

Early Years Expansion Education and Skills Committee Visit to Rutherglen 29 October 2018

INTRODUCTION

This paper is to support the Committee during its visit to Rutherglen to explore the preparation for the planned expansion to 1140 hours of funded childcare.

This paper will focus on three areas—

- Development of the early learning expansion policy at a national level;
- The delivery plans and work being undertaken by local authorities near Rutherglen; and
- Similar policy developments in England.

Separately Members have been provided with a participant briefing, which includes a summary of Audit Scotland's report; a summary of the evidence sessions on 21 March 2018; and suggested issues to cover in the discussion groups.

NATIONAL POLICY DEVELOPMENT

Background

The Children and Young People's Act 2014 increased Early Learning and Childcare ("ELC") to 600 hours per year (up from 475) for three and four-year olds. In addition, entitlement to ELC is extended to include eligible two-year olds (those whose parents/carers are in receipt of certain benefits).

In the 2014-15 Programme for Government, the Scottish Government announced: "In the years ahead we want to build upon that [600 hours] to almost double the number of free hours to 30 hours a week [1140 hours]."

The Scottish Government's two [stated intentions](#) of the increase in funded ELC to 1140 hours are:

- To improve outcomes for all children, especially those who are more vulnerable or disadvantaged, and help to close the attainment gap; and
- To support parents to work, train or study, especially those who need help with finding sustainable employment.

In its February 2018 report into Early Learning and Childcare, Audit Scotland highlighted the 'potential for conflict' between these two policy priorities, noting that the Scottish Government did not make clear which of these priorities took precedence (Audit Scotland 2018). The Executive Summary of the '[Parents' views and use of early learning and childcare: report](#)' published in August 2018, stated that:

“The primary aim of the expansion programme is to help improve outcomes for all children, especially those who may be more vulnerable or disadvantaged, and to help to close the attainment gap. A secondary aim is to support parents into work, training or study.”

In addition, the 2018-19 Programme for Government stated:

“This [the ELC expansion] is a cornerstone in giving every child the best start in life, closing the attainment gap and reaching our economic potential as a nation. Its benefits will also be felt in household budgets – our investment in early learning and childcare will save a family around £4,500 per child a year.”

Current ELC Provision

The most recent figures from the 2017 [Summary Statistics for Schools in Scotland](#) showed that:

- In 2017 there were 2532 centres delivering funded ELC in Scotland.
- 62% of centres delivering funded ELC in Scotland are run by a local authority and these centres provide 75% of the children with places.
- There was a 99% uptake in funded ELC for three-four-year olds.
- There was a 10% uptake in funded ELC for two-year olds, although around 25% of two-year olds are eligible.
- There were 921 FTE teachers in ELC in Scotland in 2017 – a decrease of 985 from 2016. Of these, 94% were female.
- There were 2316 FTE graduates working in ELC in Scotland in 2017.

Action Plans

In March 2017, the Scottish Government published its: '[Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland - 2017-2018 Action Plan](#)', which outlined 31 different actions to be undertaken by March 2018. The vision outlined in the Action Plan was for a: “more progressive service model, which prioritises and safeguards quality provision of ELC while offering parents a greater choice of settings.”

The Action Plan focused on ‘securing a high-quality experience for all children’ and building capacity and structures required to deliver 1140 hours of ELC. The Action Plan outlined a range of actions in regards to: delivering more flexible provision; maximising the contribution of childminders; building capacity within the early years workforce (including increasing the number of ELC Modern Apprenticeships by 10% year on year up to 2020); and ensuring that provision is both accessible and affordable.

In October 2017, the Scottish Government published its: '[Expansion of early learning and childcare in Scotland: Quality Action Plan](#)'. It stated that setting a clear standard ought to be both a driver and guarantee of high-quality ELC provision and apply to all ELC providers including local authorities.

