exceptional circumstances.

[redacted]

[redacted]

Deputy Director | Procurement Services Division

T: [redacted]

RE: Follow up on milk price query

From: [redacted] <[redacted]@falkirk.gov.uk>

Sent: 12 January 2021 18:35

To: [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@cosla.gov.uk>

Subject: RE: Follow up on milk price query

Thanks [redacted].

I think it is important to tackle this work in several stages. Within each stage we must agree the key components so that we can justify fully why these common building blocks/outcomes have been reached.

As I see it we need to:

- Agree a realistic annual milk cost per pupil
- Agree a realistic annual snack cost per pupil (Discussion needed on the preparation element)
- Finalise how we factor in the wider assumptions that are linked to pupil numbers:
 - Attendance/absence rate to be factored in to the calculations
 - The no of days each year that we use (snap shot of each LA actuals or some form of average etc) for the purpose of calculations.
 - The population figure that should be used (NRS v CI registrations etc)
- Agree the administration process involved.
- Agree the administration fee

The above probably in accounting terms represents a basic ZBB approach (zero based budgeting).

I fully accept the concerns that you mentioned before around the tight timescales that we are currently working too, although Covid issues may offer some scope here perhaps?

Hope this information is of some use.

[redacted]

Milk - changing the unit costs

From: [redacted] <[redacted]@gov.scot>
Sent: 12 January 2021 17:22
To: [redacted] <[redacted]@gov.scot>
Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>
Subject: Milk - changing the unit costs

Hi [redacted],

[redacted], [redacted] and I had a call with [redacted] (new C&F analysis head) and [redacted] this morning to discuss the current negotiation over unit prices.

In summary:

- [redacted] is happy for us to continue as we are but would like to be included in any discussion of how we handle presenting new options to COSLA that move away from our original costing
- When we present new figures it might be best to do so in the context of the original basis for the costing (ie a before and after table) and to emphasise that the new figures take account of commercial considerations, etc
- We let him know that the position on population and admin costs had been largely agreed
- On snack, he appreciated the need to move away from the original 13p but emphasised that COSLA need to provide evidence for any new figure (the data from Scotland Excel helps us here)
- On the days of provision, he agreed that the 175 proposed by Euan was a reasonable position to move to, though we may want to dig into that data set a bit more just confirm the basis for it (will work on that later this week)
- On milk unit price, he also expressed some scepticism of the high unit costs being proposed by COSLA (50% higher than ours, even after uplift). It is a difficult proposition given the easy comparison to supermarket prices.
 - o A solution might be to cost **LA provision** using COSLA unit costs (therefore taking into account supplier contracts) and **Private/Voluntary/Childminder** using NMRU data.
- Distribution of the eventual settlement will be a further area of analysis that will need to be considered. Mick tended to opt for simplicity here but this will be an area of focus for LAs.
 - o Rurality (ie the A&B milk unit cost)
 - o The proportion of LA settings in each LA (if we go down a split unit cost route on Milk)
 - o Admin cost apportionment basis

Cheers,

[redacted]

RE: Follow up on milk price query

From: [redacted] <[redacted]@falkirk.gov.uk>
Sent: 12 January 2021 13:54

To: [redacted] <[redacted]@gov.scot>
Subject: RE: Follow up on milk price query

[redacted]

Thanks for your email.

Unfortunately your email has made me conclude that the fundamental points that we raised at the meeting were not fully understood. I will try to explain.

If we take the cost of milk to be at the minimum price end as South Lanarkshire said at 19p for 1/3 pint (189ml) then the potential annual cost for local authorities per child would be:

Minimum No of days: Based on 38 week term = 190 days x 19p = **£36.10 pa**

Maximum No of days : Based on 48 weeks = 240 days x 19p = **£45.60 pa**

I fully accept that the above figs make certain assumptions (which we need to discuss):

- Children going in each day (Highly likely in 38 week term provision less likely over the 48 weeks)
- No absences (however if we assume a 90% attendance rate then the 38 week term cost is 171 days x 19p = £32.49.)
- That the cost of milk is 19p per 189ml...many authorities will pay more and some rural authorities will pay a good bit more as [redacted] stated at the meeting.

So overall the £25 milk payment per annum is a good way short of the potential actual costs that would be incurred per child and certainly not as suggested in your email a "generous costing".

Happy to discuss further and to offer the support of the ADES Resources Network if required.

Regards

[redacted]

Nursery Milk and Snack - Unit Costing [OFFICIAL]

From: [redacted] <[redacted]@argyll-bute.gov.uk>
Sent: 12 January 2021 09:21

To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>
Cc: [redacted]<[redacted]@cosla.gov.uk>; [redacted] <[redacted]@cosla.gov.uk>; [redacted] ([redacted]@southlanarkshire.gov.uk)' <[redacted]@southlanarkshire.gov.uk>; '['redacted' ([redacted]@eastrenfrewshire.gov.uk)' <[redacted]@eastrenfrewshire.gov.uk>
Subject: Nursery Milk and Snack - Unit Costing [OFFICIAL]

Classification: OFFICIAL

Good Morning, all,

Please find attached unit costings provided by Scotland Excel for 1/3 pint of milk and for a portion of fruit or veg, based on a basket selection. I do hope this is helpful, and makes the actual purchase costs clearer.

You'll also be able to see the scale of variation in milk pricing along with volumes, which may be helpful to consider when looking at distribution, so that we can be assured that Council receive enough funding to cover costs.

Many thanks,

[redacted]

Commercial Manager

Commercial Services

[redacted]

[redacted]

FW: Response from Müller Milk & Ingredients

From: [redacted] <[redacted]@gov.scot>
Sent: 08 January 2021 17:04
To: [redacted] <[redacted]@gov.scot>
Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>
Subject: FW: Response from Müller Milk & Ingredients

Hi both,

Just forwarding on some useful feedback from [redacted] from Muller. Page 9 of the draft BRIA, she has provided useful info regarding their average 189mls price is 19p and that's across 19 local authorities. I appreciate they won't be the only supplier but gives some reassurance we are definitely not off the mark. Argyll and Bute seems to be a very unique situation so whilst it is important to review costing we should reinvent the wheel over this too.

Hopefully that is helpful

Thanks

[redacted]

[redacted]

Team Leader

Milk and Healthy Snack Scheme, Families and Communities Fund (FAC)

Improving Health and Wellbeing

The Scottish Government

[redacted], [redacted], [redacted], [redacted], [redacted]

RE: [External] RE: [External] RE: Response from Müller Milk & Ingredients

From: [redacted] <[redacted]@muller.co.uk>

Sent: 08 January 2021 17:03

To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@muller.co.uk>; [redacted] <[redacted]@gov.scot>

Subject: RE: [External] RE: [External] RE: Response from Müller Milk & Ingredients

Ha, Please remember Philip it is 19.8 with an increase of 1 p for the straws coming soon so it is 20.8p per unit – and in addition the administrative costs to be added for the council.

Best regards, [redacted].

