

# Education, Children and Families Committee

10am, Thursday, 27 April 2023

## Early Years Partner Provider – Hourly Rate for Funded Early Learning and Childcare and Cross Boundary Places

Executive/routine  
Wards  
Council Commitments

### 1. Recommendations

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1.1 The Education, Children and Families Committee is asked to:

- 1.1.1 Note the findings of the survey or partner provider prices.
- 1.1.2 Agree the recommendation that there will be no change to the hourly rate the city of Edinburgh council currently pays to partner providers to deliver funded early learning and childcare and therefore rate remain as follows;
  - £3.10 per meal
  - + £6.03 per hour for children aged 3-5 years old, which equates to £6.55 per hour.
  - + £6.48 per hour for children aged 2 years old, which equates to £7.00 per hour.

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## Early Years Partner Provider – Hourly Rate for Funded Early Learning and Childcare

### 2. Executive Summary

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2.1 Parents in Edinburgh are currently able to access funded early learning and childcare through a variety of providers;

- 109 local authority settings
- 105 private, voluntary and independent sector settings
- 43 childminders

2.2 The Care Inspectorate expects that the following ratios will apply to all children's daycare settings, including out of school care.

Age range	Ratio
0 to under 2 years	1 adult to 3 children
2 to under 3 years	1 adult to 5 children
3 to under 8 years	1 adult to 8 children

2.3 Under Funding Follows the Child, local authorities are required to set an hourly rate that is paid to funded providers in the private and voluntary sectors, including childminder, to deliver the funded entitlement. This rate should be sustainable and reflect national policy priorities, including funding to enable payment of the real Living Wage to all childcare workers delivering the funded entitlement. Currently this is £10.90 per hour.

2.4 In September 2022, the Education, Children and Families Committee agreed to increase the hourly rate paid to partner settings for children aged 3 – 5 years old from £5.42 to £6.03 and for children aged 2 years old, from £5.42 to £6.48. The Committee also agreed to increase the payments for meals from £3.00 to £3.10. In order to provide a meaningful comparison between the rates charged by Partner Providers it is useful to consider the combined hourly rate including meal provision. The £3.10 paid converts to an additional £0.52 per hour giving an effective overall hourly rate of **£6.55** for providers delivering 1,140 hours of early learning and childcare to children aged 3-5 years old and **£7.00** for children aged 2 years old. The new rate was backdated to 17 August 2022 to cover the full 2022-2023 session.

- 2.5 A review of the hourly rate paid to providers in partnership with the local authority to deliver funded hours was completed in March 2023. This report shares the finding of the review.

### 3. Background

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- 3.1 Under section 47(1) of the Children and Young People (Scotland) Act 2014, education authorities must ensure that the statutory amount of funded early learning and childcare entitlement is made available for each eligible child.
- 3.2 Section 48 of the 2014 Act provides the statutory entitlement as 1140 hours of funded early learning and childcare in line with the school year, starting in August. Children eligible from January and April receive a pro rata amount of funded hours for part of a year of which a child is eligible i.e. the term after their third birthday.
- 3.3 The Scottish Government and COSLA published national guidance Funding Follows the Child and the National Standard for Funded Early Learning and Childcare Providers in December 2018. <https://www.gov.scot/publications/funding-follows-child-national-standard-early-learning-childcare-providers-principles-practice/>

### 4. Main report

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#### Review of the Hourly Rate for 3 and 4 year old placements.

- 4.1 In February 2023 a survey of the prices charged by providers was carried out using the information available to the public from partner websites as well as the “*Edinburgh & Lothians Nursery Guide*” website. Information was available for 83 partner settings. (Appendix 1)
- 4.2 Partner providers were notified of our survey and advised to check details on the websites and to provide details of any necessary changes. Twenty partner settings provided feedback stating the rate charged to parents per day was higher than that advertised on the websites. The price difference in the feedback ranged from £0.37 to £10.95 for a full day.
- 4.3 Almost all partner providers include breakfast, lunch and snack in their daily rate which covers approximately 10 hours.
- 4.4 Survey Findings

	Average daily rate for 3-5 year olds	Average hourly rate for 3-5 year olds.	CEC hourly rate	Difference paid by CEC	Ratio
Partner Provider Survey of Prices February 2023	£60.87	<b>£6.09</b>	<b>£6.55</b>	<b>£0.46</b> per hour more	1 adult to 8 children

Partner Provider Survey of Prices February 2023 with feedback	£62.12	<b>£6.21</b>	<b>£6.55</b>	<b>£0.34</b> per hour more	1 adult to 8 children
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- 4.5 Therefore, the current overall hourly rate of **£6.55** paid to partner providers for the delivery of 1140 hours of funded early learning and childcare for 3- 5year olds exceeds the average rate providers charge parents for non-funded provision.

### Review of the Hourly Rate for Eligible two year olds placements.

- 4.6 The Education, Children and Families Committee agreed to increase the hourly rate paid to partner providers for two year olds receiving funded early learning and childcare. The rate was increased from £5.42 to £6.48 to reflect the adult to child ratio required for younger children.
- 4.7 Partners also receive the £3.10 meal payment for their two year olds providing an overall hourly rate of **£7.00**.
- 4.8 Website information on charges for non-funded early years provision tends to provide a price range for charges for babies to pre school aged children. We were therefore unable to confirm partner charges for two year olds placements, but we were able to use the website information on charges for children under two years old, which tend to be higher due to the difference in the adult to child required ratios.
- 4.9 Our findings were as follows:

	Average daily rate for babies	Average hourly rate for babies	CEC hourly rate	Difference paid by CEC	Ratios
Partner Provider Survey of Prices February 2023	£66.32	<b>£6.63</b>			1 adult to 3 children
	Average daily rate for two year olds	Average hourly rate for two year olds based on the rate for babies			
Partner Provider Survey of Prices February 2023	Not available	<b>£6.63</b>	<b>£7.00</b>	<b>£0.37</b>	1 adult to 5 children

- 4.10 Therefore, the current overall rate of **£7.00** paid to partner providers for the delivery of 1140 hours of funded early learning and childcare for two year olds exceeds the average rate providers charge parents for non-funded provision for babies.

## **Meals**

- 4.11 There is no change to the rate of £3.10 paid to partners for the provision of meals.

## **Cross Boundary funding**

- 4.12 The Statutory Guidance for Early Learning and Childcare, published July 2021 state the following, *It is expected that for many education authorities their admissions policies will include cross-boundary arrangements. Under Funding Follows the Child the choice of setting available to families is not restricted to their own local authority boundary. Therefore, families should be able to access their child's early learning and childcare entitlement at any setting that meets the National Standard, has a space available and is willing to enter into contract with the education authority. Education authorities should, wherever possible, make arrangements that ensure families accessing cross-boundary placements are treated on the same basis, for example in the timeframe for providing a decision, as families accessing provision within their local authority area.*
- 4.13 The current City of Edinburgh Council Early Years Admissions Policy, includes criteria to enable Children who are not Edinburgh residents to attend funded provision in Edinburgh's local authority settings. *"Attention must be paid to the numbers of children on the waiting list from Edinburgh throughout the year who meet the above criteria and require places before the allocation of places for children out with Edinburgh will be considered."*
- 4.14 Providers in partnership to deliver funded early learning and childcare each have their own individual admissions policies and selection criteria. Although they can provide funded places to children from other local authorities, they do not need to prioritise places for children who are Edinburgh residents.
- 4.15 Edinburgh currently funds ninety two children from other local authorities. Eight children attend our local authority settings and eighty four children attend one of our partner provider settings.
- 4.16 There is sufficient capacity within our local authority provision to provide funded early learning and childcare places for all ninety two children who are not Edinburgh residents.
- 4.17 Appendices 3 and 4 set out additional information previously provided to some of the members of the Education, Children and Families Committee.

## 5. Next Steps

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- 5.1 A review of the sustainable rate for session 2024-2025 will be carried out in January 2024 and findings will be shared with the Education, Children and Families Committee.
- 5.2 We will continue to monitor the uptake of cross boundary places to ensure priority is given to Edinburgh residents.

## 6. Financial impact

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### Revenue

- 6.1 The City of Edinburgh Council has been subject to significant funding cuts since 2021/22 as detailed in the table below;

### Early Years Ring Fenced Funding

2021/22	£46,433,668
2022/23	£41,313,984
2023/24	£40,405,000

- 6.2 An increase in the hourly rate was able to be funded in 2022/23 using one off reserves of £1.5m, however this funding is no longer available.
- 6.3 While we are unable to comment on possible increases to rates in other authorities we are able to advise that increases are unlikely given the overall funding position across Scotland and we would anticipate that our rate will compare favourably with that offered in other authorities. (appendix 2).
- 6.4 The table below shows our current rate as the sixth highest in Scotland and significantly higher than other City authorities.

West Lothian	£6.40
Moray	£6.30
Scottish Borders	£6.21
Argyll & Bute	£6.11
East Lothian	£6.04
City of Edinburgh	£6.03
Midlothian	£6.02

### Other cities for comparison

Glasgow	£5.79
Aberdeen	£5.55
Dundee	£5.45

- 6.5 A revision of the funding of cross boundary savings as discussed in section 4.12 could realise a saving in the region of **£630,000 per annum**.
- 6.6 It is a requirement that expenditure is maintained within available budget and this can only be achieved through maintaining the Partner Provider rate at current levels along with a review of how internal provision is delivered and the funding of cross boundary placements.

## **7. Stakeholder/Community Impact**

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### **Sustainable Rate for Partners**

- 7.1 The hourly rate paid to partners should support delivery of a high quality ELC experience for all children and reflect the cost of delivery. The rate should also allow for investment in the setting – staff, resources and physical environment; and, enable payment of the real Living Wage for those staff employed to deliver the funded entitlement.
- 7.2 The rate must also be sustainable for the local authority in terms of the budgets available. The Scottish Government guidance on setting a sustainable rate states the rate paid to partners to delivery funded early learning and childcare *should not have a detrimental effect on the local authority's ability to continue to pay for the service in the long-term*. It also highlights the wider package of 'in-kind benefits', which are separate to the sustainable rates and are available to the funded provider as part of the contract with the local authority.