Service Model and National Standard

To inform the national expansion programme in 2016 and 2017, 14 ELC trials were undertaken. The aim of these trials was to test out different ways of delivering the 1140 hours, and to provide learning to inform the wider roll-out. An [evaluation of the trials was published in May 2018](#). The evaluation found that the expansion was positively received

by staff and parents; it also highlighted the importance of good communication with parents, sharing practice and building relationships with partner providers, including childminders. The evaluation stated that a “focus on high quality professional learning for the existing and new ELC workforce is essential” and that sufficient time is required to recruit new staff and for existing staff to change working patterns to accommodate flexible provision.

Both South Lanarkshire and Glasgow City were involved in the ELC trials. The evaluation provided brief summaries of the trials and the summaries for South Lanarkshire and Glasgow City are reproduced in the [Annexe](#) to this paper.

Before the publication of the evaluation of the ELC trials, in March 2018, the Scottish Government [published a consultation paper](#) on the overarching delivery model for ELC, referred to as the ‘Service Model’ and a National Standard for funded ELC providers. The consultation closed on 29 June 2018 with over 200 responses. A list of published responses can be found [here](#). A response from the Scottish Government is expected before the end of the year.¹

Proposed National Standard

The consultation sets out the ‘National Standard for Funded Early Learning and Childcare Provision’ with the criteria that all providers who wish to deliver funded ELC will need to meet broken into six main themes:

- Quality
- Accessibility
- Business sustainability
- Fair work practices
- Payment processes
- Food

The proposed national standard includes providers having received inspection gradings of Good or Better and a number of criteria regarding qualifications and training of staff – this includes childminders who will be expected to have (or be working toward) an SCQF level 7 qualification. Other criteria include: policies to support children’s development; access to outdoor learning; a sustainable business; payment of at least the living wage to staff delivering funded hours.²

Proposed Service Model

The consultation paper stated that the Service Model will determine:

- how and where parents and carers can access their child’s funded ELC entitlement
- the criteria providers will be required to meet in order to become a recognised provider of ELC and the support available to the ELC sector to help settings to meet the criteria for becoming a funded provider.
- how the funded ELC will be delivered in a manner that reflects the four underpinning principles of quality, flexibility, accessibility and affordability.

¹ Early Years Scotland, [ELC Expansion Programme Update \(September 2018\)](#)

² This list is not exhaustive.

The Scottish Government described the proposed model as “provider neutral” and a “funding follows the child approach”. It is explained that this means that parents will have a choice of any registered provider and that that provider will offer high quality ELC having met the National Standard.

Under the proposals local authorities will retain the duty to ensure that funded ELC entitlement is available to all eligible children in their area and local authorities will remain the conduit for funding to partnership providers.³ The local authority will also be responsible for assessing whether partner providers have met the National Standard.

The Consultation envisages local authorities supporting partner providers, including by setting a sustainable hourly rate for. It states—

“a sustainable funding rate that reflects the cost of delivery in a setting and allows for delivery of national priorities including payment of the ‘real’ living wage to all childcare workers delivering the funded entitlement ... the rate will generate investment in the setting – staff, resources and physical environment” (p16 & p19)

NDNA Scotland concerns

The National Day Nurseries Association Scotland is a membership organisation, which represents 55% of independent nurseries in Scotland. It has consistently raised concerns about the hourly rate paid by local authorities to partner providers of funded ELC.⁴

It’s [response to the consultation](#) supported the Scottish Government’s ambition of expanding funded ELC and of a provider neutral approach. However, it reiterated its concerns that some local authorities will not set a fair rate for partner providers and sought a mechanism for redress for the private and third sector. Furthermore, the central role of local authorities was questioned, the NDNA stated—

“NDNA Scotland is concerned there is still scope for local authorities to interpret the National Standard in ways which will favour their own services over the partner providers.” (answer to question 5c)

NDNA Scotland conducts an annual survey of its members; this year it received 226 responses, which is 24% of all private and third sector nurseries. [Its 2018 survey found](#), that 46% of respondents said they were unlikely or very unlikely to deliver the additional hours. The survey raised three key concerns—

- Rising staff wages;
- Recruitment and retention of staff, including the loss of staff to local authority nurseries or schools which is reported to be an increasing problem; and
- Financial sustainability.

