



The Scottish Parliament
Pàrlamaid na h-Alba

EDUCATION AND SKILLS COMMITTEE

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Dear Minister,

As you will be aware, on 29 October 2018 the Committee held a number of focus groups in Rutherglen Town Hall with providers of early learning and childcare and also with local authority officials from a number of local authorities.

The Committee agreed to undertake this fact-finding visit after its evidence session with you on progress towards the provision of 1140 hours of funded childcare by 2020. The Committee wanted to hear the practical experiences of those providing childcare who are preparing for the full implementation of 1140.

I attach the notes from the focus groups. At its meeting on 7 November the Committee members who participated in the visit agreed which key themes they particularly wanted to highlight. The Committee recommends that these themes, which came across strongly in discussions, are taken into account by the working group led by the Scottish Government and COSLA, to ensure concerns over the negative practical effects of implementation, particularly on private, independent and third sector providers including childminders are addressed at the earliest opportunity.

Workforce

Arguably the strongest theme from the focus groups was the loss of staff from the private sector to local authority provision. At a time when there is a need for substantial workforce expansion, the Committee heard that private, independent and third sector nurseries were losing staff because they are unable to pay at the same level as local authorities, especially local authority nurseries taking part in '1140' pilots. As a consequence, a number of providers were clear that they considered their nurseries may not be in operation by 2020. Beyond the obvious concerns for people's employment, local authority officials highlighted a concern that a movement in workforce away from private nurseries would impact on the quality of private

childcare provision. The level of engagement with childminders by some local authorities also appeared to be very limited with a concern highlighted by a number of childminders that if they are not used to contribute to the delivery of 1140 then a proportion of the childminding workforce would have to find alternative employment.

Capital investment

Participants' experience suggested that capital funding for the delivery of 1140 was primarily being allocated by local authorities to build new local authority run nurseries. A number of participants felt the Government's intention to 'sweat the existing asset' was not being pursued. There were examples given of private nurseries having available spaces that could be easily expanded into, and outdoor spaces that could be converted in accordance with Government policy such as Space to Grow. If local authorities are indeed prioritising their own nurseries for capital investment, the Committee would welcome your commitment to clarify with local authorities the Government's intention for capital spend to be allocated beyond public sector childcare provision. The Committee also recommends that guidance to local authorities on this and other issues be revisited to ensure it is sufficiently robust, giving clear direction to all authorities to improve some of their approaches to implementation.

Another issue cited by local authority officials was that the form of assessments undertaken by the Care Inspectorate of outside spaces restricted the likelihood of such spaces being approved to be used as part of Space to Grow. On that basis at least one local authority of the five represented had decided not to seek to implement the Space to Grow policy.

Other issues

Beyond these central themes, I would encourage you to consider the focus group notes in full to get a sense of the range of experiences and the issues raised. For example, one further issue raised was a lack of engagement by local authorities with the new early years equivalent to SEEMiS. A number of private providers suggested they had not been asked how they use the current system, and they were therefore concerned that the requirements placed upon them would not be reflected in the new IT system. The Committee seeks an assurance from you that the process to put in place a new IT system is user led and will therefore involve all early learning and childcare providers required to use it.

Conclusion

The overwhelming impression from the focus groups was that private providers and childminders do not feel they are being treated as partners, or valuable contributors, by some local authorities in the provision of the 1140 Government policy. The way the policy is being implemented in some areas is creating a hierarchy of forms of childcare with local authority provision prioritised and others being required to fill any remaining gaps. By contrast local authorities such as Angus and Stirling were praised for their innovation, forward planning and ability to involve all partners from an early stage.

There was wide support for the policy intention of 1140 across all of the focus groups but this was regularly twinned with real concerns about the experience of implementation so far. The Committee very much hopes that some of these issues

can be addressed through constructive and intense work between the Scottish Government and local authorities in the coming months in the lead up to the full implementation of 1140. The Committee intends to continue to monitor implementation and would appreciate a response from you on the issues raised above and in the focus group notes including details of actions being taken at Government level.

I should be very grateful for a response by 17 December.