### **Cross Boundary**

- 7.3 Restricting funded early learning and childcare places for children from other local authorities to CEC settings may impact private providers. Edinburgh currently has 105 providers in partnership to deliver funded Early Learning and Childcare. Currently the 84 children who are not Edinburgh residents attend one of 54 private settings.

## **8. Background reading/external references**

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- 8.1 <https://www.gov.scot/publications/funding-follows-child-national-standard-early-learning-childcare-providers-guidance-setting-sustainable-rates-august-2020/pages/7/>
- 8.2 <https://www.nurseryandschoolguide.co.uk/nurseries>
- 8.3 <https://www.gov.scot/publications/funding-follows-child-national-standard-early-learning-childcare-providers-interim-guidance-update-requirements-early-learning-childcare-settings-local-authorities-august-2022/>
- 8.4 [Summary of the Returns - Early learning and childcare providers - local authority funding and support: overview 2022 to 2023 - gov.scot \(www.gov.scot\)](#)
- 8.5 [Admissions policies and cross boundary arrangements - Early learning and childcare: statutory guidance - July 2021 - gov.scot \(www.gov.scot\)](#)

## 9. Appendices

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- 9.1 Appendix 1 Survey of Prices March 2023
- 9.2 Appendix 2 Scottish Government Overview of Local Authorities 2022-23
- 9.3 Appendix 3 Response to Supplementary Questions
- 9.4 Appendix 4 Education, Children and Families (E,C&F) Elected Member Briefing



## Appendix 1 Survey of Prices March 2023

Setting	Included in fees	March 2023 Edinburgh and Lothians Guide		Nursery Notification of prices	
		3-5 places	babies	3-5 places	babies
Arbor Green Nursery	Nappies Wipes, Hot lunch and Snacks	£ 63.00		£67.00	
Bright Horizons Annandale	Nappies & Wipes, Breakfast, Hot Lunch, Light Tea and Snacks	£ 68.00	£ 72.00	£ 68.37	£ 68.37
Childsplay	Breakfast, hot lunch and tea	£ 61.00		£ 64.00	£ 66.00
Colinton Private	Nappies, wipes, breakfast, hot lunch and snacks	£ 64.00	£ 71.00	£ 71.00	£ 71.00
Currie Children's Nursery	Breakfast, hot lunch and tea	£ 57.00		£ 63.00	£ 63.00
Headstart	BYO lunch and snacks	£ 65.00	£ 69.00	£ 68.90	£ 68.50
Jigsaw Balerno	Nappies, wipes, snacks, BYO Hot lunch for 2's	£ 60.00		£ 65.67	£ 65.67
Jigsaw Childcare	Nappies, wipes, formula milk, breakfast, hot lunch and snacks	£ 60.00		£ 66.00	£ 66.00
Kidzcare Norwood House	Breakfast, hot lunch and snacks	£ 69.00	£ 77.00	£ 76.00	£ 85.00
Kidzcare Grange Loan	Hot lunch and snacks	£ 69.00	£ 77.00	£ 76.00	£ 85.00
Leaps & Bounds Nursery - Drum Brae	Nappies, wipes, hot lunch and snacks	£ 62.00		£ 63.00	£ 63.00
Leaps & Bounds Nursery - Kirkliston	Wipes, creams, hot lunch and snacks	£ 60.00		£ 63.00	£ 63.00
Little Flyers - Ingliston	Nappies, wipes, breakfast, hot lunch and snacks	£ 55.00	£ 58.00	£ 55.65	£ 58.80
Little Monkeys - Cramond	Nappies, wipes, breakfast, hot lunch and tea	£ 59.00	£ 62.00	£ 64.00	£ 66.00

Little Monkeys - Craiglockhart	Nappies, wipes, breakfast, hot lunch and dinner	£ 57.00	£ 59.00	£ 61.00	£ 63.00
Nippers Dalmeny	Breakfast, hot lunch and snacks	£ 50.00		£ 55.00	£ 55.00
Nippers Kirkliston	Breakfast, hot lunch and snacks	£ 50.00		£ 55.00	£ 55.00
ONE	Nappies,, wipes, breakfast, hot lunch and snacks	£ 59.00		£ 67.00	£ 67.00
Pinocchio's - Gilmerton	Nappies, wipes,, breakfast, hot lunch and snacks	£ 48.00		£ 58.95	£ 58.95
Trinity Tots	Nappies, wipes, formula milk, breakfast, hot lunch and snacks	£ 60.00		£ 65.00	£ 65.00
Arcadia Nursery	Nappies & Formular Milk, Breakfast, Hot Lunch, Hot Dinner & Snacks	£ 61.00		£ 61.00	
Bees Knees Nursery	Nappies, wipes, breakfast, hot lunch and tea	£ 45.00	£ 55.00	£ 45.00	£ 55.00
Blossom Tree Children's Nursery	Hot lunch and snacks	£ 65.00		£ 65.00	
Bonnington House Nursery	Nappies, Breakfast, Hot Lunch and Snacks	£ 69.00	£ 72.00	£ 69.00	£ 72.00
Bright Horizons Cramond	Nappies & Wipes, Formular Milk, Breakfast, 2 Course Lunch and a 2 Course Tea with fruit available throughout the day	£ 65.00	£ 75.00	£ 65.00	£ 75.00
Bright Horizons Bruntsfield	Nappies, Formula Milk, Breakfast, Hot Lunch, Hot Dinner and Snacks	£ 67.00	£ 69.00	£ 67.00	£ 69.00
Bright Horizons Elsie Inglis	Breakfast, Lunch and Tea	£ 73.00	£ 77.00	£ 73.02	£ 76.90
Bright Horizons Morton Mains	Nappies, Wipes, Breakfast, Hot Lunch and Snacks	£ 66.00	£ 70.00	£ 66.00	£ 70.00
Bright Sparks Nursery Saughton	Hot lunch and snacks	£ 63.00	£ 67.00	£ 63.00	£ 67.00
Bright Sparks Nursery - Blackhall	Hot lunch and snacks	£ 63.00	£ 67.00	£ 63.00	£ 67.00
Bright Sparks Nursery - Murrayfield	Hot lunch and snacks	£ 63.00	£ 67.00	£ 63.00	£ 67.00

Brighton Nursery	Nappies, wipes, hot lunch and snacks	£ 68.00		£ 68.00	
Busy Bees Broughton	Breakfast, hot lunch, tea and snacks	£ 60.00	£ 65.00	£ 60.00	£ 65.00
Busy Bees Dean Terrace	Nappies, wipes, hot lunch, tea and snacks	£ 66.00		£ 66.00	
Busy Bees Edinburgh Park	Nappies, wipes, breakfast, hot lunch and tea	£ 61.00	£ 67.00	£ 61.00	£ 67.00
Busy Bees Forrest Street	Nappies, wipes, hot lunch, tea and snacks	£ 66.00		£ 66.00	
Busy Bees Heriot Hill	Nappies, wipes, hot lunch and snacks	£ 68.00		£ 68.00	
Busy Bees Newhaven	Nappies, wipes, breakfast, hot lunch , tea and snacks	£ 58.00	£ 63.00	£ 58.00	£ 63.00
Busy Bees Port Hamilton	Nappies, wipes, breakfast, hot lunch, tea and snacks	£ 65.00	£ 69.00	£ 65.00	£ 69.00
Carebears Children's Nursery	Nappies, breakfast, hot lunch, tea and snacks	£ 52.00		£ 52.00	
Casa Montessori	Hot lunch, tea and snacks, specialist activities	£ 68.00		£ 68.00	£ 70.00
Chapter One Childcare	Hot lunch and snacks	£ 59.00	£ 68.00	£ 59.00	£ 68.00
Cherrytrees	Nappies, wipes, hot lunch and snacks	£ 59.00		£ 63.50	£ 63.50
City	Hot lunch and snacks	£ 61.00	£ 68.00	£ 61.00	£ 68.00
Claylands Nursery	Nappies, wipes, breakfast, hot lunch snacks	£ 53.00	£ 55.00	£ 53.00	£ 55.00
Corstorphine	Hot lunch and snacks	£ 59.00		£ 59.00	
Corner House Gilsland	Hot lunch and snacks	£ 62.00	£ 73.00	£ 62.00	£ 73.00
Corner House Spylaw	Nappies, snacks, hot lunch and snacks	£ 66.00	£ 74.00	£ 66.00	£ 74.00

Corner House The Grange	Nappies, wipes, breakfast, hot lunch, snacks, any additional classes	£ 64.00		£ 64.00	
Cosy Cottage	Hot lunch and snacks	£ 65.00		£ 65.00	£ 65.00
Cranley Buckstone	Nappies,, wipes, breakfast, hot lunch, snacks	£ 66.00	£ 71.00	£ 62.00	£ 66.00
Cranley Lanark Road	Nappies, wipes, snacks & hot lunch	£ 66.00	£ 70.00	£ 66.00	£ 70.00
Crewe Road Nursery	Hot lunch (extra) & Snacks	£ 60.00		£ 60.00	
Early Days Doune Terrace	Nappies, breakfast, hot lunch, snacks and tea	£ 62.00		£ 62.00	
Early Days Melville St	Nappies, breakfast, hot lunch, snacks and tea	£ 62.00		£ 62.00	
Early Days Walker St	Nappies, breakfast, hot lunch, snacks and tea	£ 62.00		£ 62.00	
Early Days Palmerston Place	Breakfast, hot lunch , snacks and tea	£ 62.00		£ 62.00	
Early Days Old Coats House	Breakfast, hot lunch , snacks and tea	£ 62.00		£ 62.00	
Fairmile House	Breakfast, hot lunch and snacks	£ 51.00	£ 54.00	£ 51.00	£ 54.00
Flying Colours - Barnton	Hot lunch and snacks	£ 69.00		£ 69.00	
Forbes Children's Nursery	Nappies, formular milk, hot lunch, snacks	£ 67.00	£ 71.00	£ 67.00	£ 71.00
Forbes Children's Nursery - Bruntsfield Place	Nappies, formular milk, hot lunch, snacks	£ 67.00	£ 71.00	£ 67.00	£ 71.00
Forbes Children's Nursery - Bruntsfield	Nappies, formular milk, hot lunch, snacks	£ 67.00	£ 71.00	£ 67.00	£ 71.00
Forbes Children's Nursery - Claremont	Nappies, formular milk, hot lunch, snacks	£ 60.00	£ 70.00	£ 67.00	£ 71.00
Highland Fling	Per hour price - Snacks, hot lunch (extra for u3's)	£ 63.00		£ 63.00	