³ The Scottish Government is “currently taking forward a feasibility study to consider the costs and benefits of introducing an ELC account at an appropriate time in the future.” (Scottish Government [Early Learning And Childcare Service Model For 2020: Consultation](#) footnote, p12)

⁴ E.g. [Submission to the Education and Skills Committee](#) September 2016

Funding for ELC Expansion

In April 2018 a multi-year funding package was agreed between the Scottish Government and COSLA. Under the agreement local authorities are set to receive recurring revenue funding of £567 million per annum by 2021-22 to deliver the ELC. In her statement to Parliament on 1 May, the Minister for Childcare and Early Years, Maree Todd, said that this agreement: “will bring annual public spend on early learning and childcare to £990 million.” (Official Report 1 May 2018, Col. 13)

£476 million of capital funding to support expansion from 2017-18 to 2021-22 was also announced on 1 May 2018. This funding is to allow for either the refurbishment/extension of current ELC facilities or the building of new capacity in order to help deliver the ELC expansion. In her May statement, the Minister for Childcare and Early Years said that the £476 million of investment: “will deliver around 900 capital investment projects across Scotland, including more than 100 new nursery facilities.”⁵

Local authorities were told in 2017-18 that their revenue and capital allocations should be prioritised for investment with regard to the Scottish Index of Multiple Deprivation, with one of the options presented to authorities being payment of capital grants to delivery partners, including those in the private and third sectors. Under the funding package, authorities can also make their own premises available to private or third sector providers, however, there can be restrictions on local authorities in terms of how they can use their capital funding to provide support to external providers.

Parental Views of ELC

In August 2018, the Scottish Government published the results of a parental survey it commissioned examining parents’ and carers’ current use of ELC, future potential use of the 1140 hours and their overall views and experiences of ELC. The [Parents’ views and use of early learning and childcare report](#) and accompanying tables showed that:

- 95% of parents with eligible children use some form of ELC, with near 9 in 10 using some form of funded provision.
- 16% use only funded provision while 73% used funded hours alongside paid and/or informal ELC.
- The location and the reputation of the provider were the most common influences upon parental choice of ELC provider.
- Parents on average use 29 hours of ELC per week for an eligible 3 or 4-year-old, and 24 hours per week for an eligible 2-year-old.
- not enough flexibility in current ELC provision, particularly for local authority provision
- Over a fifth of parents (22%) with eligible children who do not take up their current entitlement gave not being aware of the availability of funded childcare as a reason.
- A little more than half (54%) of parents with children eligible for the funded entitlement pay for at least some of the ELC they use. These parents spend an average of £494 per month for all children aged under six.
- Parents’ reasons for using ELC were most commonly related to supporting their child’s learning and development

⁵ The figure quoted in the Programme for Government 2018-19 was: “750 new, extended or refurbished nurseries.”

- Enabling parents to look for work or increase their working hours were also commonly associated with use of ELC

Specifically, on the expansion to 1140 hours, the survey found that:

- The majority of parents (74%) were aware of the planned expansion in funded entitlement
- Of those parents who expected to use all or almost all of the 1140 hours, more than three quarters (79%) would do so to work or look for work, and around a third to increase the hours they or their partner work (32%).

Additional Support Needs

The principle of ‘accessibility’ in ELC includes that ELC provision that meets the needs of children with Additional Support Needs (ASN). In the 2018 parental survey, 57% of parents stated that they were satisfied with their access to ELC that suits their child’s needs. At the same time, 48% of parents of children with ASN mentioned having experienced one or more difficulties accessing suitable ELC provision. Difficulties included a lack of information about how providers would support their child; staff lacking both time and the qualifications/experience required to meet their child’s needs and that facilities/equipment didn’t meet the needs of their child.

The Early Learning & Childcare Inclusion Fund was established in May 2018 by the Scottish Government to give funding for ELC settings in order to support those children with ASN access their funded ELC entitlement. The fund is intended to support ELC staff to receive training as well as fund resources, equipment and adaptations to ELC settings. The fund will distribute up to £500,000 over four years.

The fund is administered by Children in Scotland. Organisations were able to apply to the first round of funding between May and June 2018. In this initial round, grants of between £500 and £1500 were awarded to 111 ELC settings at a total of £136,000. The second round of funding is currently open to applications until 31 October 2018.