Yours sincerely

CLARE ADAMSON MSP
CONVENER

Education and Skills Committee

Focus groups on funded childcare – 1140 hours

Rutherglen Town Hall, 29th October 2018

LOCAL AUTHORITIES

Focus groups 1 and 2 were made up of local authority officials from five different local authority areas – Glasgow City Council, East Renfrewshire Council, North Lanarkshire Council, South Lanarkshire Council and East Dunbartonshire Council.

Focus group #1

Focus group chair: Clare Adamson MSP, Convener

Also in attendance: Rona Mackay MSP and Alison Harris MSP

The discussion began with a general discussion on progress towards delivering 1140. Challenges cited included:

- the lateness of the **funding** announcement and the manner the funding has been phased, the preference from some attendees being more front loaded as opposed to the ‘peak’ approach adopted by the Government;
- **private providers losing staff** to local authority employers due to salary differentials, leaving less experienced staff in private nurseries and this could impact on the quality of childcare in private nurseries;
- the **pace of transformational change**, including the challenge of trying to maintain staff professional development and also completing a major change process.

The role of the **Care Inspectorate** was raised a number of times, including its concerns over the continuity of staffing and the associated challenge of maintaining the quality of childcare provision. The example was given of children with additional support needs who need very specific patterns of care, experienced staff in nurseries and interactions with the same adults.

There was wide support in the group for local authorities having the flexibility to implement the policy in their own way to reflect local need as opposed to a more prescribed approach.

Unfunded hours and the commissioning rate was described as the ‘hot topic’ for **private providers** by one attendee. The issue was also raised of salary differentials within individual nurseries where some staff are paid to support funded hours and some the unfunded hours. Private providers also point towards hidden costs for them such as training.

The lack of uptake by parents of **childminding** as an option was discussed, with a suggestion that a number of local authorities had sought to use childminders for the funded childcare model but only a small number were employed due to lack of uptake. One of the local authorities was not seeking to use childminders as part of

the funded childcare model. A lot of childminders had confirmed that they did not want to study to meet the standard to provide '1140'. There was agreement that the blended model under the funded childcare model was a risk to a local authority because the local authority could end up double funding the childminder and the nursery. One attendee suggested a concern that childminders would not survive in the current climate and could just be used for baby care.

The discussion turned to **additional support needs**, the local authority officials all agreed there were insufficient numbers of additional support need staff. One attendee suggested that impacts on the other children too. Another suggested they could not get specialists in to do specialist assessments sufficiently quickly meaning there is a delay in getting children the support they need. Recruitment of staff in some areas did not result in all roles being filled, it was noted that the jobs are often low paid and challenging. It was suggested local authority nurseries often have more experienced additional support needs staff than private providers and there may be a tension between advice from a local authority on what form of attendance pattern or support a child might need but as funding follows the child then parents could ignore this advice and seek private provision to reflect their requirements. One attendee suggested a meeting they had held with local private providers had covered the likelihood that more children with an ASN would move into private nurseries and some nurseries felt ill equipped to support an increase.

Implementation of the **Space to Grow initiative**, which encourages nurseries to expand capacity by up to 20% by using outdoor areas, was highlighted as an issue. The Care Inspectorate were perceived to have been quite rigid in its assessment of the criteria to expand nurseries as part of the Space to Grow initiative with very few nurseries being assessed as suitable. One local authority attendee said their local authority had decided not to pursue the policy as it had found the Care Inspectorate's approach restrictive. Attendees suggested the Government had envisaged large numbers of nurseries would use Space to Grow to expand the number of spaces they could provide. It was suggested that the advice on progressing the Space to Grow initiative had not reached the inspectors working on the ground assessing nurseries.

The session ended with a **general recognition that 1140 was a positive policy**, in particular for parents giving them more opportunities, and implementation of the policy is going in the right direction. However all attendees agreed that there was a feeling of tension between local authority and private providers and a need to learn lessons from some of the issues with implementation of a similar policy in England.

Focus group #2

Focus group chair: Ross Greer MSP.

Also in attendance: Johann Lamont MSP and Gordon MacDonald MSP

The discussion opened with consideration of the **different approaches being taken by individual local authorities to implementation.**

It was noted that some local authorities are using a priority system and phasing for implementation that focuses on children with a SIMD1 or SIMD2 profile. In such cases, a common approach to delivery is to provide hot lunches. It was noted that

one local authority gives children who have a morning session an additional hour, so that they can have a hot lunch. The children who have an afternoon session arrive early so that they can also have a hot lunch.