RE: Follow up on milk price query

From: [redacted] <[redacted]@gov.scot>
Sent: 08 January 2021 10:23
To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>
Subject: RE: Follow up on milk price query

No, even though some of this info is already in public domain such as business details, the financial info (i.e bank account details) are not. Plus childminders need to be considered too because they operate on domestic premises (basically their homes) this info wouldn't be public knowledge for DP reasons so therefore would be personal data. Thanks to GDPR 😊

[redacted]

Team Leader

Milk and Healthy Snack Scheme, Families and Communities Fund (FAC)

Improving Health and Wellbeing

The Scottish Government

[redacted], [redacted], [redacted], [redacted], [redacted]

RE: Follow up on milk price query

From: [redacted] <[redacted]@gov.scot>
Sent: 07 January 2021 16:49
To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>
Subject: RE: Follow up on milk price query

Hmm seems to be conflicting now from what [redacted] has said. 38p per portion seems way too high! On other news though BRIA team have confirmed that we can use ballpark costs in BRIA with explanation as to how costs may change i.e. market prices, number of services, number of children etc. so takes pressure off that part.

[redacted]

Team Leader

Milk and Healthy Snack Scheme, Families and Communities Fund (FAC)

Improving Health and Wellbeing

The Scottish Government

[redacted], [redacted], [redacted], [redacted], [redacted]

RE: Follow up on milk price query [OFFICIAL]

From: [redacted] <[redacted]@argyll-bute.gov.uk>

Sent: 07 January 2021 14:31

To: [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@cosla.gov.uk>

Subject: RE: Follow up on milk price query [OFFICIAL]

Hi [redacted],

Yes – we pay 36p per 189ml portion for milk across most of Argyll and Bute, so that's actual unit costs for us. Incidentally we've been advised today that our milk supplier has submitted a price increase, so that figure is likely to increase further very soon. Muller Milk and Ingredients confirmed to me today that their unit price is 19.81p, and they provide milk to 19 Local Authorities.

I met Scotland Excel earlier today, and they will be working out the average price across Scotland based on unit price and volume, which will be a better starting point, and will also do a fruit and veg 'shopping basket' comparison for us on most popular lines, too. We should have that available by mid-week next week.

Hope that helps,

[redacted]

Commercial Manager

Commercial Services

[redacted]

[redacted]

FW: Nursery Milk - costs - milk by setting from the Nursery Milk Reimbursement Unit

From: [redacted] <[redacted]@gov.scot>

Sent: 07 January 2021 14:17

To: [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Subject: FW: Nursery Milk - costs - milk by setting from the Nursery Milk Reimbursement Unit

Hi [redacted],

I've fished out the original claims data from NMRU – see below .

Total portions (including formula) claimed for= 45.9m

Total cost over that period: = £3.2m

Cost per portion = £0.07 (£0.21 per pint).

Portions per child (very rough calc) = 299

The portions per child seems very high to me – not sure why that would be the case. If that is inflated somewhat then that might explain the low cost per portion found here.

Thanks,

[redacted]

Follow up on milk price query

From: [redacted]

Sent: 07 January 2021 12:51

To: [redacted]@falkirk.gov.uk.

Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@cosla.gov.uk>

Subject: Follow up on milk price query

[redacted]

Thank you for your input to our meeting this week on the costs for the milk and fruit and veg scheme.

In advance of following up with all on some of the other points made, I wanted to come back to you on the point about the milk price issue where I think we were talking slightly at cross-purposes.

In short, I think we didn't make the distinction yesterday at the meeting between the cost per child/ portion and the cost per pint. Each portion is 189ml or 1/3 of a pint, so the £25 per child per annum divided by the population scenarios you describe comes to:

	Cost per 1/3 pint	Cost per pint
152 days (38 x 4)	£0.16	£0.48
190 days	£0.13	£0.39
240 days	£0.10	£0.30

This makes much more sense: as [redacted] outlined, the costs of milk are the one area which are based on the existing claim data which include the cost of administration by milk agents and others in some instances so we would certainly not expect these to be too low and indeed I think the table suggests that even at the top of the range 240 days, the £25 annual cost is a generous costing in view of the cost per pint your colleagues were quoting this week.

Can I check that this makes sense to you also? We are happy to discuss and will, as I note, be following up around the fruit and veg costs as we hear back from your colleagues.

Happy to chat,

[redacted]

Follow up from milk meeting with CoSLA and ASSIST

From: [redacted]

Sent: 06 January 2021 14:44

To: [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Subject: Follow up from milk meeting with CoSLA and ASSIST

Importance: High

[redacted] (cc'ed as others)

Thank you for your very constructive and open input to this morning's meeting which was certainly very illuminating if also somewhat alarming!

We will need to do some further work to understand what the implications would be of the alternative proposals being made by CoSLA and ASSIST colleagues in relation to the milk and snack scheme costings. My understanding of what in summary was proposed is as follows, much of which is indeed very close to suggestions that policy put forward last year also with the aim being of ensuring that we understood the real cost of delivery of the policy to be funded and not solely the macro economic cost. Before we set off on any work on this, and particularly in view of all the work that I know you especially have already done on this over a lengthy period and the very tight timescales, it would be helpful to check this understanding with others cc'ed and to discuss also with the analytical management chain.

Summary of the approach advocated by ASSIST/ CoSLA:

- A. **Population:** clarify how the projected population used for the estimates (190,000) aligns with ELC projections for each of the age brackets/ consider whether this remains sufficient in view of ELC expansion:
 - 12 months and under - % of overall age population expected to be in childcare (albeit not necessarily fulltime)
 - 1
 - 2
 - 3 (likely to be close to 100%)
 - 4 (likely to be close to 100%)
 - 5 (noting that only some children will turn 5 before school but that this may be a higher percentage as a consequence of the new policy on funding for deferrals)

B. Review figure of average **sessions/portion** anticipated per annum. 38 x 4 weeks is perceived as insufficient. The range ASSIST quoted was between 190 and 240 days/ potential milk and fruit/ veg portions and the suggestion was that we took an average. We might also need at this point to address the issues factored into your current costings e.g. absences/ part-time places (especially younger ages).. Again, there is a need to consider consistency with ELC planning assumptions.

C. It is disappointing that concern also encompassed the **milk costs** which is the one area where we did have the best data! Jayne will send some figures on milk unit costs from ASSIST based on their price framework. The query from [redacted] was why the £21 annual figure (pre-uplift) seemed to equate to such a low figure once divided by the population assumptions, lower than the Scotland Excel prices. I wondered afterwards if there was a confusion on their side about the cost per pint and cost per portion?

If I understood correctly, the suggestion was that we should calculate the total milk cost (M) by multiplying the population (A) by the anticipated number of average sessions (B) by an agreed (or proposed) average unit price [C] to give the total annual cost. It was noted that Scotland Excel prices did not offer advantages for bulk purchases.

D &E Fruit and veg. [redacted] will also provide some suggestions for us to consider of the “basket” of fruit and veg rather than costing solely on apples. I think the point about a portion not necessarily equating to a full piece of fruit was accepted. We will want to consider whether this provides a new unit cost for fruit and veg (D) that we can endorse.

ASSIST will also provide an indication of the additional costs they would attribute to preparation (E). As you note, these are the costs that I think may be of greatest concern to Ministers.

My understanding was that the suggestion was that the total fruit and veg (snack) costs (V) would be calculated by multiplying (D+E if E is expressed as a unit cost which may be difficult) x A X B. or D x Ax B, + E if expressed as the sum of the additional productive effort per annum required across local government to prepare this.