The Scottish Government hosted an ELC ASN summit on 4 September 2018 in Edinburgh as an opportunity to share good practice in delivering ELC for children with ASN. A particular focus of the event was on the statutory duty for local authorities to identify, provide for and review the needs of ASN children eligible for funded ELC.

Workforce

The Scottish Government estimates that up to 11,000 additional ELC staff (headcount, not FTE) will be required by 2020. In January 2018, Skills Development Scotland (SDS) published a [Skills Investment Plan](#) which outlined four broad actions—

- To raise the profile and attractiveness of the sector and actively increase diversity
- To better promote routes in to and pathways through the sector to increase diversity
- To ensure take up of opportunities for progressing, re-skilling and upskilling the workforce
- To engage Early Learning and Childcare employers

In addition, Skills Development Scotland are aiming to increase the number of [Modern Apprenticeships in ELC](#) by 10 per cent year-on-year up to 2020. In 2016/17, there were 1,400 starts, up by 10% from 1,273 starts in 2014/15. The new Foundation Apprenticeship in Social Services: Children and Young People is designed to allow pupils to develop their skills and gain experience in the ELC sector while still at school. The [Scottish Government estimates that](#) there will be more than 700 starts between 2018 and 2020.

The Scottish Government has committed to nurseries in the most deprived areas having an additional graduate – either a teacher with early years expertise or a graduate practitioner with the BA Childhood Practice award – in place by 2018. It estimated that 435 additional graduates would be required to meet this commitment. Up to £18 million will be given to local authorities in 2018/2019 to enable them to pay these additional graduate salaries.

The Scottish Government is also working with the Scottish Funding Council (SFC) to create 1,813 additional HNC college and university places and 490 additional managerial level places – split between 388 BA Childhood Practice places at universities and 102 Professional Development Award (PDA) places at colleges.

The National Early Learning and Childcare Workforce Delivery Plan 2018 was published in August 2018 and outlines actions around training for ELC staff; a marketing strategy to attract people into the sector (with school-leavers, parental returners and those making a career change identified as target groups); diversification of the ELC workforce, and monitoring and evaluation of recruitment.

Increase Uptake of Two-Year Olds

In 2015, eligibility for two-year olds was extended to include those who qualify for free school meals under a passported benefits eligibility criteria.

In 2017 Scottish Government [commissioned Ipsos Mori](#) to examine both the drivers and barriers to ELC uptake for eligible two year-olds, as uptake among this group was lower than had been anticipated. The research found that overall parental views on ELC for two year-olds were positive, with parents citing benefits such as improved social and language skills. Regarding uptake, the main challenge identified by the report was the ability of local authorities to identify all of those eligible for funded ELC.

Increasing the uptake of eligible two-year olds has been identified as one way the ELC expansion will contribute to closing the attainment gap. In her statement on 1 May, the Minister said: “levels of revenue funding that were agreed with COSLA are sufficient to deliver a near doubling of the uptake among eligible two-year-olds, to 64 per cent.”

LOCAL AUTHORITIES

Clerks and outreach officials have sought to ensure that Members will have the opportunity to meet individuals with a range of experience in the early years sector from across several local authorities. These efforts have focused on the following local authority areas—

- South Lanarkshire;
- North Lanarkshire;
- Glasgow City; and

- East Renfrewshire.

The four local authorities differ in size and demography. Table 1 shows the population and other demographic information on the local authority areas. Table 2 shows contains information from September 2017 on the delivery of 600 funded hours across the four local authorities.

Table 1

Local Authority	Total population (2017)	Population Age 0 – 4 (2017)	% living in small town or rural area	% SIMD20*
East Renfrewshire	94,760	5,285	13%	7%
Glasgow City	621,020	34,204	0%	48%
North Lanarkshire	339,960	18,601	17%	32%
South Lanarkshire	318,170	16,999	22%	21%

*Number of 20% most deprived datazones in Scotland found in the local authority area as a percentage of the total number of datazones in the local authority area.