The participants explained that there is high demand for funded childcare in SIMD1 or SIMD2 areas in some local authority areas. In such areas, local authorities have obtained funding to deliver new infrastructure to meet the level of demand. Despite the high numbers of eligible children, uptake is not always as high as might be expected. As such, it was noted that there needs to be a process to manage capacity and uptake as increased provision is rolled out.

The approach of targeting provision at specific families is believed to be improving outcomes for children. For example, it was noted that the provision of hot lunches has encouraged wider social benefits, such as children asking their parents to eat meals together at home.

It was explained that other local authorities initially held pilots and are now moving to a phasing programme. This appears to be on track and it was noted that one local authority area will continue to roll out until April 2019 when the final phase of implementation will commence. This local authority will further consult with funded providers as the process of implementation continues. It is not yet clear whether the pilots model will continue in this local authority area, or whether providers will be brought on all at once.

The participants also explained that some children are using a blended model of provision of funded childcare. It was noted that this blended model appears to be popular for children in rural settings. Local authorities also noticed an increase in transfer requests when the additional hours were announced. Some local authorities have put a cap on transfers to limit this because a lot of private partners were discontent with their customers moving to local authority providers.

The discussion then turned to how to measure whether the implementation is on track and the eventual **outcomes of the policy**. It was noted that measuring children's attainment is the best measure of whether delivery of additional funded hours is having an impact. Another important milestone to measure is the level of attainment once a child transitions into school. It was noted that there are other wider measures that are also relevant, such as economic benefits. The participants noted in this regard that there have been some success stories of parents managing to gain employment as a result of the additional funded hours. These wider benefits are difficult for people working in early years to measure or record and it is something for local authorities/the Scottish Government to consider.

It was felt generally that **providers are getting sufficient information on implementation**. Local authorities are using different methods of engaging with providers for this purpose but it was noted that most local authorities have an expansion team with a steering group. One local authority noted that it holds a partners' forum every six weeks. It was explained that the information that can be shared through these forums is limited by the level of information provided by the Scottish Government. As such, some providers may consider that local authorities are not providing them with the level of information they need.

It was noted that a challenge with provider engagement is the level of participation by nominated participants in the forums that have been established. These forums do not work well when nominated representatives do not attend regularly or do not disseminate information. It was explained that some local authorities have good relationships with membership organisations, such as the National Day Nurseries Association (NDNA), to share information with providers.

The discussion then turned to the **quality standard** required for the expansion by 2020. Participants considered that the quality standard needs to be set and maintained at a high level. It was noted that the outcome of this policy should not be regressive, insofar as the sector should not expect less from its practitioners despite the challenges with recruitment. The participants considered that the challenge of maintaining quality standards whilst increasing funded hours is not insurmountable. There is a challenge for training providers to be able to deliver the level of new entrants required and there are challenges for some local authorities to recruit training assessors. But it was felt that there is no question that the quality should not be compromised for quantity.

It was noted that an unintended consequence of a **flexible system** is that some local authorities are using manual payments for providers. This is because the nursery information management system is not able to process flexible payments. It was noted that local authorities are managing a lot of public money to deliver this policy and so this **IT** issue must be rectified.

It was also noted that fixing this IT issue will be important for effectively measuring the policy outcome/impact because recording attendance is one way of measuring attainment. Practitioners do not want local authorities to be asking them to measure or record the policy impact in an onerous way – the effective use of existing measures, such as attendance, is the way forward. It would therefore be helpful to have an IT system, such as an information management system, that helps nurseries to record information (at the moment they are using school attendance software).

It was noted that **recruitment** is already a significant challenge in terms of sourcing sufficient quality staff. Whilst new cohorts of providers are emerging, these were described as a “drop in the ocean” in terms of what will be required.

As all local authorities are expanding provision at the same time, there is insufficient staff currently in the workforce and competition to retain and recruit staff is fierce. Some local authorities are losing staff to other local authorities because of differences in pay. When everyone is advertising at once, there is a lot of competition. The increase in new facilities being built means that there is a lot of demand for senior staff in the employment market. It was noted that some local authorities have offered positions to new staff only for those individuals to turn down the job offer because their own local authority has offered them a job. Some local authorities have had to advertise the same positions three times and each time a role is re-advertised the quality of applicants decreases. It was noted that each local authority determines its own salary and job specifications and individuals are

recruited to the local authority. The salaries within a local authority area are the same.