F The total quantum (Q) will be M (total milk cost) + V (total “snack”/ fruit and veg cost). The admin cost (F) is proposed as a 5% of Q in the first financial year (effectively 8 months), declining to 2% thereafter. While the 5% was thought to be broadly acceptable, [redacted] highlighted that the drop to 2% in year 2 would be likely to be contested by Leaders and that it would be more realistic for this to be tapered. So I think we may need to consider reviewing F. As you suggested there may be helpful parallels with the ELC Transition Fund approach or that taken for some of the Business Grants. We all note that the childminders may represent a significant portion of this new burden and that there appears to be greater use of childminders in rural areas. CoSLA noted that this may be primarily an

issue about distribution, to be picked up with the SDG which is not due to meet until February.

G. G will be the overall cost to government that would need to be signed off by Ministers: effectively Q +F, for each of the first 3 financial years, recognising that the cost of the new approach would be for 8 months of the first FY (from 1 August with the old scheme continuing for the first four months of the FY) and the full 12 months for the next 2.

It is likely that G, calculated on the basis above, will represent a significant increase on the sum for which we have currently budgeted based on the earlier estimates which appear too conservative – a point we have asked about repeatedly. It will obviously for Ministers to decide if they accept and can afford a revised costing.
What I would suggest we need to do if all are agreed is to: examine whether the methodology here is robust and would form a basis we could accept or amend for a revised calculation and if so, explore what it would add up to enable us to consider the potential financial implications and advice to Ministers.

So firstly:

- Have I captured what was put forward correctly (we should test this also with those who attended)?
- Is it robust enough for us to try out to see what this yields for comparison with the existing costing?
- Have we maximised all the opportunities for synergy with ELC (remembering that this policy is universal, i.e. for all children in registered settings, not merely those in funded places)

We remain massively grateful to you for all your work on this, [redacted]; very conscious that I am not an analyst so do feel free to reword or set this out better in more appropriate analytical parlance if that makes more sense!

Happy to speak further,

[redacted]

**RE: Scottish Milk and Healthy Snack Scheme - Costings - 7 Dec 2020
(A31082975)**

From: [redacted] <[redacted]@gov.scot>
Sent: 09 December 2020 10:30

To: [redacted] <[redacted]@gov.scot>
Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <Euan.Carmichael@gov.scot>

Subject: RE: Scottish Milk and Healthy Snack Scheme - Costings - 7 Dec 2020
(A31082975)

Hi [redacted],

Thanks for your comments – looks like we are getting a bit closer!

I've made some minor changes/ responded to your comments. Feel free to call me (and perhaps [redacted], if she is free) up to discuss.

On the 5 year old question – I'm not sure it is worth trying to adjust our costing once again to take account of this, and I don't think we have the data available to do so anyway. It will be a useful point to bring up when negotiating with COSLA, demonstrating that we have probably overestimated here a bit.

Thanks,

[redacted]

RE: CoSLA snack and admin costings - next steps

From: [redacted] <[redacted]@gov.scot>

Sent: 01 December 2020 13:32

To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Subject: RE: CoSLA snack and admin costings - next steps

Hi All

Please find ERDM links below to the papers issued to COSLA, these include the communications paper for COSLA, funding frequency paper, Children and Young Peoples' Board Paper, SDG paper. I have also attached above the breakdown of local authority data above. If anyone requires a copy of the documents in word then please let me know and I will forward a copy of these. Please note I have copied the

section around milk and snack costing from the SDG paper below to highlight the information. I will send a meeting invite out for those of you are able to attend a meeting which will hopefully be tomorrow.

<https://erdm.scotland.gov.uk:8443/api/resources/documentversions/vA43789568/content> (funding frequency)

<https://erdm.scotland.gov.uk:8443/api/resources/documentversions/vA43789602/content> (administration)

<https://erdm.scotland.gov.uk:8443/api/resources/documentversions/vA43791004/content> (CYP Board Paper)

<https://erdm.scotland.gov.uk:8443/api/resources/documentversions/vA41517413/content> (SDG Paper)

Milk Prices

The latest Nursery Milk Reimbursement Unit (NMRU) data suggests an average annual per child cost of £21, which is used as the baseline for our cost estimate for Scotland. Given that the price varies, SG economists recommend adding an uplift of ten per cent to accommodate this variability.

Snack Prices

Scottish Government economists have used an indicative figure of 13p per snack based on the latest wholesale prices for seasonal fruit using apples as an example though an alternative figure could be used if found to be appropriate for the costing. This figure does not take into account the changes in seasonal markets but is the most realistic price due to the wide variation in fresh fruit and vegetables. This information has been sourced from a reliable report from the UK Government:

<https://www.gov.uk/government/statistical-data-sets/wholesale-fruit-and-vegetable-prices-weekly-average>

It has been assumed that snacks will be on average consumed four days a week over 38 weeks a year. This matches funded ELC provision from August 2020, which is worth 30 hours a week over 38 weeks, and also roughly mirrors s

<https://erdm.scotland.gov.uk:8443/api/resources/documentversions/vA45181712/content> (Monitoring and reporting paper)

<https://erdm.scotland.gov.uk:8443/api/resources/documentversions/vA43789466/content> (Registration process paper)

<https://erdm.scotland.gov.uk:8443/api/resources/documentversions/vA43790709/content> (Communications paper)

I am also including the costing paper that was kindly provided by yourself [redacted] which includes the revised costing estimates which was submitted to Ministers.

: [C&F - Econ - Milk and snack summary Nov 20 \(A30779341\)](#)

If any further information or clarification is required, please let me know.

Thanks

[redacted]

RE: URGENT: Scottish Milk and Healthy Snack Scheme

From: [redacted] <[redacted]@gov.scot>

Sent: 26 November 2020 17:17

To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Subject: RE: URGENT: Scottish Milk and Healthy Snack Scheme

Hi [redacted]

Thanks – I also agree re: the wording back to COSLA.

[redacted] had already fed much of this back to me, and it was her suggestion that we engage operational ELC experts (in the form of Care Inspectorate and ELC Directorate) to get under the skin of operational practice to inform costing discussions. Philip indicated to me in our intro meeting earlier that he was making these connections so I've suggested an additional line below to reflect this.

[redacted]

RE: Milk sub

From: [redacted] <[redacted]@gov.scot>
Sent: 25 November 2020 08:15
To: [redacted] <[redacted]@gov.scot>
Cc: [redacted] <[redacted]@gov.scot>
Subject: RE: Milk sub

So strange, you were on the copy list. I've attached the email that went up with sub.

[redacted]

Team Leader

Milk and Healthy Snack Scheme, Families and Communities Fund (FAC)

Improving Health and Wellbeing

The Scottish Government

[redacted], [redacted], [redacted], [redacted], [redacted]

RE: URGENT request for info from economists

From: [redacted] <[redacted]@gov.scot>
Sent: 19 November 2020 19:02
To: [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>
Subject: RE: URGENT request for info from economists

Hi [redacted],

As discussed, here is a revised summary of our costing estimates: [C&F - Econ - Milk and snack summary Nov 20 \(A30779341\)](#)

Note the discussion of the Childminder numbers on the second page.