Kidzcare Portobello	Hot lunch and snacks	£ 62.00	£ 70.00	£ 61.00	£ 61.00
Lanark Road	Nappies, wipes, hot lunch and snacks	£ 62.00		£ 62.00	£ -
Little Learners	Nappies, Wipes, Breakfast, Hot Lunch and Snacks	£ 55.00		£ 55.00	
Little Monkeys - Kilmaurs	Nappies, wipes, breakfast, hot lunch and tea	£ 56.00	£ 57.00	£ 56.00	£ 57.00
Meadows Nursery	Nappies, wipes, breakfast, hot lunch, light tea and snacks	£ 50.00	£ 56.00	£ 50.00	£ 56.00
Murrayfield Nursery	Nappies, wipes, hot lunch and snacks	£ 62.00	£ 65.00	£ 62.00	£ 65.00
Morningside Children's Nursery	Hot lunch and tea	£ 60.00		£ 60.00	
Orchard Inverleith	Breakfast, hot lunch and snacks	£ 63.00		£ 63.00	
Orchard - Kirkliston	Nappies, wipes, hot lunch and snacks	£ 58.00		£ 58.00	
Peek-a-boo	Hot lunch and snacks	£ 50.00	£ 60.00	£ 50.00	£ 60.00
Pilrig Children's Nursery	Nappies, wipes, breakfast, hot lunch and snacks	£ 68.00		£ 68.00	
Rainbow Kindergarten	Nappies, breakfast, hot lunch and snacks	£ 46.00		£ 46.00	£ 47.00
Seabeach	Snacks & hot lunch	£ 68.00		£ 68.00	
Smilechildcare	Breakfast, hot lunch and Tea	£ 45.00		£ 45.00	£ 45.00
Start Bright	Nappies, wipes, breakfast, hot lunch and snacks	£ 49.00	£ 51.00	£ 49.00	£ 51.00
Summerside Kindergarten	Nappies, wipes, breakfast, hot lunch and tea	£ 66.00		£ 66.00	
Waterfront	Hot lunch and snacks	£ 47.00	£ 51.00	£ 47.00	£ 50.00

Wee Gems Nursery	Nappies, wipes, breakfast, hot lunch and snacks	£ 63.00	£ 65.00	£ 63.00	£ 65.00
	<b>average hourly rate</b>	<b>60.87</b>	<b>66.32</b>	<b>62.12</b>	<b>63.86</b>

# **Overview of local authority funding and support for early learning and childcare providers: 2022-23**

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## Introduction

1. [Funding Follows the Child](#) provides the underpinning policy framework to support delivery of funded Early Learning and Childcare (ELC). A key aspect of Funding Follows the Child is the payment of sustainable rates to providers in the private, third and childminding sectors for the delivery of funded ELC.
2. In April 2019, [guidance](#) was published to support local authorities to set sustainable rates. The guidance was produced based on feedback gathered from across the sector, and sets out the principles that should underpin any approach to setting sustainable rates; and options for taking forward the process.
3. The guidance highlights that the rates paid to providers in the private, third and childminding sectors for the delivery of funded ELC by local authorities should be sustainable and should meet the following:
  - the rate will support delivery of a high quality ELC experience for all children
  - it will be a rate that reflects the cost of delivery, including the delivery of national policy objectives
  - the rate will allow for investment in the setting – staff, resources and physical environment
  - it will enable payment of the real Living Wage for those childcare workers delivering the funded entitlement.
4. The [Financial Sustainability Health Check](#), published in August 2021, set out a programme of actions for strengthening the process for setting sustainable rates ahead of August 2022. Significant work has been undertaken including:
  - COSLA and local authorities, through the Improvement Service, commissioned Ipsos Mori to undertake an independent cost collection exercise to improve the evidence on costs of delivery that local authorities could draw on. The Scottish Government provided the funding for this exercise.
  - The Scottish Government provided grant funding to the Improvement Service to enable them to provide local authorities with dedicated support. This has included a series of workshops for authorities on the rate setting process.
5. Updated joint Scottish Government and COSLA [guidance on setting sustainable rates](#) for 2022-23 was published on 26 May 2022.
6. The joint guidance is clear that local authorities need to reflect the most up-to-date cost information in setting rates, and that is particularly important for providers during the current costs crisis.

7. The guidance also emphasises the importance of ongoing consultation and dialogue between local authorities and their local ELC providers.

## **Data Collection**

8. The Scottish Government is committed to collecting and publishing data on sustainable rates annually. The [previous report](#) was published on 31 August 2021. The report for 2022-23 is being published in December this year as decision making was later in the majority of local authorities due to local elections being held in May 2022 and the formation of new Councils and committees.
9. The Scottish Government wrote to local authorities on 29 September 2022 to request an update on the hourly rates that are currently paid to providers for the delivery of funded early learning and childcare and the rates local authorities have set for 2022-23.
10. As part of this exercise the following information was also requested:
  - local authorities' approach to setting sustainable rates, and how this meets the requirements of the sustainable rates [guidance](#) published in April 2019; and the [updated sustainable rates guidance](#) published in May 2022.
  - follow up questions, asking how the approach included engagement with funded providers, and how they had ensured rates met up-to-date costs of funded providers.
  - the payments to funded providers for delivery of the free meal commitment
  - details of the additional support package local authorities are offering to their funded providers.
11. This document is only intended to set out the information provided by local authorities in response to this request.
12. This information will be used to inform the Scottish Government and COSLA review of the overall process for setting sustainable rates in 2022-23. This is with the intention of learning lessons to identify where the process can be improved further to ensure that rates reflect the costs of delivering funded ELC and the payment of the real Living Wage to staff delivering funded ELC.
13. The Scottish Government and COSLA review of sustainable rates will reflect feedback from local authorities and from funded providers. To support this the survey offered local authorities the opportunity to provide general feedback on the rate-setting process. This information is not reported here, but will be reflected in the review. More information is provided in paragraphs 55 to 59.

## **Ipsos-MORI Cost Survey**

14. To further strengthen the evidence base and inform the process for setting sustainable rates, COSLA and local authorities commissioned, through the Improvement Service, Ipsos Mori to carry out an independent cost data collection exercise. There are a number of references to this exercise in the information provided by local authorities and which is presented in the annexes.
15. The exercise has helped ensure that local authorities had access to robust data on the costs of delivering funded ELC in private, third and childminding services. It is the first time since 2016, when the Scottish Government undertook a [national survey on the costs of ELC delivery](#) (also undertaken by Ipsos Mori), that data on costs has been collected nationally.
16. This information has informed rate-setting for August 2022, alongside analysis of local market conditions. As set out in the [guidance](#) the findings of the national cost collection exercise are only a part of the rate setting process. Local authorities should also consider the outputs alongside local ELC market conditions and ongoing consultation with their local ELC providers.

## Summary of the Returns

18. Annexes A-D set out the information provided by local authorities in the following formats:
- Hourly rates for 3 - 5 year olds, and eligible 2 year olds, for the delivery of the funded ELC entitlement in 2021-22 and 2022-23 [Annex A];
  - Payments for delivery of free meals to providers [Annex B];
  - A summary of approaches adopted by local authorities to setting sustainable rates for 2022-23 [Annex C]; and
  - A summary of the additional support package offered to funded providers by local authorities [Annex D].
19. To allow for consistent comparisons of sustainable rates across local authorities – and in line with [the guidance](#) (i.e. meeting the costs of delivering an hour of ELC to one child) – the rates presented in Annex A do not include any top-ups to the sustainable rate for the delivery of the free meal commitment and/or for snacks (they are presented separately in Annex B).
20. Where local authorities provided additional explanations of the data, these are set out in the “comments” column of the respective tables. The “comments” column also sets out any additional information provided by local authorities on alternative rates offered to providers, including childminders.
21. Where a local authority has not yet confirmed a rate for 2022-23, this will also be highlighted in the comments section. For these local authorities, the rate currently being paid is reported.

### **Hourly Rates paid by local authorities for the delivery of funded Early Learning and Childcare**

22. 30 local authorities have confirmed rates for 2022-23, whilst, at the time of publication, 2 local authorities reported that they were planning to agree their rate(s) in early 2023.
23. 23 of the 30 local authorities who have confirmed rates for 2022-23 pay a higher rate for 2 year old children than for children aged 3-5 years old. The other 7 local authorities pay the same hourly rate for 2 year old children as for children aged 3-5 years old.
24. In 3 local authorities, the rate can vary between providers for reasons other than the age of the child or additional support needs. Angus pays a different rate if the provider operates from Council premises, Shetland Islands pays a different rate if the provider is not in receipt of their Building Support Package; and Argyll

and Bute pay an enhanced rate once the provider is paying the increased living wage of £10.90 per hour.