Sources: Nomis, Scottish Government Urban Rural Classification and SIMD16 Analysis

Table 2

Local Authority	Providers with registered children (2017)			Number of Registered Children		Registered children per qualified teacher or relevant degree level qualification
	LA ELC	Partner -ship ELC	Childminders*	LA ELC	Partner -ship ELC	
East Renfrewshire	19	12	0	1,616	255	24.9
Glasgow City	110	105	3	7,400	2,685	32.9
North Lanarkshire	94	31	6	5,012	1,186	38.5
South Lanarkshire	76	54	1	4,077	1,742	32.1

*Childminders data taken from a separate source with data collected from February 2017.

Sources: Scottish Government, Early Learning and Childcare - Additional Tables - 2017; SCMA Early Learning and Childcare

(<https://www.childminding.org/Media/Docs/170407%20ELC%20REPORT%20APRIL17%20web.pdf>)

As noted above, the Scottish Government wrote to local authorities with details of planned budget allocations to support the expansion in May 2018. The current and planned funding allocations for these four local authorities is contained in the letter are reproduced below.

Table 3a

Local Authority	Revenue funding (£m)			
	2018/19	2019/20	2020/21	2021/22
East Renfrewshire	1.021	3.718	6.152	6.862
Glasgow City	9.519	32.219	53.313	59.469
North Lanarkshire	4.795	20.550	34.005	37.931
South Lanarkshire	3.883	17.460	28.891	32.227

Table 3b

Local Authority	Capital funding (£m)			
	2017/18	2018/19	2019/20	2020/21
East Renfrewshire	0.6	3.9	4.6	3.2
Glasgow City	3.3	13.7	16.0	11.1
North Lanarkshire	0.7	6.6	7.7	5.4
South Lanarkshire	1.7	5.9	6.9	4.7

Source: Scottish Government: Letter to Local Authorities: Early Learning and Childcare – Multi-Year Revenue and Capital Allocations (1 May 2018)

Local expansion plans

In March 2017, the Scottish Government [published guidance to local authorities regarding planning for the expansion of early years provision, which](#) required local authorities to submit delivery plans setting out how they will achieve the roll-out of 1140 hours by 2020. The Government highlighted a number of key principles that should underpin the planning process. These were:

- Quality;
- Accessibility;
- Flexibility;
- Affordability; and
- Phasing, Community Engagement and Demand Lag.

Regarding the final bullet point, the Scottish Government states that it is up to local authorities to determine how they phase in the increased funded hours before 2020; however, it recommends that local authorities take account of SIMD in deciding where increased hours would be offered when phasing in the 1140 of funded hours in their area. The Scottish Government also suggest that local authorities engage with communities to build awareness and confidence in the new service provision.

Each of the four local authorities have published expansion plans. These plans can be accessed here—

- [South Lanarkshire](#);
- [North Lanarkshire](#);
- [Glasgow City](#); and
- [East Renfrewshire](#).

As this is a developing area of policy at a local level, papers to local authority committees provide additional information. Using these sources, there are some themes of the challenges across all four local authorities: capital investment, including for the provision of lunches; funding of partner providers; staffing; and overall budgets.

South Lanarkshire

South Lanarkshire Council (“SLC”) covers a large and diverse area. It manages ELC from four locations: Clydesdale, Hamilton, East Kilbride, and Cambuslang/Rutherglen. SLC approached the expansion of early years provision with a focus on:

- Infrastructure,
- Workforce expansion and development;
- Finance;

- Policy development and consultation; and
- Partnership working.

In its [expansion plan](#), published in Autumn last year, SLC set out a phased expansion of funded childcare. Phase 2 started in August 2018 and includes 20% of partner providers delivering 1140 hours.⁶ Phasing has been used to test different models to provide flexibility (e.g. providing places over 52 weeks or 38 weeks, extended hours).

SLC identified a shortfall between expected demand for ELC in 2020 and the 2017 capacity of around 20-24%. SLC's expansion plan noted the need for capital investment including 12 new build early learning centres; however, it also identified uncertainty around the rate of growth in some communities as a potential risk to delivering sufficient ELC places. Opposition councillors raised concerns in August 2018 regarding the impact of capital plans on partner providers.⁷

The delivery model proposed in the Scottish Government's 2018 consultation kept the setting partnership funding at the discretion of local authorities. SLC's funding of 600 hours is £2020 (£3.37/hour). The expansion plan proposes a payment of £6/hour.