Thanks,

[redacted]

RE: URGENT request for info from economists

From: [redacted] <[redacted]@gov.scot>
Sent: 05 November 2020 15:29
To: [redacted] <[redacted]@gov.scot>
Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>
Subject: RE: URGENT request for info from economists

Hi all,

If we can work off this list instead thanks:

First priority, and most immediately we need to provide **CoSLA** with a revised quantum for them delivering the scheme, which removes childminders from the figures. This needs to:

- adjust the administration fee accordingly, noting childminder administration was going to be the most onerous set up

- cost the snack at 13p (we cannot amend for CoSLA until they a) provide us with a rationale for the increase in costs and b) we get cover for this from Ministers)
- Clarify the assumptions and data used in these new calculations, including:
 - Setting out the number of registered funded and non-funded ELC settings (excluding childminders) per local authority
 - Number of children within registered funded and non-funded ELC settings per local authority
 - Population of children in a childminder setting which has been removed from the original 160,000 population figure (can be an estimate if needed)
 - NMRU data on milk costs (£21 per child per year) remains the same
 - Maintain 10% uplift as previously

Second priority, but still urgently we need to cost the potential childminder options so we can internally discuss more meaningfully with procurement etc. This info is not needed for our discussions with CoSLA. This needs to:

- Set out number of childminders per local authority and number of children within a childminder settings
- Calculate quantum on this info
- Incorporate new quantum (should the new uplift still be 10%) and appropriate admin fee i.e. is this still 2%?
- Calculate new costs for childminders based on the milk and snack costs as above plus 10% uplift and 2% administration

Finally, a heads up - we know, CoSLA are questioning the costing assumptions around the cost of the snack. We have asked them for more information about their proposal that this should increase i.e. to 20p, and when we receive this we will be looking for your views on their calculations.

Many thanks

[redacted]

[redacted]

Team Leader for Nursery Milk and the Families and Communities Fund (FAC)

Improving Health and Wellbeing

[redacted], [redacted], [redacted], [redacted], [redacted]

FW: URGENT request for info from economists

From: Canavan P (Philip) <Philip.Canavan@gov.scot>

Sent: 05 November 2020 14:11

To: [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Subject: RE: URGENT request for info from economists

Hi both,

Thank you so much for your input to the SDG paper in such a tight turnaround. You are aware of the time pressures on the new requested information which I have tried to set out as clearly as possible below. Now speaking to you both directly on this I know you have an understanding off what is required so hopefully these pointers will make sense:

- Set out number of settings number of registered funded and non-funded ELC settings (excluding childminders) per local authority
- Number of children within registered funded and non-funded ELC settings per local authority
- Set out number of childminders per local authority and number of children within a childminder settings
- Minus population of children in a childminder setting from the original 160,000 population figure (as previously calculated) and using the NMRU data on milk costs (£21 per child per year) to calculate new cost for milk
- The same approach for snack at 13p per unit totalling £21 per child per year to calculate snack costs for CoSLA
- Calculate quantum on this info adding a 10% uplift as previously applied and a 2% administration fee
- Highlight number of settings under the current UK scheme – splitting into childminders and funded and non-funded ELC settings
- Calculate new costs for childminders based on the milk and snack costs as above plus 10% uplift and 2% administration
- Evaluate whether or not the 13p per snack is still a sensible approach to costing the snack

More than happy to discuss further and let me know asap if there is anything else we can do help support you. I really do appreciate your efforts on this.

Many Thanks

[redacted]

[redacted]

Team Leader for Nursery Milk and the Families and Communities Fund (FAC)

Improving Health and Wellbeing

[redacted], [redacted], [redacted], [redacted], [redacted]

URGENT request for info from economists

From: [redacted] <[redacted]@gov.scot>

Sent: 04 November 2020 15:28

To: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Subject: URGENT request for info from economists

Hi both,

I have quickly set out the information we think is need quite urgently from economists in order for SDG to make a decision next week if possible:

- Set out number of settings number of registered funded and non-funded ELC settings (excluding childminders) per local authority
- Number of children within registered funded and non-funded ELC settings per local authority
- Set out number of childminders per local authority and number of children within a childminder settings
- Minus population of children in a childminder setting from the original 160,000 population figure (as previously calculated) and using the NMRU data on milk costs (£21 per child per year) to calculate new cost for milk
- The same approach for snack at 13p per unit totalling £21 per child per year to calculate snack costs for CoSLA
- Calculate quantum on this info adding a 10% uplift as previously applied and a 2% administration fee
- Highlight number of settings under the current UK scheme – splitting into childminders and funded and non-funded ELC settings
- Calculate new costs for childminders based on the milk and snack costs as above plus 10% uplift and 2% administration

- Evaluate whether or not the 13p per snack is still a sensible approach to costing the snack

Please feel free to amend accordingly.

Thanks

[redacted]

[redacted]

Team Leader for Nursery Milk and the Families and Communities Fund (FAC)

Improving Health and Wellbeing

[redacted], [redacted], [redacted], [redacted], [redacted]

RE: request for most up to date information

From: [redacted] <[redacted] @gov.scot>

Sent: 17 September 2020 11:25

To: [redacted] <[redacted] @gov.scot>; [redacted] <[redacted] @gov.scot>

Subject: RE: request for most up to date information

Hi [redacted]

Conscious my email below might not have been as clear as it could have been, so just to follow this up, I am not suggesting that we are moving to 20p here, nor that we will agree with Cosla that we are comfortable with this, even in principle.

What I am suggesting is a follow up conversation with cosla to understand how they reached their 20p number, and a discussion with analysts to get their views as to whether this assessment is even vaguely reasonable. It is not about negotiating with cosla at this stage, or agreeing anything, but about being able to go to ministers with an informed position to get negotiating cover and test their position again on the snack. Anything we put to Ministers will have to describe the potential spectrum of costs from 13p to 20p, with an assessment of realistic options within this.

Hope that all makes sense but happy to discuss

[redacted]

RE: request for most up to date information

From: [redacted] <[redacted] @gov.scot>

Sent: 11 September 2020 15:47

To: [redacted] <[redacted] @gov.scot>

Cc: [redacted] <[redacted] @gov.scot>; [redacted] <[redacted] @gov.scot>

Subject: RE: request for most up to date information

[redacted],

Based on the discussion we had yesterday I have done the following (Thanks to [redacted] for checking):

- Confirmed that the **£8.6m** figure used previously was based on a 13p unit cost for the snack.
- Revised the unit cost for the snack to 20p as requested. This gives us a new total cost of **£10.7m**.
- You also requested a costing for a scenario where 20p is a universal, fixed fee for reimbursement for a snack. However, there is no uplift or buffer applied to the unit cost of the snack (only to milk) and thus the **£10.7m** is accurate for that scenario too. There is, however, an uplift/buffer applied to both milk and snack to take account **of uncertainty in volume consumed**. We think it is appropriate to keep that buffer in place.
- Done no further work on the milk unit cost as discussed

As we have utilised the same model as before, **all assumptions and caveats still apply**. These have been detailed to you previously (For example, I think they are described well here: <https://erdm.scotland.gov.uk:8443/documents/A27113563/details>), and it would good if you could keep [redacted] in the loop ahead of the meetings mentioned below so that we can ensure they are presented in the right way.

I'm away on annual leave for two weeks from Monday but feel free to call me this afternoon if you need to clarify anything.