25. Due to the variation in approaches to funding children with additional support needs, enhanced rates for these children are not reported in Annex A, but are included within Annex D where they have been provided.
26. As Orkney only pay sustainable rates to childminders, for consistency, their rates are excluded from the minimum and maximum rates, and the calculation of averages highlighted in this summary. A summary of childminding rates is provided at paragraph 37.
27. At the time of the [previous report](#) in August 2021, the hourly rates paid to providers (excluding rates for childminders) to deliver funded Early Learning and Childcare entitlement for 3-5 year olds varied from £5.21 to £6.40 per hour, and the average reported rate across local authorities for 3-5 year olds was £5.44 per hour.
28. With regards to the 30 local authorities who have confirmed rates for 2022-23, 27 have increased their hourly rates for 3-5 year olds since the last report in August 2021. The other 3 have kept the same rates as in 2021-22.
29. Local authorities who have confirmed rates for 2022-23 report that rates for delivering an hour of funded ELC for 3-5 year olds (excluding childminders) will vary from £5.45 to £6.40 per hour.
30. The average rate for 3-5 year olds across those local authorities who have confirmed rates for 2022-23 is £5.77 per hour
31. The average rate paid to providers for 3-5 year olds has increased by 6.1% since the time of the [previous report](#) in 2021-22 (an increase in the average confirmed rate from £5.44 per hour to £5.77 per hour).
32. Average rates paid to providers for 3-5 year olds receiving funded ELC have increased by around 57% between 2017 and 2022, from £3.68 per hour in 2017-18<sup>1</sup> to £5.77 per hour in 2022-23.
33. At the time of the [previous report](#) in August 2021, the rates paid to providers (excluding rates for childminders) to deliver funded ELC for eligible 2 year olds varied from £5.31 to £8.50 per hour, and the average rate across local authorities for eligible 2 year olds was £6.08 per hour.

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<sup>1</sup> Based on figures presented in the [2019 report](#). The average rate was £3.70 per hour at the time of publication, which was subsequently corrected to £3.68 following updated information from Moray Council.

34. With regards to the 30 local authorities who have confirmed rates for 2022-23, 23 have increased their hourly rates for eligible 2 year olds since the last report in August 2021. 4 have kept the same rates as in 2021-22, 1 has decreased their rate, and 2 did not set a separate rate for eligible 2 year olds in 2021-22.
35. Local authorities who have confirmed rates for 2022-23 report that rates for delivering an hour of funded ELC for eligible 2 year olds (excluding childminders) vary from £5.50 to £8.50 per hour.
36. The average rate for eligible 2 year olds across those local authorities who have confirmed rates for 2022-23 is £6.40 per hour.
37. In the majority of local authorities, childminders receive the same rate as private and third sector funded providers. However, 8 local authorities offer a separate hourly rate for childminders delivering funded ELC.
38. For the 8 local authorities paying a separate rate for Childminders in 2022-23, these rates vary from £4.76 to £6.03 per hour for both eligible 2 year olds and 3-5 year olds. The average rate for 3-5 year olds is £5.31 per hour, and the average rate for eligible 2 year olds is £5.53 per hour.

### **Payments for delivery of the free meal commitment**

39. Every child attending a funded ELC session – which is any session that includes funded hours, regardless of whether they are mixed with 'paid for' hours – from August 2021 is provided with a free meal.
40. Local authorities provide settings with the funding to deliver the free meals, unless, in cases where a setting does not have onsite catering facilities, there may be an agreement that the local authority will provide meals to the setting.
41. Funding to deliver this commitment is additional to the sustainable rate and, as set out in the [guidance](#), local authorities must ensure that they are transparent as to the funding being provided to private and third sector providers for the delivery of the free meal commitment.
42. The most common approach for 2022-23 is that local authorities will provide settings with a payment for each meal (with 22 local authorities following this approach). 10 local authorities provide payments for meals through a top-up to the sustainable rate.
43. The returns highlight some variations in the level of payment made to settings for delivery of free meals.

44. Where a payment is made per meal/day this varies from £1.99 to £3.11 per meal. Where local authorities choose to provide an additional top-up to the sustainable rate for delivery of the meal commitment this 'top-up' to the sustainable rate varies from £0.30 to £0.50 per hour.

### **Summary of Approaches to setting Sustainable Rates**

45. Local authorities were asked to provide details of how they had set sustainable rates in-line with the updated joint Scottish Government and COSLA [guidance](#) on setting sustainable rates which was published on 26 May 2022.
46. Local authorities were also asked follow up questions on engagement with funded providers during the rate-setting process, and how they had ensured that the rate reflected up-to-date costs. This reflected the emphasis in the updated guidance on the need for local authorities to reflect the most up-to-date cost information in setting rates, and that is particularly important for providers during the current costs crisis; and the importance of ongoing consultation and dialogue between local authorities and their local ELC providers.
47. Annex C sets out the information that local authorities provided in response. A small number of local authorities were still in the process of confirming their sustainable rates for 2022-23 when this survey was completed.
48. No direction was given to local authorities on the length of their response. Local authorities have therefore taken different approaches and provided differing levels of detail. For future exercises, the Scottish Government will consider providing suggested word limits, however it is ultimately for local authorities to determine the content of their survey response
49. Local authorities have reported a range of engagement activity with their funded providers as part of the rate setting process – for example, through existing provider engagement forums, communications with providers, and additional meetings or information sessions. Evidence on provider engagement will be considered as part of the joint COSLA and Scottish Government review of sustainable rates in 2023 (see the section on Next Steps).

### **Summary of Additional Support for Funded Providers**

50. The [Guidance For Setting Sustainable Rates](#), originally published in April 2019, highlights that 'along with the sustainable rate, local authorities provide a range of benefits to funded providers and that it is for local authorities to decide the best package to ensure high quality ELC provision is offered to children and families, based on their own local circumstances.' Further information is provided in [Section 6 of the April 2019 Sustainable Rates Guidance](#).



51. It also notes that a local authority should outline the support package available, and its monetary value (where available), to funded providers at the time of application.
52. Local authorities were asked to detail their additional support package, and advised they could include financial and non-financial measures.
53. Annex D sets out the responses from each local authority regarding their additional support package.
54. No direction was given to local authorities on the length of their response. Local authorities have therefore taken different approaches and provided differing levels of detail. Central themes in the majority of responses are training, professional development and support with quality assurance and improvement.

### **Next steps**

55. The Scottish Government and COSLA are undertaking a review of the overall process for setting sustainable rates in 2022-23. This is with the intention of learning lessons to identify where the process can be improved further to ensure that rates reflect the costs of delivering funded ELC and the payment of the real Living Wage to staff delivering funded ELC.
56. This review will inform what further action may need to be taken ahead of 2023-24 and the wider approach to rate setting over the rest of this Parliament, including any required updates to the supporting sustainable rates guidance.
57. Data collected during this survey will be used to inform the review. Local authorities were also given the opportunity to provide general feedback on the rates setting process in this survey. This feedback will inform the rates review.
58. There will be an opportunity for private, third and childminding sector providers to input into the review process, and we will ensure that the provider representative bodies are informed of the process for engaging.
59. The review is expected to be completed by Spring 2023. Concurrently, the Improvement Service is completing a 'lessons learned' review in relation to the Ipsos MORI cost collection exercise carried out in 2022.
60. The Scottish Government is also progressing an update of the [Financial Sustainability Health Check of the childcare sector](#). It is expected that the final report will be published at the end of March 2023.
61. The Scottish Government is committed to collecting and publishing data on the sustainable rates set by local authorities and we will write to local authorities, ahead of August 2023, to request information on the rates for 2023-24.



## Annex A

### Summary of local authority data on rates paid to Funded Providers to deliver an hour of funded Early Learning and Childcare (ELC)

- Table A1 sets out the hourly rates paid by local authorities to providers delivering the funded ELC entitlement to 3, 4 and 5 year olds and eligible 2 year olds in 2021-22 and 2022-23.
- To provide consistency – and in line with the [guidance](#) (i.e. meeting the costs of delivering an hour of ELC to one child) – the rates presented in Table A1 do not include any top-ups for the delivery of the free meal commitment.
- The “Comments” column includes additional information provided by local authorities, including variations to the rate which might apply to some providers, temporary top-ups in the rates, and specific rates offered to childminders. Top-ups to the sustainable rate to cover meals and snacks are not included in the comments section, as provision for meals is covered separately at Annex B.
- Due to the variation in approaches to funding children with additional support needs, variations to the rate for this purpose are not included here, but are included within comments at Annex D where the information has been provided.
- Where, at time of reporting, local authorities were in the process of reviewing rates this is also highlighted in the comments section; the rate quoted will be the rate currently being paid.
- Where local authorities have increased their rate since the last report, we have included the month during which the new rate took effect. This may be a date prior to the date when the new rate was agreed upon and confirmed by a local authority (if the local authority chose to backdate any increase). The exact date in the month from which the increased rate applied is not included as it was not provided by a significant number of local authorities. This field will read “N/A” (not applicable) where there has been no change since the last report.
- “2 year olds” and “3-5 year olds” is sometimes abbreviated to “2yo” and “3-5yo” respectively.