Focus group members also commented on the slow pace with which information on the national standard is forthcoming. The lack of clarity on this issue creates difficulty for procurement because it is not clear what the national standard will require of staff. Partnering with childminders was noted as particularly problematic in the absence of more guidance on the national standard from the Scottish Government.

It was noted that some local authorities will be increasing **infrastructure** at a considerable scale – some will be roughly doubling their provision. There is a lack of clarity around some infrastructure issues, such as outdoor space requirements. Any lack of clarity, such as this, slows down implementation and delivery. The level of available funding is another issue that was highlighted. It was explained that existing funding is based on 2014 data, which is already outdated and resulting in a funding shortfall. There has also been confusion about the meaning of “space to grow”, as local authorities and the Care Inspectorate appear to be working to different interpretations. This means that some local authorities have received less than half of the provision that they hoped to get (in terms of what they had budgeted for) to deliver new builds and expansion.

The participants considered that local authorities will need to be innovative with the space that they have and lengthening **nursery opening hours** can assist with using existing infrastructure to its full potential. An infrastructure challenge that was highlighted was providing hot lunches in terms of whether existing infrastructure has the necessary kitchen facilities. It was noted that some local authorities are upgrading kitchen spaces to address this issue, such as providing dishwashers.

The participants mentioned other issues that are limiting progress on implementation, including the limitations on Skills Development Scotland and the number of apprentices.

It was noted that the **biggest challenge for private and third sector providers** is developing a business model for covering the hours that a child is in childcare beyond those hours that are funded. This cost ultimately passes on to the consumer. Private nurseries think this would raise costs of early learning and childcare to the point that it would not be feasible to provide as a business model.

It was noted that there are challenges around recruiting support staff who specialise in children with **additional support needs**. Many individuals in this area are looking for a career pathway, which they are more likely to get working in a school.

The participants considered that **informing parents of their entitlements** and consulting with them on delivery is very important. It was noted that face-to-face consultation is vital. Nursery managers know their parents well and can help to deliver ownership of the implementation at a local level.

In relation to non-engaged parents, it was noted that health visitors and family link workers play an important role in informing parents of their entitlements. It was

explained that the approach used for reaching new parents depends on what approach to family support was included in the local authority's original plan for the implementation. Some local authorities have used leaflets in community centres to reach new parents. Others have a dedicated family information service and online platforms to spread information. In some local authorities, the lead support practitioner is tasked with spreading information about entitlements. Early Years Scotland has been another valuable resource.

EARLY LEARNING AND CHILDCARE STAFF

Focus groups 3 and 4 were made up of childminders, private nursery owners and managers, and third sector nursery managers. Focus group 3 had a larger proportion of childminders whereas focus group 4 was mainly nursery staff.

Focus group #3

Focus group chair: Johann Lamont MSP

Also in attendance: Ross Greer MSP and Gordon MacDonald MSP

The discussion opened with consideration of the level of **information about implementation** that is being shared with providers and the different approaches being taken by local authorities. Childminders in the focus group considered communication with their sector has been poor and this has created difficulties for them. It was noted that childminders are being given very short deadlines for submitting provider applications (receiving the application forms on a Friday with a Monday submission deadline). Childminders also noted that there have been issues with local authorities losing completed application forms once they have been submitted. The third sector has experienced similar difficulties with communication from local authorities.

Another issue that was raised is the means by which local authorities are allocating places on pilots. It was noted that partner providers are sometimes being informed of balloting for pilots at very short notice (sometimes only 24 hours). In some cases, the ballots have been allocated "at random" and not based on clear priorities or measures, such as SIMD. It was also noted that this approach to implementation has resulted in different unit values being given for the provision of 600 funded hours versus the 1,140 funded hours entitlements. This means children within the same nursery can have different entitlements based on whether they were in the nursery when a ballot was allocated to the provider.