SLC identified a need to expand and upskill the ELC workforce. It has created opportunities for modern apprenticeships in the sector and for existing staff to enrol on a degree course.

North Lanarkshire

North Lanarkshire Council's ("NLC") splits its provision in three geographical areas: north, central and south of the council's area. NLC's expansion plan identifies a flexible and parent-led approach to delivery. NLC aspires to ensure that children living in SIMD40 households have access to "a place in a local authority early years setting within 1km of their home".⁸ NLC plans to offer flexibility in terms of the hours available.

NLC identified a shortfall in capacity to meet the 1140 hours of 2,458 spaces (39% of the capacity in 2017). Initially, NLC calculated the required capital cost to fund additional infrastructure at £60.5m. This figure was subsequently revised to £26.8m; the Scottish Government has allocated £20.4m (see table 3b above).

NLC's expansion plan suggests that it is open to support partner providers to increase their provision, when it stated: "in circumstances where the council has to build new establishments in order to meet demand for pupils in SIMD deciles 5 to 10, NLC is open to the possibility of transferring, leasing, or selling assets to [independent providers]"⁹

The expansion plan does not explicitly state what price it will be willing to offer partnership providers. It does provide indicative figures of the "benefit to parents" as £5.15/hr for parents of a 3 or 4 year-old and £5.40/hr for parents of eligible 2 year olds. (p4)

As part of its phased approach, NLC expects 20% of children in its area to have access to 1140 funded ELC hours. In 2019/20, this is anticipated to be 65%. NLC is planning to restructure and expand its ELC workforce to deliver the expansion by 2020.

⁶ South Lanarkshire Council Education Resources Committee paper, [Early Learning and Childcare 1,140 Hours Update 2018/2019 - Implementation of Phase 2 Pilot \(June 2018\)](#)

⁷ Daily Record, [Row breaks out over expansion of early-years childcare in South Lanarkshire](#) (26 August 2018)

⁸ North Lanarkshire Council [Education Committee paper, 11 September 2018](#) (p4 of pdf)

⁹ [North Lanarkshire Council Expansion Plan \(p28\) \(p47 of pdf\)](#)

Glasgow City

Glasgow City Council (“GCC”) already provides 800 funded hours for working families with an income of less than £25,000. It has partnership agreements with around 90% of non-local authority registered early learning services in its area.

Its [expansion plan](#) identified three goals of the additional investment in early years in Glasgow: tackling the attainment gap; creating greater economic opportunities; and tackling child poverty. GCC’s aim is that childcare should be affordable, flexible, and of the highest quality, regardless of the setting. GCC also seeks to ensure that parents/carers are involved in their child’s early years education.

[A March 2018 paper to the GCC Education, Skills and Early Years Committee](#) noted that GCC would be phasing in implementation of 1140 hours focusing on areas of deprivation and areas where there is low supply. In addition, GCC would seek to develop services that provide better flexibility.

The March paper also stated that GCC would be working with partner providers to develop a new commissioning process “based upon the principles of a “provider neutral” system [...] this will necessitate a significant uplift on the commissioning rate currently paid to funded providers.”

GCC’s expansion plan identifies a requirement for an additional 1,150 new staff and 112 graduate positions.

East Renfrewshire

East Renfrewshire Council (“ERC”) early years facilities are organised into 4 communities: Barrhead and Neilston; Busby, Clarkston and Eaglesham; Giffnock and Thornliebank and Newton Mearns. In its delivery of 600 funded hours, ERC had sought to offer choice to parents with respect to how these hours were taken, including extended hours and school holiday provision.

ERC identified a need for four new establishments. In addition, ERC anticipates a flexible approach to delivery will enable greater utilisation of resources.

ERC is phasing in provision in its different areas/communities in different ways, e.g. in Giffnock and Thornliebank 1140-hour places will focus on children for whom English is a second language.