**Table A1:** Rate paid to funded providers for an hour of Early Learning and Childcare in 2021-22 and 2022-23

Council	Year	Rate paid to funded providers for one hour of ELC		Month during which increase is applied from	Comments
		2 year olds	3 - 5 year olds		
Aberdeen City	2021-22	£6.05	£5.45	August 2022	Rates for childminders: £5.75 (2yo), £5.45 (3-5yo)
	2022-23	£6.15	£5.55		
Aberdeenshire	2021-22	£6.34	£5.59	April 2022	Currently reviews rates around April each year
	2022-23	£6.61	£5.83		
Angus	2021-22	£6.68	£5.21	April 2022	Currently reviews rates around April each year Rates for nurseries operating from Council premises: £6.96 (2yo), £5.39 (3-5yo) Rates for childminders: £6.03 (2yo), £5.53 (3-5yo)
	2022-23	£7.18	£5.61		
Argyle & Bute	2021-22	£6.54	£5.78	August 2022	Pay a higher rate of £7.18 (2yo) / £6.35 (3-5yo) upon funded provider paying their staff the increased real living wage of £10.90 per hour. Childminders receiving this increased rate from November
	2022-23	£6.90	£6.11		
Clackmannanshire	2021-22	£5.42	£5.42	August 2022	Rate for childminders: £5.42
	2022-23	£6.07	£5.57		
Dumfries and Galloway	2021-22	£6.20	£5.26	September 2022	Paid an interim rate of £5.53 for 3-5yo from January 2022 to September 2022
	2022-23	£6.73	£5.71		
Dundee City	2021-22	£5.60	£5.31	August 2022	
	2022-23	£5.75	£5.45		

Council	Year	Rate paid to funded providers for one hour of ELC		Month during which increase is applied from	Comments
		2 year olds	3 - 5 year olds		
East Ayrshire	2021-22	£5.50	£5.50	N/A	Rate for childminders: £4.76 (from August 2022)
	2022-23	£5.50	£5.50		
East Dunbartonshire	2021-22	£6.40	£5.31	August 2022	
	2022-23	£6.95	£5.77		
East Lothian	2021-22	£5.31	£5.31	August 2022	
	2022-23	£7.55	£6.04		
East Renfrewshire	2021-22	£8.50	£5.31	August 2022	Providers with eligible 2yo receiving the 21-22 rate will continue to be paid at this rate for that child until they turn 3
	2022-23	£5.69	£5.69		
Edinburgh	2021-22	£5.42	£5.42	August 2022	
	2022-23	£6.48	£6.03		
Falkirk	2021-22	£5.55	£5.55	August 2022	Rate for childminders: £5.20
	2022-23	£5.70	£5.70		
Fife	2021-22	£5.31	£5.31	August 2022	
	2022-23	£5.65	£5.65		
Glasgow City	2021-22	£6.40	£5.40	August 2022	
	2022-23	£6.86	£5.79		
Highland	2021-22	£6.13	£5.43	August 2022	The increase in rates for 22-23 is due to a temporary uplift which will be paid until April 2023; rates beyond April 2023 are subject to review.
	2022-23	£6.66	£5.75		
Inverclyde	2021-22	£5.31	£5.31	August 2022	
	2022-23	£5.69	£5.69		

Council	Year	Rate paid to funded providers for one hour of ELC		Month during which increase is applied from	Comments
		2 year olds	3 - 5 year olds		
Midlothian	2021-22	£6.50	£5.31	August 2022	The 2022-23 rate is a temporary rate until the end of the financial year.
	2022-23	£6.50	£6.02		
Moray	2021-22	£7.57	£6.30	N/A	*Awaiting full council decision on 2 February 2023 about a potential 5% uplift. Existing rate reported.
	2022-23	£7.57*	£6.30*		
North Ayrshire	2021-22	£5.31	£5.31	N/A	*The sustainable rates payable are currently still under review for 2022-23. Existing rate reported.
	2022-23	£5.31*	£5.31*		
North Lanarkshire	2021-22	£5.80	£5.55	August 2022	
	2022-23	£6.03	£5.77		
Orkney Islands	2021-22	N/A	N/A	N/A	Orkney does not use private nurseries for funded provision - only childminders. For consistency with other authorities, these rates are stated below, not in the main table.  Rate for childminders: £6 (2yo), £5 (3-5yo)
	2022-23	N/A	N/A		
Perth and Kinross	2021-22	£5.50	£5.31	August 2022	
	2022-23	£5.65	£5.45		
Renfrewshire	2021-22	£8.50	£5.31	August 2022	
	2022-23	£8.50	£5.71		
Scottish Borders	2021-22	£5.65	£5.31	August 2021	The rate for 22/23 is being backdated to August 2021
	2022-23	£6.55	£6.21		

Council	Year	Rate paid to funded providers for one hour of ELC		Month during which increase is applied from	Comments
		2 year olds	3 - 5 year olds		
Shetland Islands	2021-22	£7.13	£5.48	August 2022	The quoted rates are for providers who are not in receipt of the local authority's Building Support Package.  Rates for nurseries eligible for Building Support Package: £7.30 (2yo), £5.62 (3-5yo)
	2022-23	£7.77	£5.97		
South Ayrshire	2021-22	£5.31	£5.31	August 2022	
	2022-23	£5.76	£5.76		
South Lanarkshire	2021-22	£5.90	£5.31	August 2022	
	2022-23	£6.34	£5.71		
Stirling	2021-22	N/A	£5.55	August 2022 (2yo)	All eligible 2 year olds were with childminders in 2021-22.  Rate for childminders: £5.20 (including lunch)
	2022-23	£6.51	£5.70	April 2022(3-5yo)	
West Dunbartonshire	2021-22	£5.31	£5.31	April 2022 (2 yo)	
	2022-23	£5.84	£5.67	August 2022 (3-5 yo)	
West Lothian	2021-22	£6.40	£6.40	N/A	Rate for childminders: £5.90
	2022-23	£6.40	£6.40		
Western Isles	2021-22	£5.31	£5.31	August 2022	
	2022-23	£5.75	£5.55		

## **Annex B**

### **Summary of Funding Arrangements for Delivery of Free Meals**

- Table B1 sets out information provided by local authorities on the payments made to funded providers in the private, third and childminding sectors to deliver the free meal commitment for those children receiving funded ELC in 2022-23.
- Funding to deliver this commitment is additional to the sustainable rate and local authorities must ensure that they are transparent as to the funding being provided to private, third and childminding sector providers for the delivery of the free meal commitment.
- Local authorities may fund the free meal commitment by providing funding as a separate payment per meal, or as a 'top-up' to the sustainable rate.
- Local authorities may alternatively meet the free meal commitment by providing appropriate meals directly from in-house catering.

**Table B1:** Overview of funding for settings delivering free meals to children receiving funded ELC

Local Authority	Funding to deliver the free meal commitment
Aberdeen City	<ul style="list-style-type: none"> <li>• £2.75 per meal</li> </ul>
Aberdeenshire	<ul style="list-style-type: none"> <li>• £2.50 per meal</li> <li>• The rate is currently under review.</li> <li>• Provide meals directly to some funded providers.</li> </ul>
Angus	<ul style="list-style-type: none"> <li>• Rate of £3 per meal</li> <li>• A top-up to the sustainable rate of £0.10 per hour for snacks.</li> <li>• Angus pay for up to six meals per week if children are funded on a term time only basis and take three 10-hour funded days per week; or up to five meals per week for children spreading their funded entitlement over 39 weeks or more.</li> </ul>
Argyll and Bute	<ul style="list-style-type: none"> <li>• £3.11 per meal</li> <li>• The rate is currently under review.</li> <li>• Provide meals directly to some funded providers.</li> </ul>
Clackmannanshire	<ul style="list-style-type: none"> <li>• £3 per day</li> <li>• Available via partner nurseries and childminders.</li> </ul>
Dumfries and Galloway	<ul style="list-style-type: none"> <li>• £3.00 per meal</li> <li>• Provide meals directly to some funded providers.</li> </ul>
Dundee City	<ul style="list-style-type: none"> <li>• £2.10 per meal per session</li> <li>• Funding is paid irrespective of whether a child attends their funded session or takes up the offer of a funded meal.</li> </ul>

Local Authority	Funding to deliver the free meal commitment
East Ayrshire	<ul style="list-style-type: none"> <li>• £3.00 per meal</li> <li>• Provide meals directly to some funded providers.</li> <li>• A child accessing their 1140 hours over 3 full days receives the same amount of funded food provision as the child accessing hours across 5 half days (a long morning or a long afternoon)</li> </ul>
East Dunbartonshire	<ul style="list-style-type: none"> <li>• £0.50 top-up to the hourly rate</li> <li>• Provide meals directly to some funded providers.</li> </ul>
East Lothian	<ul style="list-style-type: none"> <li>• £0.35 top-up to the hourly rate</li> </ul>
East Renfrewshire	<ul style="list-style-type: none"> <li>• £0.50 top-up to the hourly rate (to a maximum of £3.00 per day)</li> </ul>
Edinburgh	<ul style="list-style-type: none"> <li>• £3.10 per meal</li> </ul>
Falkirk	<ul style="list-style-type: none"> <li>• £0.37 top-up to the hourly rate for partner nurseries</li> <li>• £1.90 per meal for childminders</li> </ul>
Fife	<ul style="list-style-type: none"> <li>• £0.40 top-up to the hourly rate</li> </ul>



Local Authority	Funding to deliver the free meal commitment
Glasgow City	<ul style="list-style-type: none"> <li>• £3.00 per meal</li> <li>• Funding of one meal per half day session, up to a maximum of 5 meals per week.</li> <li>• This means that the child accessing their 1140 hours over 3 full days receives the same amount of funded food provision as the child accessing over 5 half days.</li> </ul>
Highland	<ul style="list-style-type: none"> <li>• £3.00 per meal</li> <li>• This figure includes a temporary uplift of £0.70 until April 2023, and is subject to review.</li> </ul>
Inverclyde	<ul style="list-style-type: none"> <li>• £0.50 top-up to the hourly rate</li> </ul>
Midlothian	<ul style="list-style-type: none"> <li>• £0.40 top-up to the hourly rate</li> </ul>
Moray	<ul style="list-style-type: none"> <li>• £2.35 per meal</li> <li>• Provide meals directly to some funded providers.</li> </ul>
North Ayrshire	<ul style="list-style-type: none"> <li>• £3.00 per meal for partner nurseries</li> <li>• £2.50 per meal for childminders</li> <li>• Provide meals directly to some funded providers.</li> </ul>
North Lanarkshire	<ul style="list-style-type: none"> <li>• £3.00 per meal.</li> <li>• Provide meals directly to some funded providers.</li> </ul>
Orkney Islands	<ul style="list-style-type: none"> <li>• £2.40 per meal</li> </ul>
Perth and Kinross	<ul style="list-style-type: none"> <li>• £2.80 per meal.</li> <li>• £0.20 per day for a healthy snack</li> </ul>
Renfrewshire	<ul style="list-style-type: none"> <li>• £3.00 per meal.</li> </ul>