Thanks,

[redacted]

RE: request for most up to date information

From: [redacted] <[redacted] @gov.scot>

Sent: 09 September 2020 13:06

To: [redacted] <[redacted] @gov.scot>

Cc: [redacted] <[redacted] @gov.scot>; [redacted] <[redacted] @gov.scot>

Subject: RE: request for most up to date information

Hi [redacted],

Hope you have been keeping well. We are resuming work with the NM scheme and have some key dates in October which will hopefully push this on significantly. The proposal is being considered on 2 October by the Children and Young People's Board, the SDG on 14th Oct and CoSLA Leaders on 30 Oct. Before we send up an updated proposal I wanted to check a few things regarding the costing assumptions.

- 1) We have been provided with feedback from various groups including the SDG that the snack cost is too low. There is an appetite to increase this from 13p per snack to 20p per snack. Now this might not seem like a significant request but it all adds up so I wanted to check are we in a position to cover this request within our budget of 8.6m in other words do we have enough to cover this? If not then how much can we afford to increase the 13p by? We know the 8.6m is a generous quantum so to have an idea if we could potentially increase the snack cost would be very helpful as a negotiation tool.
- 2) I also wanted to check that the milk costs proposed are still reflective of current market prices given it's been almost a year since these were provided. How much work is required to check this?

We are aiming to send the final proposal to CoSLA by 22nd September so I would be grateful if you could consider the above points and provide updated costing assumptions or any other relevant info as soon as practicable.

Happy to discuss.

[redacted]

[redacted]

Team Leader for Nursery Milk and the Families and Communities Fund (FAC)

Improving Health and Wellbeing

[redacted], [redacted], [redacted], [redacted], [redacted]

RE: Nursery Milk scheme

From: [redacted] <[redacted] @gov.scot>

Sent: 17 March 2020 11:34

To: [redacted] <[redacted] @gov.scot>

Cc: [redacted] <[redacted] @gov.scot>; [redacted] <[redacted] @gov.scot>; [redacted] (DEAS)

<[redacted] @gov.scot>; [redacted] <[redacted] @gov.scot>

Subject: RE: Nursery Milk scheme

Hi all,

See below for an update on my work so far – [redacted] please note the additional request from [redacted] in regard to per pint costs.

- Number of settings not providing funded provision, at a Local Authority level – **Done**
 - QA - **not done**
 - The same but for child registrations rather than settings – **Done, but have discovered a data issue which I'm following up with the CI**
 - Contact **Tim Gronneburg** at the Care Inspectorate to discuss the provision of more up to date data – **Done, no response so far**
- Milk inspections
 - Whether any inspection of this (or food provision in general) is made by the Care Inspectorate and whether we could “piggy – back” on these inspections **Done, no response so far**
- Admin costs
 - To discuss with Keira what “admin” actually looks like in a **funded** provider – **Done, Keira didn't know too much about this so would suggest we need to get in touch with LAs through COSLA etc**
 - To look into what kind of admin **non-funded** providers do for the current milk scheme **As above.**
 - Can quickly cost 5% for first year admin costs. - **Done**
- Annual claims data
 - Will contact [redacted] at NHS business services for monthly data over the last four years or so that we can make a calendar year comparison - **Done, no response so far**

- Additional request from [redacted] - attempt to get an angle on the admin costs and other costs milk suppliers charge to nurseries. I noted that this would be difficult unless we had access to invoices etc from these suppliers.
 - I proposed reviewing the claims data for 2018/19 so that the minister could have the following figures to hand. **Subject to Louise approval.**
 - Current claim value per child per annum
 - Current claim value per pint or third of pint
 - (Maybe) show the difference between the cost per pint in a nursery setting versus a childminder setting.

Thanks,

[redacted]

RE: Nursery Milk November submission with drafting updates - Annex E only

From: Scott L (Louise) (DEAS) <Louise.Scott@gov.scot>

Sent: 05 December 2019 13:47

To: Hough E (Elspeth) <Elspeth.Hough@gov.scot>; Holton L (Laura) <Laura.Holton@gov.scot>

Cc: Renowden O (Olwen) <Olwen.Renowden@gov.scot>; Tissiman E (Edward) <Edward.Tissiman@gov.scot>; Boyle D (Daniel) <Daniel.Boyle@gov.scot>; Winters A (Anna) <Anna.Winters@gov.scot>; Canavan P (Philip) <Philip.Canavan@gov.scot>; Fogg S (Steven) <Steven.Fogg@gov.scot>; Carmichael EK (Euan) <Euan.Carmichael@gov.scot>

Subject: RE: Nursery Milk November submission with drafting updates - Annex E only

Yes your understanding is correct here. We haven't costed all eligibility. We've costed likely uptake so avoids overpayment (as much as you can with an upfront payment scheme versus a claims scheme).

We haven't assumed that milk consumption would be less than snack consumption. That's for negotiation. But worth considering in those negotiations (and we do indicate in the text) that a single apple, for example, is too much for some children in ELC so there may be less difference in consumption patterns than we think.

[redacted]

RE: Nursery Milk November submission with drafting updates - Annex E only

From: [redacted]

Sent: 05 December 2019 11:01

To: [redacted] (DEAS) <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>; [redacted] <[redacted]@gov.scot>

Subject: RE: Nursery Milk November submission with drafting updates - Annex E only

[redacted]

Thanks for this. I think it is really important that we're able to be clear about the basis of assumptions. So the calculations are on the basis, if I understand correctly, of 190,000 children each having 152 milk and healthy snack portions per year which is to provide a working average for the unknowns in the system (as children will be entitled to the milk and snack if they have attended 2 hours of childcare per day; some will attend on a larger number of days for fewer hours and others for more hours over fewer sessions).

As [redacted] notes, our actual expectation is that while we expect most children to have the snack when they attend, previous form would suggest that not all will drink milk and we need to avoid overpayment where possible. We would therefore be expecting to discuss with Cosla a figure for milk costs that would represent less than the ELC places uptake and expect this to a lower percentage than the uptake for snack. In terms of our costings, can I just check whether this difference has been factored in (e.g. in the assumptions of 152 portions) or whether it is understood that this issue is to be addressed solely in the negotiating space? I think it is helpful to be as clear as we can in the Annex about the assumptions made and the basis for these.

I'm happy to speak if helpful. I have added [redacted] to the chain for any comments he may be able to add from his relevant knowledge of the ELC costing assumptions.

[redacted]

RE: Milk cost calculator Version 4 - EH comments

From: [redacted]

Sent: 17 October 2019 08:27

To: [redacted] <[redacted]@gov.scot>

Cc: [redacted] <[redacted]@gov.scot>

Subject: RE: Milk cost calculator Version 4 - EH comments

[redacted]

Thanks – this is useful to see although it also causes me some concerns that I think need picked up soon with analysts and ideally with [redacted]. Perhaps you could see if we can get a short chat with her early next week?