The use of childminders is due to commence from August 2019. At the same time, ERC expects to increase use of partnership providers and to review the hourly rate paid.

By 2020 ERC estimates it will need 215 additional staff in ELC. As with other councils, ERC will seek to upskill its own workforce and create training opportunities for new entrants to the profession.

EXPANSION OF CHILDCARE IN ENGLAND

In England, all 3 and 4 year-olds and eligible 2 year olds are entitled to 570 hours of funded childcare. This is equivalent to 15 hours per week during term time (38 weeks). In addition, for qualifying families, there is an extended entitlement of a further 570 hours, 1140 hours in total.

The extended hours were introduced in September 2017. A number of “early roll-out” pilots took place in 12 local authorities from February 2016. A further 25 local authorities took part in “early innovator” pilots, which focused on exploring ASN provision, flexibility, availability and encouraging parents into work.

Eligibility for the extended hours includes a minimum and maximum income threshold and does not include looked-after children.¹⁰ The policy emphasis of the universal 15 hours and the extended 15 hours differ, the universal offer is considered to be an early invention for educational and development purposes¹¹, whereas the extended hours are “primarily a work incentive”.¹² To access the extended hours, parents are required to apply for an eligibility code from the UK government.

There is some flexibility in how parents can access the extended funded hours – they are able to extend the hours beyond 38 weeks (e.g. 22.3 hours per week over 51 weeks) but the child care must cover at least 38 weeks.

The UK Government funds childcare through local authorities. Funding is provided through the Dedicated School Grant, which is ring-fenced for the purposes of education. Following Department for Education (“DfE”) research into the costs of providing early years education, the UK government introduced a new formula for early years funding in 2017 and this year limited the amount of this funding that local authorities could spend on administrative or in-kind costs before passing it on to early years providers to 5%. The UK Government’s average hour rate paid to local authorities in England in 2018/19 is £4.86 and there is a funding floor of £4.30 per hour, which means that the minimum hour rate paid to providers is £4.09 in England this year.

The majority of funded nursery provision in England is delivered by private providers. Private and third-sector nursery representative organisations have argued that the funding, in many cases, falls short of the costs of providing a place. Furthermore, the expanded hours introduced in September 2017 may reduce the opportunity for private providers to cross subsidise government funded hours with privately funded places. A DfE research report published in September 2018, found that there was a mixed financial impact for providers. The same research reported that local authority staff had not found significant difficulties in meeting demand for extended places.¹³

Take up of the universal offer of 570 hours is around 95%. The UK Government stated that in the spring term of the first year of the extended provision (2017/18), 89% of parents who received an eligibility code found a place.

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SPICe Research
12 October 2018

Note: Committee briefing papers are provided by SPICe for the use of Scottish Parliament committees and clerking staff. They provide focused information or respond

¹⁰ The parent(s)/carer(s) must be in work and earning at least the equivalent of 16 hours at the national minimum wage or national living wage; neither parent can have a taxable income of over £100,000.

¹¹ National Audit Office, (2016) Entitlement to free early education and childcare (para 2)

¹² Sam Gyimah MP then Parliamentary Under Secretary of State at the Department for Education (2016), quoted in House of Commons Library, [Early Intervention](#). (p22)

¹³ House of Commons Library 2018, [Childcare: the level of funding for free provision for 3 and 4 year olds \(England\)](#)

to specific questions or areas of interest to committees and are not intended to offer comprehensive coverage of a subject area.

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Summaries of ELC trials

The following summaries are reproduced from the Scottish Government's [Evaluation of the Early Learning and Childcare Delivery Trials](#).

South Lanarkshire

South Lanarkshire's trial featured a combined model of ELC provision, with registered childminders working with a local Children's Centre. It focused on an area of high deprivation, and childminders were used to support parents/carers in outlying communities. This support included programmed participation of children and childminders in the nursery, time spent by the child at the nursery, and time spent by the child at the childminder's home.

Glasgow City

Glasgow trialled a new staffing model to increase flexible access. This project, in an area of high deprivation, provided a blended model of provision with childminders working with the nursery to provide part of the child's ELC experience.