Local Authority	Funding to deliver the free meal commitment
Scottish Borders	<ul style="list-style-type: none"> <li>£2.40 per meal.</li> </ul>
Shetland Islands	<ul style="list-style-type: none"> <li>£1.99 per meal currently</li> <li>Provide meals directly to a majority of funded providers.</li> </ul>
South Ayrshire	<ul style="list-style-type: none"> <li>£2.87 per meal.</li> <li>The rate is currently under review.</li> </ul>
South Lanarkshire	<ul style="list-style-type: none"> <li>£0.50 top-up to the hourly rate</li> </ul>
Stirling	<ul style="list-style-type: none"> <li>£0.35 top-up to the hourly rate</li> <li>Provide meals directly to some funded providers.</li> </ul>
West Dunbartonshire	<ul style="list-style-type: none"> <li>£3.00 per meal.</li> </ul>
West Lothian	<ul style="list-style-type: none"> <li>£0.30 top-up to the hourly rate for meals</li> <li>£0.10 top-up to the hourly rate for snacks</li> </ul>
Western Isles	<ul style="list-style-type: none"> <li>£2.00 per meal.</li> <li>Provide meals directly to some funded providers.</li> </ul>

## Annex C

### Summary of Approaches to Setting Sustainable Rates for 2022-23

- Local authorities were asked to provide details of how they had set sustainable rates in-line with the updated joint Scottish Government and COSLA [guidance](#) on setting sustainable rates which was published on 26 May 2022.
- Local authorities were also asked follow up questions on engagement with funded providers during the rate-setting process, and how they had ensured that the rate reflected up-to-date costs. This reflected the emphasis in the updated guidance on the need for local authorities to reflect the most up-to-date cost information in setting rates, which is particularly important for providers during the current costs crisis; and the importance of ongoing consultation and dialogue between local authorities and their local ELC providers.
- To further strengthen the evidence base and inform the process for setting sustainable rates, COSLA and local authorities commissioned Ipsos Mori to carry out an independent cost data collection exercise in 2022. This information has informed rate-setting for August 2022 alongside analysis of local market conditions.
- **Table C1** sets out the information provided by local authorities in response to these survey questions. There is overlap between the three questions asked, and responses should be read in the whole.
- As set out in paragraphs 55 to 59 in the summary report, this information will be used to inform the Scottish Government and COSLA review of the overall process for setting sustainable rates in 2022-23. This is with the intention of learning lessons to identify where the process can be improved further to ensure that rates reflect the costs of delivering funded ELC and the payment of the real Living Wage to staff delivering funded ELC.

**Table C1:** Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2022-23

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
Aberdeen City	<ul style="list-style-type: none"> <li>• The Improvement service commissioned Ipsos MORI in Spring 2022 to undertake an ELC cost collection exercise. However, due to limited uptake from Aberdeen City based funded providers Ipsos MORI did not secure sufficient sample size to undertake a cost analysis (greater than 9 responses) for this Council area.</li> <li>• The Aberdeen City Early Years Team approached the Improvement Service to ask if the data that was submitted to Ipsos MORI could be anonymised and for the team to review a limited sample. However, only Ipsos MORI have access to this information.</li> <li>• A 10p uplift has been recommended for 2022-23, taking into consideration cost pressures / cost of living and national average increase. In conversation with Funded Providers, the Council will then conduct a further review in April 2023, which will be able to take account of the funding package from Scottish Government for 2023-24.</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• As part of the rate setting process, the Council encouraged Aberdeen based providers to engage with the Ipsos MORI survey, commissioned by the Improvement Service. Despite promotion and communications to providers, regrettably a sufficient number of participants was not achieved to meet the sample requirements. Regional Improvement Collaborative (RIC) information was shared with the Council but against this context it has limited value as the other Northern Alliance authorities are rural or island authorities with different cost pressures.</li> <li>• Aberdeen City had individual meetings with a small number of Funded Providers.</li> <li>• It is Aberdeen City's intention to start a further review of the rate in April 2023, to consider a secondary uplift for 2023-24, but that will be dependent on funding received for the forthcoming year. The funding settlement from the Scottish Government for 2023-24 has not yet been confirmed.</li> </ul> <p><b>Meeting Current Costs</b></p>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<ul style="list-style-type: none"> <li>• The Council will seek to engage with ELC providers including understanding any barriers to participating in evidence-based cost surveys (reflected in low participation levels with Ipsos MORI) and how to improve engagement around this process going forward.</li> <li>• The Council have taken into account the cost pressures of inflation/cost of living and the national average increase of 9 pence as well as Real Living Wage.</li> <li>• The Real Living Wage will come into effect from May 2023. The Council will engage with Providers about their costs with a view to doing a secondary uplift in April 2023 for 2023-24.</li> </ul>
Aberdeenshire	<ul style="list-style-type: none"> <li>• Ipsos Mori data for Aberdeenshire was used to set the rate for 2021-22.</li> <li>• Aberdeenshire have previously confirmed that when setting the rate in 2021, the process included the use of cost data from Ipsos Mori, and a working group which includes funded providers.</li> <li>• The real living wage increase was applied to set the increase for 2022-23.</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• There was a meeting in September with Funded Providers (PVI) to brief on the Ipsos mori data. There was also a meeting with the childminders to go through the current rate and the Ipsos mori data.</li> <li>• A Microsoft Team space has been set up, which all funded providers have access to. The most recent Ipsos Mori data and technical guidance have been uploaded to the team space. There was a workshop which took place at the start of October to review the current rate in line with the Ipsos findings. Providers also had the opportunity to discuss any limitations to the Ipsos survey and how these may be overcome.</li> <li>• There has also been two meetings with funded providers. The first to update them on the Ipsos mori information and the second to have a more detailed discussion on the matter. Another meeting was scheduled for 3<sup>rd</sup> November. It is planned that there will be a regular cycle of meetings each year in order to review sustainable rate and other financial matters.</li> </ul> <p><b>Meeting Current Costs</b></p>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<ul style="list-style-type: none"> <li>Ipsos Mori data for Aberdeenshire was used to set the rate for 2021-22. The real living wage increase was applied to set the increase for 2022-23.</li> <li>Aberdeenshire Council is also taking into account the revised Ipsos Mori data. Part of the dialogue has been to encourage providers to identify where they believe that there are limitations with the Ipsos Mori data, so that these can be addressed.</li> <li>Aberdeenshire Council has also budgeted for a further increase, based on the latest Real Living Wage increase. A proposal will go to the Education and Children's services Committee prior to April 2023, to increase the sustainable rate again, in line with the latest RLW increase. This is a 10.1% increase on the previous RLW – increase from £9.90 to £10.90.</li> </ul>
Angus	<ul style="list-style-type: none"> <li>Angus developed an approach to setting sustainable rates in 2020 based on guidance published by Scotland Excel in 2019. This used the Ipsos Mori 2016 survey of ELC provider costs as a starting point and, line by line, inflated each cost element to arrive at a total base cost per hour of ELC delivered in a private; not-for-profit; and childminder setting.</li> <li>Angus scheduled a review of the rate setting process in 2023 with a view to implementing changes for August 2023. However, a struggling economy and news that Ipsos Mori would repeat their survey in the early part of 2022 acted as a catalyst for bringing forward the review by 12 months. The rate setting process did not change significantly as a result of the review.</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>For 2022-23 Angus invited all contracted providers to engage in the review of sustainable rate setting, advising that Ipsos Mori would repeat their survey of providers' costs in the early part of 2022. Angus encouraged providers to take part in the survey and achieved a 58% response rate. Four providers (one childminder) came forward to work with the Council. All had participated in the consultation on the rate setting process in 2019.</li> <li>Angus met individually with private and not-for-profit settings in June 2022. Feedback was in favour of the proposed rates. The decision to back pay the increase to 11 April 2022 was welcomed.</li> </ul>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<ul style="list-style-type: none"> <li>• Angus met with the childminder in July 2022. The Ipsos Mori 2022 survey of ELC costs in a childminder setting were not expected until the end of July 2022 which meant they could not be used in the review for 2022-23. Angus therefore continue to base childminder rates on the 2016 survey data, inflated for 2022 prices. Feedback was in favour of the proposed rates.</li> <li>• As part of embedding the plans for expansion to 1140, Angus Council created a post dedicated to building and maintaining the relationship and an open dialogue with funded ELC providers. This post gives providers a single point of contact for all things related to their contract. The post holder represents the voice of the provider in key meetings and will recommend improvements to policy and practice with a view to achieving greater equity between internal and external provision.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• When calculating rates for 2022-23, Angus worked on the assumption that the Ipsos Mori 2022 data were representative of costs in January 2022 and added 3.1% to each cost element (excl. 'staff costs' and 'utilities') anticipating that CPIH (12 months) would reach 8%. 57% was added to the 'utilities' and 9.88% added to average 'staff costs' per hour of ELC to accommodate the real Living Wage rate at the time (£9.90).</li> <li>• To ensure the rates paid are sustainable and reflect the cost of delivery, Angus has developed an innovative approach to setting rates that reflect the higher staff ratio required for eligible 2s, called the 'staff ratio adjustment'.</li> <li>• The staff ratio adjustment is a way of redistributing the 'staff costs' element of the sustainable rate to reflect the higher staff ratio for eligible 2s.</li> <li>• If Angus did not apply the 'staff ratio adjustment' and opted instead to pay a flat rate for all ages, the equivalent flat rate for Angus in 2022-23 would be £5.90.</li> <li>• In 2020, Angus committed to increasing sustainable rates annually each August, incorporating the latest real Living Wage (RLW) rate and the CPIH (12 months) rate for May. In 2022 this was varied - back paying the August 2022 increase to April and agreeing to pay future annual increases each April thereafter.</li> </ul>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<ul style="list-style-type: none"> <li>• This is to ensure that rates in Angus reflect up to date costs, and to enable providers to pass on the real Living Wage increase within six months of its announcement.</li> <li>• As part of a planned review of Fair Work Practices in 2023, fair pay and payment of the real Living Wage will be a priority for discussion with providers.</li> </ul>
Argyll and Bute	<ul style="list-style-type: none"> <li>• Data for the elements that make up the current costs paid were reviewed against the Ipsos MORI consultation report of May 2022, as a recent and thorough consultation exercise however, whilst Ipsos MORI data for Argyll &amp; Bute Council gives a median cost of £4.71, the Council have taken the decision to use their original base figure of £5.35 per hour, given the current financial climate.</li> <li>• Inflation from December 2021 to August 2022 (published in September 2022) was then applied.</li> <li>• Staff costs were inflated by average weekly earnings in the first instance for rate to be applied from August 2022 (4.52%). For the future rate an adjustment for the real living wage increase (to £10.90 per hour) which has to be applied by May 2023 was also calculated (10.10%). Other costs were inflated in line with the Consumer Price Inflation index (6.19%), utilities were inflated in line with energy prices inflation (29.95%).</li> <li>• The staff ratio was then reviewed (1:5 ratio for eligible 2s and 1:8 for 3-4). An additional £0.73 per hour for eligible 2s was applied (calculated by indexing the £0.70 currently paid in line with staff costs), which increases to £0.77 for the future rate once real living wage applied.</li> <li>• A sustainable profit/surplus was then applied to the calculated cost per hour. Argyll &amp; Bute have applied 8%, which in monetary terms equates to up to 53p for every hour of ELC delivered to eligible 2s and 47p for 3-4s.</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• Argyll &amp; Bute have used the Ipsos Mori rate setting consultation, which was carried out in recent months as the most recent consultation as they had a suitable number of respondents to enable them to deliver a rate.</li> </ul>