Other participants explained that their local authority holds engagement meetings during the working day, which makes it difficult for providers to attend. Another participant explained that they have invited local authority representatives to attend their places of work to discuss practical issues around expansion. It was noted that providers who are involved in a pilot or a trial tend to know more about what is going on than those who are not involved. Concerns were raised about the timing of when information will be shared with all providers about how the final phases of implementation will work in the transition to 2020. It was noted that businesses cannot wait until next March to formulate their business plan for staffing – these discussions need to be had now.

It was noted that it is not possible for providers to create a **sustainable business model** because they do not have accurate forecasts about how many funded hours they will be able to secure. In this regard, a participant commented that the blueprint could be world class for every child in Scotland. The participant considered that there is a lot to learn from how it has failed in England – all the capital expenditure is being invested into building local authority facilities in England. A package of funding should look more to the long-term in Scotland. Some local authorities are actively calling eligible parents, which in effect has taken children away from private providers. A lot of childminders are now offering less hours. There are real concerns around sustainability of the sector in Scotland.

It was also noted that there is a lack of clarity on what “**partner neutral**” means in practice. This issue arises in part because not all providers have the same level of resources to compete in the market for funded childcare. It was explained that business plans are fundamental to how providers operate, but they cannot develop business plans in the absence of clarity on the payment for a partnership place.

These concerns about the meaning of partner neutrality were raised as part of the impact of implementation on the **viability of businesses** (and self-employment for childminders) in early learning and childcare more widely. The implementation of additional hours was described as “the perfect storm” for providers in this regard. It was noted that childminders and the third sector are required to deliver the policy ambition but they have very little involvement in how it will be implemented due to a lack of information and difficulties with recruitment and retention of staff. It was noted that large quantities of staff are migrating to the public sector for better salaries and terms and conditions.

It was also noted that some local authorities will not open public nurseries during **school holidays** and that private or third sector providers are expected to take-up the load during these periods. This affects children who are expected to move into unfamiliar settings; and it affects providers in terms of their business models. It was explained that the third sector should not be treated simply as a means to plug gaps in local authority provision. The third sector offers value in many ways as a system that is rooted in the community. It puts a lot of investment into growing the family as a whole through family wellbeing workers. This is a unique aspect of the third sector and Scottish early learning and childcare would be weakened without it.

Participants also explained that there is a concern that this will impact on the **quality of provision** (and therefore competitiveness) for some parts of the sector as they lose experienced staff over the long term. It was noted that being “provider neutral” cannot mean there is no difference in quality when it comes to implementation. This is because there is no equity in the market for childcare because the effect of the funded model is that greater value is being placed on local authority providers over private providers because local authority staff are paid more.

One participant explained that, according to their own calculations, it would cost their business an additional £62,000 per nursery per year to meet the local authority’s terms and conditions. It was explained that the additional cost on providers will be passed on to parents because providers will not be able to absorb the rising costs. Providers are concerned that an unintended consequence of increasing funded

hours is that it will result in a forced increase in fees across Scotland. If this occurs, then parents will not be getting the additional funded hours as “free childcare” because parents will have to pay more for the other hours their child is in childcare to cover the cost of the “free hours”.

The specific **challenges faced by childminders** was also discussed. It was noted that a childminder can only be allocated three children at a time. Childminders who cannot offer 30 hours per week have been told by some local authorities that they cannot participate in trials for implementation. It was also noted that some parents are being told by local authorities that they will be unprioritized for funded childcare places if they use childminders. In the short term, childminders may lose clients if parents can only access their entitlements through nurseries. This makes it increasingly difficult for childminders to continue to operate and may drive them out of the market before 2020 at a time when the sector needs to increase its workforce.

It was also noted that it can be upsetting for children to leave someone they know for a new setting. Participants also explained that many children need childcare in smaller settings, which is what childminders can offer. The sector needs to be empowered to focus on the children’s needs and action is required to address these issues. It was noted that when parents have complained to local authorities about these issues, they have not received a response.

In the longer term, it was noted that childminders also face uncertainty in terms of what qualifications they will need to meet the national standard. Childminders have developed a new qualification in April, but it is not clear whether that will meet the national standard. It was also noted that many childminders may need to requalify, some of whom are already very experienced and mature in age. In such cases, it was explained that some childminders may decide to take early retirement instead. Participants also commented that childminders are often overlooked in the media reporting of this policy implementation, which makes them feel further devalued by the process.