A few points I'd note:

- While in some respects this is helpful, in others it is limited and we need to really draw out the assumptions to ensure that they are correct/ that we understand how they have been arrived at;
- I'm not sure that the headings under milk at the setting are right: it's not 25p per pint nor 4 pints per week per child;
- We need to be clear about the assumptions for modelling – you have highlighted a change in the number of weeks; have they offset this by modelling 4 rather than 5 sessions in a week at the childcare setting?
- It occurred to me on the walk home that the 100% milk and snack cost is an absolute outside “pure” cost as not all children will take up all available hours/sessions and that this affects expectation of percentage uptake
- I think it is helpful to model annually (recognising that there will be a spending profile dip over the summer quarter)
- While the pure modelling is useful at one level including for formula to give us a ballpark I think that we are better to focus on the realities of the different settings and reviewing this highlights that one of the decisions for the decision tree that we need to pull out is your point about whether to cap the cost of milk and at what price to model for each of the 2 approaches. I would like to understand how analysts have arrived at the cost of 75p per pint (and what they recommend for formula). In reality, there may be a negotiation with the ELC providers about the price at which we are setting this (I think you were confirming the cost of milk via Scotland Excel) as part of the agreement on funding levels and this is equally pertinent to the contractual cost assessments of strand 2. There would be presentational difficulties in setting 2 apparently different rates for the price of milk but there is an argument that delivering the same outcomes via 2 different mechanisms cannot necessarily come in at the same cost. I think this is part of what we need to draw out to

John and to others to ensure that we have had a round consideration of the potential practical and presentational issues.

- However, the ELC strand should be a fairly simple formula eventually (to be agreed with ELC colleagues): number of sessions per week (assume 5) x number of weeks (assume 38?) x agreed approximation of children x agreed price for milk and snack where the most difficult aspect is to agree the working price assumption and advice to be sought on how it would be paid to complement the existing mechanism.
- It's on the other strand that I think we still need to look more closely at the modelling/options.
- It was useful to highlight that DoH average is 62p per pint: this may be a relevant comparator to bring into the mix to ensure that we do not start to move to pay much more to deliver the same outcome. This is why understanding what it would cost for DoH to continue to deliver some of the scheme in the short term would be helpful. While it might not be a palatable choice, doubling the cost with no change to the outcome would surely be less so!

I'll be out for part of this morning and then in SAH but let's speak this afternoon to check in.

Nursery Milk - costs -- Milk cost calculator (A25927014)

From: [redacted] <[redacted]@gov.scot>

Sent: 15 October 2019 17:43

To: [redacted] <[redacted]@gov.scot>

Subject: Nursery Milk - costs -- Milk cost calculator (A25927014)

Hi [redacted]

Thanks very much for spending time with me today, it will help a lot. Meanwhile, here is a link to the current cost calculator for info. I'll share the updated version when I have it - that one will:

- Take into account infant formula
- Make a more accurate assumption based on days in nursery, not weeks, and
- Use actual costs submitted by local authorities and nurseries in the assumption on milk/snack costs.

[redacted]

[redacted] has sent you a link to "Nursery Milk - costs -- Milk cost calculator" (A25927014) from Objective.

Open in Navigator

Double click on the attachment

Open in Your Browser

Latest: <https://erdm.scotland.gov.uk/id:A25927014/document/versions/latest>

Published: <https://erdm.scotland.gov.uk/id:A25927014/document/versions/published>

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SCOTTISH MILK AND HEALTHY SNACK SCHEME¹ - COSTINGS²

1. The purpose of this paper is to take forward the discussions with CoSLA and ASSIST on the proposed costing and funding of the Scottish Milk and Healthy Snack scheme, further to our meeting on Wednesday 6 January and subsequent submission of material by ASSIST.

2. The Scottish Government has undertaken to meet the costs of the new burden of this policy, for the provision of 189 ml of cow's milk or an approved non-diary alternative and of a portion of fruit or veg for pre-school³ children in eligible childcare settings registered for the Scheme, in line with the New Burdens rule. The purpose of these discussions is to understand, assess and cost this burden. It is to be noted that the new proposal outlined at column B of **Annex A** is shared in confidence and **has not yet been put to Ministers**.

Summary of the high-level approach building on that outlined to SDG

3. The potential maximum funding to be available for the new Scottish Milk and Healthy Snack policy from the Scottish Government is to be calculated on the basis of the anticipated number of children eligible to receive milk or an alternative approved for the Scheme (agreed annual cost) and portion of fruit and vegetables (agreed annual cost) and an administration fee to local government, intended to cover the cost to local government of registering and making payments to childcare settings.

4. A formula for the apportionment of this funding amongst Local Authorities will be proposed by the Settlement and Distribution Group, which would also be responsible for recommending to the Scottish Government and COSLA Leaders any modifications in future years. Early indications from SDG suggested that rurality would be one of the factors of which they would expect to take account.

5. From 15 July 2021 and on an annual basis, local authorities will notify the Scottish Government of the total number of settings registered on to the Scheme, the total number of children enrolled in these settings registered on to the Scheme and the anticipated number of portions of milk/ fruit and vegetables to be provided. This data, together with the SDG weighting will be used to calculate the level of funding to be provided to each authority. Further discussion with COSLA will be required on aspects of the detail of this calculation and payment.

6. Local authorities will receive confirmation no later than 1 August 2021 of the level of funding that they will receive to meet the cost of initial registrations within their area for the year August 2021- July 2022. It is noted that the regulations will allow for local authorities to inform the Scottish Government in-year of evidenced changes to their estimations (e.g. on the basis of increased registrations) of the need for additional funding. Where local authorities wish to notify additional registrations under this provision, the Scottish Government will provide confirmation of additional funding agreed in- year. Arrangements for in-year registrations will also require further detailed discussion.

¹ At our meeting on 6 January, ASSIST highlighted concerns about the term "healthy snack". We have not been able to amend this in the regulations however we do propose to ensure that in guidance and marketing we address your suggestion that we must clarify that the scope of the scheme is for "healthy snack (fruit and vegetables)".

³ Portions of fruit and vegetables will only be provided to children aged 6 months and above in line with infant feeding guidance.

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7. While the Scottish Government does not expect to achieve full uptake of the Scheme in the first year, we must ensure that we have appropriate financial provision in place to pay the full costs, were this to be achieved.

8. The policy will commence from 1 August 2021 and the funding will be calculated on the basis of the full Scheme years (1 August-31 July). The cost in the first financial year will be for 8 months of the Scheme (August- March inclusive). The Scottish Government will also be responsible for the Scottish contribution to the UK Nursery Milk Scheme for milk supplied to eligible settings in Scotland up to and including 31 January 2021. The payment to the UK Nursery Milk Scheme does not form part of these calculations but will form part of the Scottish Government's internal calculation of the full-year cost of milk and healthy snack for 21/22. The summary tables below distinguish between the costs of the Scheme in the Scheme/ academic year and the costs that will fall in each financial year.

9. COSLA officials are invited to indicate whether they are content with this summary or whether any details require amendment or further clarification. Further work to develop the guidance, communications and implementation will follow.

Updated proposal and process

10. Representatives of the Scottish Government policy and analytical teams, CoSLA and ASSIST met to discuss funding the new burden on 6 January 2021. CoSLA and ASSIST highlighted concerns that the initial Scottish Government proposal was too low. Subsequently further data was supplied by ASSIST and this has been used to develop a revised proposal.

11. CoSLA and ASSIST are invited to consider the revised proposal set out in column B below and to discuss with us your views. We require to seek Ministerial approval of a revised budget position and would propose to put to Ministers this revised proposal and to outline to them also your views and any proposed amendments/ additional evidence/ counter-proposal you would wish to put forward.