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	<ul style="list-style-type: none"> <li>Argyll &amp; Bute did not use this rate though, as they had conducted their own rate setting exercise in 2021-22 and this was higher. The Council decided to calculate this sessions rate based on the higher figure.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>Argyll &amp; Bute included the new Real Living Wage figure of £10.90 per hour when calculating the rate this session.</li> <li>Argyll &amp; Bute included the most recent inflationary measures in relation to fuel costs and staffing costs.</li> </ul>
Clackmannanshire	<ul style="list-style-type: none"> <li>Sustainable rates were set in conjunction with the Regional Improvement Collaborative (RIC).</li> <li>The Council will further review rates to reflect the increase to the real living wage from April 2023</li> <li>In 2021, Clackmannanshire utilised a prices survey, and benchmarked against neighbouring authorities.</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>Rates were set in conjunction with the RIC. This was communicated to partner providers. The process was discussed at a partner meeting.</li> <li>Agreement was had for a change to the review date from August to April with the next review April 2023 to take account of the increase to the real living wage.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>Rates are higher than partner settings charge parents.</li> <li>The rates will be further reviewed April 23 to reflect the increase to the Real Living Wage.</li> </ul>
Dumfries and Galloway	<ul style="list-style-type: none"> <li>The information received from Ipsos Mori survey was used as a starting point for considering the setting of a sustainable rate. Dumfries and Galloway Council used the Regional Improvement Collaborative mean data as this reflected a better spread across different types of provider, the highest costs for providers and also the lowest salary.</li> </ul>

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	<ul style="list-style-type: none"> <li>• The salary when broken down to an hourly rate based on 37.5 hours per week over 52.14 weeks equated to 87% of the current living wage. Therefore to ensure providers could afford to pay staff the real living wage the staff cost per hours from the data return was uplifted by 13%.</li> <li>• The total costs of delivery per hour was added to the staffing cost element and an 8% uplift - to reflect scope for reinvestment - was applied to this subtotal, providing the final rate for three to five year olds. The same overall percentage increase for three to five year olds (prior to the interim rate in January 2022) was applied to the two year old rate to determine the rate for August 2022.</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• Due to the time constraints between publication of the Ipsos Mori data and Council Governance process timeline D&amp;G were unable to consult with providers prior to the Committee process. However the process was shared with providers prior to Committee and as a result of this a representative group of funded providers are meeting with Council Officers in a collaborative forum to try to understand providers true costs locally with a view to agreeing a process for setting sustainable rates in the future.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• Going forward the staffing element of the rate will be uplifted in line with increases to the real living wage.</li> <li>• The delivery costs will be increased in line with Consumer Price Index in November.</li> <li>• The 8% reinvestment would then be applied to the sub total.</li> <li>• Any future increases will be applied in April at the beginning of the financial year however would need to be affordable within the future funding quantum.</li> </ul>
Dundee City	<ul style="list-style-type: none"> <li>• Dundee considered the results of the survey carried out by Ipsos MORI Scotland, an independent research company. It was sent to all private and third sector funded partner childcare providers in Dundee.</li> <li>• As a result of a low response rate and to protect confidentiality, Dundee data could not be provided. Therefore, having received data at a Regional Collaborative level, Dundee worked with Tayside</li> </ul>

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	<p>colleagues to review the data available as the best available proxy to help inform the local decision-making process.</p> <ul style="list-style-type: none"> <li>• Dundee sampled local funded providers current price schedule for a standard day and average rates charged over different sessions run throughout the day. This price information based on local market conditions provided benchmarking information regarding the average price charged</li> <li>• Dundee considered the following: <ul style="list-style-type: none"> <li>The rate will be a rate that reflects the cost of delivery: <ul style="list-style-type: none"> <li>○ The Tayside RIC data indicated 80% of Early Learning and Childcare (ELC) settings in that area had overall costs of less than the current rate for 3-5 year olds i.e. £5.31, leaving the majority of settings with a profit margin.</li> </ul> </li> <li>It will enable payment of the real Living Wage for those childcare workers delivering the funded entitlement: <ul style="list-style-type: none"> <li>○ A survey by Dundee City Council indicated that all funded providers in Dundee are paying the Living Wage.</li> <li>○ The median early years practitioner (EYP) salary for the Tayside RIC which equates to an hourly rate is above the current Living Wage.</li> </ul> </li> <li>The rate will allow for investment in the setting – staff, resources and physical environment: <ul style="list-style-type: none"> <li>○ An approach was adopted to maintain the existing profit margin to allow for investment in the setting to determine the sustainable rate for 3-5 year olds of £5.45. An identical set of calculations was carried out to determine the sustainable rate for 2 year olds of £5.75.</li> </ul> </li> <li>The rate must be sustainable for the Authority in terms of the budgets available: <ul style="list-style-type: none"> <li>○ The quantum for ELC funding by Scottish Government for 2023 onwards has not yet been determined.</li> <li>○ The projected increase in numbers of children deferring entry to primary one following policy changes in August 2023</li> <li>○ The implications of any pay settlements for staff</li> </ul> </li> </ul> </li> </ul>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<ul style="list-style-type: none"> <li>○ Any rate changes needed to be both affordable and sustainable and would not have a detrimental effect on the council's ability to continue to pay for the service in the long term.</li> <li>○ The wider package of 'in-kind benefits', which are separate to the sustainable rates and are available to the funded provider as part of the contract with the local authority ( see appendix D).</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• Dundee encouraged providers to complete the survey carried out by Ipsos MORI Scotland, an independent research company, on behalf of each local authority. It was sent to all private and third sector funded partner childcare providers in Dundee. Childminders were sampled too. The survey was an opportunity for providers to work in partnership with Dundee Council to support the local sustainable rate review process and to inform decisions based on as accurate and up to date information as possible.</li> <li>• Dundee held two briefing sessions for funded providers to discuss the process, emphasising the importance of completing the survey to ensure that as a local authority they had reliable and up to date understanding of the current costs to local private and third sector providers of delivering early learning and childcare. Dundee also sent regular reminders during the time the survey was live, encouraging anyone with questions to get in touch.</li> <li>• Dundee engaged with a Funded Providers Forum and during Quality Improvement visits to individual settings.</li> <li>• Informal feedback mainly indicated a level of confidence that the revised rate would support sustainability when considered along with the funding for healthy milk and snack, daily meal payments and on-going support from the Local Authority.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• Dundee analysed the most up to date cost of delivery information provided and considered inflation, staffing costs and the principal of re-investment. In determining costs, Dundee used the RIC's data which indicated the majority of settings were able to deliver for less than £5.31, and would have an existing profit margin.</li> </ul>

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	<ul style="list-style-type: none"> <li>• A survey by Dundee City Council indicated that all funded providers in Dundee are paying the Living Wage.</li> <li>• In addition to considering the most up to date costs, Dundee also took account of the current ELC context in order to ensure the revised rate is both affordable and sustainable i.e. <ul style="list-style-type: none"> <li>○ The benefits of the Scottish Healthy Milk and Snack payment paid at a flat rate of 58.2p</li> <li>○ The benefits of meal payments paid in addition to the sustainable rate</li> <li>○ The benefits of in-kind training and support provided by the Local Authority</li> <li>○ The quantum for ELC funding by Scottish Government for 2023 onwards has not yet been determined</li> <li>○ The costs associated with a projected increase in numbers of children attending ELC from August 2023</li> </ul> </li> </ul>
East Ayrshire	<ul style="list-style-type: none"> <li>• The Ipsos Mori national cost collection exercise took place in 2022, however the participation threshold was not reached for availability of data for East Ayrshire so the data provided was at the South West Regional Improvement Collaborative (RIC) level.</li> <li>• East Ayrshire provided a copy of a paper to their cabinet detailing their rate review, which is conducted annually</li> <li>• This review encompasses a survey of cost data via the Ipsos Mori survey, and finances via providers' financial accounts</li> <li>• The full report is available online at: <a href="#">early learning and childcare - annual review of sustainable rate for providers and childminders.pdf</a></li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• East Ayrshire have engaged with their 7 funded providers and a sample group of the 42 childminders following receipt of their outputs from the Ipsos MORI survey, in order to help inform the rate setting process for August 2022.</li> <li>• In some cases this has included sharing the outputs of the cost collection exercise with individual providers and discussing the further contextual information feeding into rate-setting, while being</li> </ul>