The **blended or flexible model of provision** was also discussed and participants considered that it is not being embraced by local authority nurseries. Some providers feel that local authorities are telling them that if providers want to work in partnership with them, then partners will need to work around the local authority’s agenda. This makes many providers feel devalued. It was also noted that some nurseries are putting pressure on parents to take up a full day’s space. Participants explained that the funding follows the child model was called for by many in the sector but the representation of this at the local level is very divisive and unsustainable. The increased flexibility is resulting in the closure of nurseries in the third and private sector. It was noted that the national picture might look good but it feels very different on the ground. Participants noted that the Audit Scotland report clearly states that Scotland is not on track to deliver the workforce required to deliver by 2020.

It was noted that the **Scottish Government** and local authorities need to sit around the table together to get the policy implementation right. This is only just starting to happen. It was felt that effective oversight and evaluation of how money is being spent during implementation is missing. The participants explained that the Scottish Government has said it does not want to micromanage local authorities on the policy

implementation. As such, the participants thought it would be unlikely that the Scottish Government would suggest a national wage for the sector. It was noted that Scotland Excel is creating technical guidance for procurement. But it was felt that the work being done by Scotland Excel is not being informed by a good representative sample of providers because there are poor channels of communication within the sector. In this regard, the participants felt that national membership bodies were not representative enough to rely on alone for disseminating information. It was suggested that information should come through the Care Inspectorate because every provider has direct contact with it.

It was noted that there is a lack of clarity for private providers in terms of their eligibility for **capital investment**. Participants considered that there was no consultation with them on the infrastructure required to deliver the expanded hours, including how existing infrastructure could be adapted. It was noted that if a proper mapping exercise had been conducted, then money could be saved on new infrastructure and invested into other issues.

Access to **IT infrastructure** was another issue that was explored in the discussion. It was explained that private or third sector providers do not have the same level of access to IT infrastructure as the public sector. Some private providers employ individuals with the sole focus of working on updating the software with the information required by local authorities. In the third sector, it is often not possible to employ a specialist to do this – the manager does this when they have time. There are deadlines that providers need to meet for inputting the data into the software, which can be challenging. It was noted that a new system is being rolled out for 2020, but private and third sector providers have not been consulted on that new system.

The discussion turned to **measuring the impact of the policy and outcomes** for closing the attainment gap. It was noted that there are a variety of options that could have been explored for how to reach this outcome but these were not explored before the additional hours model was agreed upon as the way forward. Participants explained that some parents want more flexible working conditions to enable them to spend quality time with their children. Another option would be to look different at how the funded hours can be used or delivered in different ways.

The focus group also considered the provision of **additional support needs** as part of the expansion to 1,140 hours. The participants from the private or third sector considered that they do not get the same level of support as the public sector. It was explained that any additional resources for support are covered by the provider and providers have had difficulty in obtaining external funding to enhance their provision for additional support needs. It was noted that many health visitors will recommend to parents that they should send their children to public providers for these reasons. This issue is something the focus group considered needs to change in order to deliver a truly provider neutral system.

It was noted that some local authorities are also struggling with their provision for additional support needs due to limited funding and budget reductions. There are similar issues in the public sector in terms of recruiting qualified staff and retaining staff due to the competitiveness in the sector over terms and conditions.

In relation to childminders, it was noted that their low child-to-provider ratio means that experienced childminders are often able to cater to children with additional support needs. It was noted, however, that local authority training budgets have declined in recent years, so that individual childminders would need to pay for their own professional development in this specialism.

Focus group #4

Focus group chair: Clare Adamson MSP, Convener

Also in attendance: Rona Mackay and Alison Harris

The discussion began with a nursery owner running one of the **1140 pilots** reporting a positive transition with initial concerns being addressed by the council and the pilot running smoothly. They would like to see the funded childcare rate being index linked and to be able to pay all staff at the same rate as opposed to having to differentiate between staff as at present. Another private nursery owner from the same area suggested they had had a very different experience as they were not part of the pilot, losing 10 children and 6 staff to the primary school nursery over the road that was in the pilot. The business was apparently close to closing as a result at that time. The local authority have now stopped movement between nurseries in the next phase of the pilot to prevent this situation repeating elsewhere. There was lots of agreement that not being chosen for pilots had put some nurseries and childminders at a notable disadvantage.