12. We are conscious that prior to consideration by COSLA Leaders, material may need to be reviewed by DIWG and SDG and would welcome your advice on timescales and process. Regulations are due to be laid on 19 February and ideally we would have achieved agreement on the costings in advance of this.

SG: Family Unit; Scottish Milk and Healthy Snack Scheme team
2 February 2021

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Annex A

Proposals and rationale

The following table compares the original and updated proposals for the estimation of the maximum cost of the Scottish Milk and Heathy Snack Scheme, assuming 100% uptake. It is to be noted that figures for years 2 and 3 are indicative, as these would be recalculated and confirmed each year following a review as set out at footnote 3 below.

	Original SG estimate for which budget cover is in place (Proposal A)	Updated estimation proposal following discussion (Proposal B)	Notes / Rationale for the updated figure proposed
Population projection	190,000	190,000	A population of 190,000 is used in both estimates. We estimate that there are around 160,000 children registered in settings currently submitting claims for milk. It appears that while nearly all day care of children (DCC) settings submit claims, only around a third of Childminders do. In addition, we assume that not all children in these settings are currently provided with milk. As such, we have applied an uplift of 20% to the 160,000 figure. We have confidence that 190,000 is a reasonable figure to use for the costing as there are around 210,000 registrations in childcare in Scotland and this includes a large number of children who are registered in more than one setting – most obviously for three and four year olds, where registrations outstrip population. Adjusting for three and four year olds also brings us to a figure of 190,000. Going forward, NRS population projections suggest the number of eligible children will fall in the coming years. The projected decrease in the numbers of children could be taken into consideration in determining the time period for which the agreed costing methodology should apply.

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Number of days in attendance per "Scheme" year (12 month period from 1 August -31 July) to inform the annual cost projections	152 (38 x 4)	175	<p>Scottish Household Survey data suggests that three and four year old children, on average, attend ELC settings for 38 weeks a year, four days a week. Since then the expansion to 1140 hours of funded provision will have likely increased attendance - though this effect will be limited if funded provision has simply replaced privately purchased childcare or increased the number of hours per day of attendance. This will be further offset by the fact 0 - 2 year olds, the majority of which do not have access to funded childcare but are entitled to this scheme, attend at a significantly lower rate.</p> <p>However, CoSLA and ASSIST have suggested that attendance patterns for children in 1140 hours can range from 190-240 days.</p> <p>175 days is the assumption used for the provision of lunch in settings providing 1140 hours of funded provision to three, fours and eligible 2 year olds. We therefore consider this may be a reasonable assumption for the costing of this Scheme also. This does not take into account that unfunded 0-2 year olds attend at a significantly lower rate.</p>
Proposed milk cost (Scheme year 1 August -31 July)	£24.66 per annum	£34.27 per annum [19.6p unit based on 175 days]	<p>The NMRU provided data for the total value of claims made by Scottish settings for milk provision. Alongside this, they provided the number of settings making such claims, broken down by type.</p> <p>By using Care Inspectorate data on the average number of child registrations in settings of the type described by the NMRU, we were able to estimate the number of children registered in settings claiming for milk. The average cost of milk provision across all provider types, per registration per annum, was £20.55.</p> <p>We expect this cost to increase in the coming years:</p> <p>i) The expansion to 1140 hours may lead to children attending ELC for more days a year. However, this effect will be limited as it only</p>

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			<p>applies to 3, 4 and some 2 and 5 year olds. It may also only displace paid-for “wraparound” hours and thus not increase the total level of ELC attendance for these children.</p> <p>ii) The delivery mechanism of the new scheme may lead to settings providing more milk to those children that attend.</p> <p>As such, we have applied a 20% uplift to this figure, bringing the per child per annum cost to £24.66. (Proposal A)</p> <p>NB: A possible increase of the number of children attending ELC is addressed under population, detailed above.</p> <p>Updated proposal (Proposal B):</p> <p>A weighted average (£0.196) of the Scotland Excel data detailing per portion costs across a number of LAs. This was multiplied by 175 days (an estimate of the number of days milk will be provided, consistent with what is used for the healthy snack) for an annual cost of £34.27 per child per annum.</p> <p>This new approach applies LA costs under existing contracts to all settings, including childminders, and implies a per pint cost of around £0.59.</p> <p>NB: The average provided by COSLA was unweighted and thus a slight overestimate of costs.</p>
Proposed fruit and veg cost (unit/ annual)	£19.76 per annum (£0.13 per portion)	£30.39 per annum (£0.17 per portion)	The initial proposal for a snack unit cost (column A) was based on a whole apple when purchased wholesale in season. No unit uplift was applied to this figure.

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			<p>ASSIST provided us with a Scotland Excel data set on the cost of fruit and veg snacks to LA providers. We have used this "basket" of potential snacks and derived an average unit price from this. We have made no adjustment or weighting to this basket (i.e. we assume children will get bananas as regularly as more expensive strawberries). We identified an error (fruit and snack treated equally in weight of typical portion) in the ASSIST calculation and have adjusted this average from 23p to 28p as a result. Our proposal is to follow this model but to exclude the most expensive items which we would expect to see provided more exceptionally— specifically raspberries (£0.93 per portion) and peppers (£0.44 per portion).</p> <p>CoSLA/ ASSIST have suggested the need for inclusion of a preparation cost; feedback from nursery provider organisations suggests that this is not required. CoSLA/ ASSIST may wish to consider if there is additional evidence on this point that they would wish to submit to Ministers.</p>
Proposed national average annual cost per child for milk/ fruit and vegetables (excludes administration)	£44.42	£64.66	This is the consumption figure prior to the addition of admin to which the SDG weighting would be applied to enable the calculation of the payment to each local authority. We would welcome the views on COSLA on whether it would be most appropriate for the administration cost or percentage (once agreed) to be added to the consumption figure for all to be weighted.
Proposed administrative approach	Year 1 - 5% Year 2- 2% Year 3- 2%	Year 1 – 5% Year 2– 3% Year 3 - 2%	SG have suggested a 5% administration cost for the first year of the scheme to take account of onboarding new settings into finance arrangements with LAs. Going forward, we expect the burden to decrease. However, we note the feedback from CoSLA that it would be more appropriate to taper and are suggesting 5% for year 1 (Aug 21-31 July 22); 3% for year 2 (Aug 22 -31 July 23) and 2% for year

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		3 (Aug 23- July 24). We would hope that most registrations will have been achieved by the end of year 2 if not earlier.
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TOTALS

- i) Based on the proposals set out above at assumptions of 100% uptake in each year, we would expect the maximum annual cost for the **3 full years of the Scheme⁴** to be as follows:

Original SG proposal (A)

Year	Milk costs	Snack costs	Admin costs (5 – 2 – 2 %)	Total
1	£4.7m	£3.7m	£0.42m	£8.9m
2	£4.7m	£3.7m	£0.17m	£8.6m
3	£4.7m	£3.7m	£0.17m	£8.6m
Total over 3 Scheme years				£26.1m

Updated Proposal

Year	Milk costs	Snack costs	Admin costs (5 – 3 – 2 %)	Total
1	£6.5m	£5.8m	£0.61m	£12.9m
2	£6.5m	£5.8m	£0.37m	£12.6m
3	£6.5m	£5.8m	£0.25m	£12.5m
Total over 3 Scheme years				£38m

⁴ It is noted that these are the estimates at January 2021 and that we expect to review population, registration and distribution in spring 2022 in advance of confirmation of year 2 costs. It is envisaged that a similar review will take place in advance of confirmation for year 3.

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ii) Costing at the levels of Proposal B would require the Scottish Government to have the following level of budget cover for the Scheme to assure that we could meet the costs of 100% uptake if required in each of the **financial years**:

		Proposal B	
Financial year 21/22	8 months of year 1 costs (including admin)	£8.6m	SG will also pay additional transitional costs for the UK scheme (not payable to local government)
Financial year 22/23	4 months of year 1 costs 8 months of year 2 costs including appropriate rates of admin	£12.7m	
Financial year 23/ 24	4 months of year 2 costs; 8 months of year 3 costs including appropriate rates of admin.	£12.6m	Remaining year 3 costs will fall in financial year 24/ 25

Scottish Government

January 2021 (Figures at Annex B corrected at 19 February 2021)

	No of children	No of days	Milk unit cost	Snack unit cost
A - First version from economists (snack at 13p; milk at £21 per annum)	190,000	152 (snack only)	N/A	£ 0.13
B - 2nd SG version (snack at 13p; milk at £25 per annum)	190,000	152 (snack only)	N/A	£ 0.13
C- using costs closer to those suggested by ASSIST. Milk at 21p- does this build in any margin?) 23p for snack prob to high (21p + margin for prep?)	190,000	175 £	0.21 £	0.23
D (22p milk - 22p snack)	190,000	175	£0.22	£0.22
E - use 190 days, 22p/ 22p	190,000	190	£0.22	£0.22
F - from economists - 175 days at £0.16/ £0.17	190,000	175	£0.16	£0.17

Annual cost of milk per head	Annual cost of F & V	Total annual consumption cost	Percentage admin at	Uptake
£21	£19.76	£ 7,744,400.00	0.05	1
£25	£19.76	£ 8,504,400.00	0.05	1
£ 36.75	£ 40.25	£ 14,630,000.00	0.05	1
£ 38.50	£ 38.50	£ 14,630,000.00		
£ 41.80	£ 41.80	£ 15,884,000.00		
£ 28.00	£ 29.75	£ 10,972,500.00		

				21/22 I +£1.5m
Full year cost including 5% admin		Year 1 cost of new Scheme (£ transitional costs)		Comment
£	8,131,620.00	£	5,421,080.00	Milk and snack too low - uptake will not be 100%
£	8,929,620.00	£	5,953,080.00	Milk and snack still too low - uptake will not be 100%
£	15,361,500.00	£	10,241,000.00	Milk and snack seem more reasonable levels?
£	16,678,200.00	£	11,118,800.00	12,618,800.00

	ELC*	P1**	Total	Unit price Milk (excl. est price increase)
Aberdeen City	3,710	1,979	5,689	£0.21
Aberdeenshire	5,226	2,843	8,069	£0.20
Angus	1,980	1,189	3,169	£0.28
Argyll and Bute	1,377	747	2,124	£0.36
City of Edinburgh	8,608	4,481	13,089	£0.15
Clackmannanshire	987	539	1,526	£0.18
Dumfries and Galloway	2,426	1,355	3,781	£0.19
Dundee City	2,804	1,443	4,247	£0.28
East Ayrshire	2,593	1,291	3,884	£0.21
East Dunbartonshire	1,958	1,258	3,216	£0.20
East Lothian	2,023	1,177	3,200	£0.20
East Renfrewshire	1,885	1,213	3,098	£0.19
Falkirk	2,982	1,672	4,654	£0.21
Fife	7,004	3,922	10,926	£0.18
Glasgow City	10,870	6,005	16,875	£0.17
Highland	4,052	2,435	6,487	
Inverclyde	1,624	746	2,370	£0.19
Midlothian	2,143	1,167	3,310	£0.18
Moray	1,686	929	2,615	£0.21
Na h-Eileanan Siar	472	237	709	
North Ayrshire	2,316	1,318	3,634	£0.18
North Lanarkshire	6,386	3,718	10,104	£0.19
Orkney Islands	406	197	603	
Perth and Kinross	2,695	1,438	4,133	£0.28
Renfrewshire	3,603	1,799	5,402	£0.21
Scottish Borders	1,940	1,084	3,024	£0.20
Shetland Islands	487	260	747	
South Ayrshire	1,985	1,095	3,080	£0.18
South Lanarkshire	5,965	3,628	9,593	£0.17
Stirling	1,631	872	2,503	£0.20
West Dunbartonshire	1,852	925	2,777	£0.20
West Lothian	3,339	2,157	5,496	£0.20
Scotland	99,015	55,119	154,134	£0.21

* ELC Data taken from: <https://www.gov.scot/publications/>

** P1 Data taken from: <https://www.gov.scot/publications/>

*** Includes 189 and 200ml portions of both Whole and Semi-S

ELC Total Cost Per Annum (est days: 240)	P1 Total Cost Per Annum (est days: 190 days)	Total	Volumes purchased of 189/200ml portions (SXL Framework) Jan-Dec 2019***
£186,994.08	£78,962.10	£265,956.18	475515
£250,848.00	£108,034.00	£358,882.00	12520
£133,056.00	£63,254.80	£196,310.80	Through Tayside
£118,972.80	£51,094.80	£170,067.60	179297
£309,873.60	£127,708.50	£437,582.10	3418063
£42,655.68	£18,433.80	£61,089.48	267800
£110,607.36	£48,915.50	£159,522.86	684229
£188,401.92	£76,767.60	£265,169.52	Through Tayside
£130,697.28	£51,510.90	£182,208.18	126784
£93,964.80	£47,804.00	£141,768.80	172078
£97,094.40	£44,726.00	£141,820.40	854011
£85,974.24	£43,789.30	£129,763.54	366352
£150,292.80	£66,712.80	£217,005.60	286419
£302,590.08	£134,132.40	£436,722.48	2824398
£443,487.84	£193,961.50	£637,449.34	Own Agreement
£0.00	£0.00	£0.00	Own Agreement
£74,063.52	£26,930.60	£100,994.12	160677
£92,577.60	£39,911.40	£132,489.00	965159
£84,984.48	£37,067.10	£122,051.58	4983
£0.00	£0.00	£0.00	Own Agreement
£100,042.56	£45,075.60	£145,118.16	19735
£291,192.48	£134,219.80	£425,412.28	1288202
£0.00	£0.00	£0.00	Own Agreement
£181,104.00	£76,501.60	£257,605.60	Through Tayside
£181,601.28	£71,780.10	£253,381.38	729694
£93,139.20	£41,192.00	£134,331.20	Own Agreement
£0.00	£0.00	£0.00	Own Agreement
£85,760.64	£37,449.00	£123,209.64	230310
£243,372.00	£117,184.40	£360,556.40	1670650
£78,268.80	£33,136.00	£111,404.80	4810
£88,896.00	£35,150.00	£124,046.00	649293
£160,262.40	£81,966.00	£242,228.40	2277770
£4,400,775.84	£1,933,371.60	£6,334,147.44	17668749

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