In terms of the **viability of nurseries**, a number of attendees stated they were unsure if they would remain in operation until the delivery of 1140 in 2020. One private provider suggested they were not taking a salary at present and their neighbour nursery had an owner who was anticipating closing the nursery in the New Year. A provider of a third sector nursery running in a local hall suggested for logistical reasons they were concerned they would not be able to meet the requirements of 1140 and were awaiting assurances from their local authority on this matter. They had been told they had to take the 600-funded childcare model previously or they would lose their contract. A number of attendees suggested that a concern was the services will not remain by 2020 to deliver 1140, there was a reduction in service provision at present in some areas at a time when capacity needs to increase. One local authority provider suggested that some of the funded childcare was not being used because parents selected year-round provision and then did not use the nursery through the school holidays. As a result, the nursery had supply staff arriving in the morning to work and being sent home when there were lower number of children than anticipated. If the child does not take up the hours the nursery is not paid for them.

Two private nurseries from a particular local authority suggested the local authority had engaged with them in advance of the increased funding package, asking one to consider adding a floor to their nursery to expand childcare. The local authority had then decided to build a new local authority nursery instead. Attendees had thought councils should be encouraged to sweat existing assets. The owners suggested there was very little engagement now or ability for private nurseries to make use of **capital funding**. A voluntary sector nursery provider highlighted that the 1140 policy included that capital budgets should be shared with the voluntary sector,

independent and private providers. They reported that on inquiring to their local authority they had been told there was no form or process to apply for capital funding. The group queried the extent to which the private providers are getting access to capital funding. A number of attendees asked what the role was for the Scottish Government to ask local authorities the right questions such as exploring the extent that capital funding is being allocated to the private sector versus local authority provision. The risk of building and establishing new nurseries as opposed to developing existing assets was highlighted, with examples cited from England where a number of 'super nurseries' had closed down. It was suggested local authorities 'going it alone' relying on its own expanded provision was a restrictive model.

Childminders reflected different experiences in different areas with one being concerned their local authority was not engaging with childminders, arranging large childcare conferences and not informing childminders. An attendee from the Scottish Childminding Association suggested the Scottish Government is transparent about the fact it was not doing impact assessments. In her view as a result it had not been anticipated that parents are going to have to remove children from childminders as they are not being commissioned by local authorities to do 1140 hours. The concern from an earlier focus group that childminders will become baby care alone was supported by the childminders in the group. One suggested their local authority was building 5 new nurseries but is not seeking to use childminders in 1140. The local childminding group that had had 70 in it now had 40. SCMA suggested that local authorities are actively promoting nursery provision including through health visitors.

Two providers suggested a particular local authority was planning provision under the 1140 model by **allocating children from different SIMD areas** to different forms of childcare, with SIMD 1 to 4 aimed towards local authority nurseries and children from more affluent areas aimed towards private nurseries. They questioned why this local authority was categorising children in this way.

The issue of **workforce expansion** causing staff from the private and third sectors to move to local authority provision. It was suggested 72 million of workforce expansion funds had gone to local authorities over the past 3 years and attendees were not aware of any of that funding going to private, independent and third sector providers.

An associated issue was local authorities asking private nurseries to train modern apprentices and then the modern apprentices go to work in local authorities or do not want to work in the sector but view it as an extra qualification. Modern apprentices in private nurseries are often paid more than full time staff a number of attendees observed.

One provider suggested that two years ago, of their 15 staff 11 moved to work for the local authority and one became a childminder. Soon after that the nursery had a Care Inspectorate assessment and understandably was criticised for the quality of childcare provided.

Angus was highlighted as an example of best practice with its approach described as 'fantastic'. Stirling was also praised as involving all interested parties 'from day 1'.

The discussion moved on to different **hourly rates** in different local authority areas, with one private nursery receiving £5.31 an hour including lunch and another receiving £5.31 plus £3 per head for lunch. One local authority was requiring two hot meals a day for children from their hourly rate whereas most others required one hot meal to be provided.

There was **wide support for the ambition of the policy**, a number of attendees suggested that the timescale for implementation and the associated pace of change that was one of the main causes of the challenges faced.