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	<p>clear about the local political processes to be followed. East Ayrshire's Flexible Framework for funded ELC places sets out the commitment to an annual review of the sustainable rate and the relevant criteria of the National Standard rather than an inflationary uplift.</p> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• An annual review of the hourly rate for this period of the contract demonstrates commitment from the Council and will support private and voluntary sector providers and childminders to have sustainable long term plans in place. Paying a sustainable rate protects jobs and enables staff working in the private and voluntary sector to be paid the Real Living Wage.</li> <li>• Questionnaire issued to ELC funded providers seeking information in relation <ul style="list-style-type: none"> <li>○ Criteria 7 Business Sustainability</li> <li>○ Criteria 8 Fair Work practices including payment of the real Living Wage and</li> <li>○ Criteria 9 Payment Processes of the National Standard.</li> </ul> </li> <li>• On the basis of the information available i.e. the current hourly rate of £5.50 plus the payment of £3.00 per meal per day or provision of a meal and the Scottish Milk and Healthy Snack Scheme (SMHSS) rate of 58.2p per child per day, indicates that this meets funded providers delivery costs and for the majority allows for some reinvestment.</li> </ul>
East Dunbartonshire	<ul style="list-style-type: none"> <li>• The Ipsos Mori national cost collection exercise took place in 2022, however the participation threshold was not reached for availability of data for East Dunbartonshire.</li> <li>• The East Dunbartonshire finance team then worked with other finance colleagues across the 8 local authorities in the West Partnership to look at similar methodologies based on the Regional Improvement Collaborative (RIC) rate. This would mean that while the RIC rate would be a starting point to inform the new sustainable rate, there would be autonomy in deciding local rates for East Dunbartonshire based on individual local circumstances.</li> <li>• In the first instance, four options were costed based on seasonality, inflation and margin for re-investment. Initially, an option of £5.69 an hour was considered the most feasible choice as it would</li> </ul>

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	<p>provide a sustainable rate but would also allow for seasonality, inflation as well as future investment.</p> <ul style="list-style-type: none"> <li>• Rates were shared and discussed with the Funded Providers and their views sought.</li> <li>• Council Officers then scoped additional funding options relating to the Real Living Wage increase, including an increase to the staffing uplift from 8% to 10%.</li> <li>• The uplift agreed in November was £5.77 – 5% seasonality – staffing only; 10% inflation – staffing only and 5% margin for reinvestment – staffing and non-staffing.</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• East Dunbartonshire Council (EDC) have a strategic funded provider group within East Dunbartonshire which meet on a regular basis. The group is made up of representatives from private, voluntary and independent establishments. The agenda is set by the group – it is viewed as their meeting and an opportunity to discuss issues pertinent to them and the wider Funded Provider body. The sustainable rate was a regular agenda item with the strategic group sharing their views on this topic.</li> <li>• Once the work with finance officers across the West Partnership had been completed, the Early Years Service Manager and Early Years Quality Improvement Manager met with all funded providers to discuss four possible options regarding the sustainable rate. They also discussed how these different rates were calculated. In the absence of having a rate for East Dunbartonshire – it was decided to use the West Partnership rate as a starting point.</li> <li>• It was explained that the preferred option was Option 3 – £5.69 which was the second highest of the rates offered. Funded Providers had time following the meeting to discuss with each other to see if they agreed with the rate proposed. They indicated that they did not accept this rate as they believed it did not provide enough funding for them to be sustainable.</li> <li>• The paper was due to go to Education Committee on Thursday, 6th October. This was then withdrawn to allow officers to scope out further options. This work was carried out with a £5.77 proposed. The updated paper went to Council on Thursday, 3rd November 2022.</li> </ul>

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	<p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• In calculating options for the new rate, the starting point was the average salary paid by Funded Providers (across the West Partnership) when the information was gathered for the IPSOS Mori survey.</li> <li>• Proposed rates have taken into account aspects such as inflation, margin for reinvestment and seasonality.</li> <li>• In light of the recent uplift to the Real Living Wage EDC increased the percentage related to wage inflation from 8% to 10%.</li> </ul>
East Lothian	<ul style="list-style-type: none"> <li>• Proposed sustainable rate has been calculated taking account of <ul style="list-style-type: none"> <li>○ Ipsos MORI data</li> <li>○ The average hourly rate charged by partner nursery providers</li> <li>○ Different ratios for 2 year olds and 3 – 5 year olds</li> <li>○ Bench marking against neighbouring authorities</li> </ul> </li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• Staffing changes / vacancies within the central team impacted on availability to carry out in-depth consultation on individual cost collection.</li> <li>• Discussions took place at partnership meeting.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• The calculation took account of the differentiation of ratios for 2 year olds and 3-5 year olds and applied different rates where previously one hourly rate was paid.</li> <li>• This ensures 3-5 year olds hourly payments are not subsidising costs incurred to support 2 year olds.</li> </ul>
East Renfrewshire	<ul style="list-style-type: none"> <li>• East Renfrewshire Council has worked in partnership with colleagues across the West Partnership, with most authorities relying on the aggregated data provided from Ipsos-Mori in the absence of locally available returns.</li> </ul>



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	<ul style="list-style-type: none"> <li>• From the outset, authorities sought to take a consistent methodology, enabling collaboration in the process whilst also providing a clear, transparent process for funded providers having to work with multiple different authorities.</li> <li>• Whilst East Renfrewshire took forward a similar methodology, they recognise that each authority has differing demographics and wider support packages which will understandably impact on the final rates across the region.</li> <li>• The rate-setting approach has been informed by the national guidance, namely around ensuring appropriately inflationary uplifts for both staff costs (and payment of the Living Wage) and non-staff costs. In addition, East Renfrewshire sought to reflect seasonality in provision given the staggered entitlement dates as well as ensuring an appropriate level of margin to enable reinvestment. Appropriate percentage increases for each factor have been added to the costs of delivery (as provided by Ipsos-Mori) to determine the final rate to be paid to providers. This was consistent with most authorities across the West Partnership.</li> <li>• In light of the financial outlook for local government, East Renfrewshire have sought to ensure throughout the process that the rate increase remains sustainable for the authority.</li> <li>• Given the continuing economic uncertainty and the Scottish Government commitment to the annual financial health check, it has been agreed that the new revised rate will initially be in place for 1 year.</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• East Renfrewshire Council has well established positive working relationships with funded providers and engage with them on an ongoing basis across all areas concerning the delivery of the statutory entitlement.</li> <li>• The Council continued to meet with funded providers alongside local authority nurseries and family centres as part of their calendar of existing meetings. This provided an opportunity for any issues to be raised.</li> </ul>

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	<ul style="list-style-type: none"> <li>• In addition, a funded provider specific session was held to engage on the rate setting process. This provided funded providers with the opportunity to raise any issues or concerns with the Education Department, enabling the Council to raise these on a national basis.</li> <li>• It should be noted that the Council worked with the Improvement Service to encourage participation in the cost collection exercise. Unfortunately, participation from local providers was low which impacted on locally available data.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• An inflationary uplift was added to both staff and non-staff costs. This was taken from the authority-wide figure shared by the Council Accountancy Service.</li> </ul>
Edinburgh	<ul style="list-style-type: none"> <li>• Edinburgh provided their <a href="#">report</a> to the Education, Children and Families committee, which provides more detail relevant to this response.</li> <li>• The report shows the Council utilised both a survey of price data; and the Ipsos Mori survey of cost data</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• A Partners National Standard Group (PNSG) is well-established with representatives from across the sector. These reps then report back to their membership organisations e.g. NDNA. The Early Years finance team attend PNSG meetings and minutes are then sent to all partners. All partners were advised of the survey of prices in January and asked to ensure their own information was up to date when the Council redid the survey in April 2022.</li> <li>• For the rate setting for session 2021-22, Edinburgh carried out a survey of prices, a survey of local authority rates and commissioned Scot Excel to carry out a survey of costs. There was a very low response to this and partners expressed concern about sharing their cost information.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• Edinburgh reviewed the existing hourly rate of £5.42 taking into account the increase in the real living wage (£9.90 per hour) and additional costs incurred by providers due to inflation at 7%.</li> </ul>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
Falkirk	<ul style="list-style-type: none"> <li>• Cognisance taken of the IPSOS/MORI survey results.</li> <li>• Discussions took place with RIC partners to assess commonality of approaches on how to set 22-23 rates. These meetings allowed alignment of some rates and appropriate percentage increases to be adopted.</li> <li>• Consideration taken of the current reduction in grant funding for 2022-23, which significantly impacted on what increase could be afforded.</li> <li>• Data gathered from private nurseries previously to internally assess sustainable rates also reviewed.</li> <li>• Local charges made by private providers examined</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• Meeting held with partner nursery providers to provide overview on assessment of new rate. Regular meeting held with private nursery partners.</li> <li>• Engagement with SCMA re childminders.</li> <li>• Meetings held with RIC partners to discuss matters.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• The new rates are favourable when compared to the information gathered from the IPSOS/MORI survey.</li> <li>• Falkirk's rate was set before the real living wage increase was announced.</li> <li>• Falkirk's current financial position (large reduction in grant funding) for the ELC sector severely limits the Council's ability to offer a significant rise in rates given the 10% + increase in the Real Living Wage. All decisions made must be affordable and must be funded within the current revenue grant funding provided.</li> </ul>
Fife	<ul style="list-style-type: none"> <li>• Fife's original contract with funded providers operated from August 2020 – August 2022.</li> <li>• In April 2022 Fife wrote to funded providers asking if they wished to extend their contract to deliver funded ELC from August 2022.</li> </ul>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<ul style="list-style-type: none"> <li>The rate change has been calculated from taking the rate within SG guidance as a sustainable rate for the introduction of ELC 1140 (from the original introduction date of Aug 2020) and increasing this in line with the percentage increase in the living wage over a two year consolidate period.</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>Fife used information gathered from the IPSOS Mori survey findings to ensure that the increase (using the real living wage) was relevant.</li> <li>Moving forward with future increases, all Fife's partners were recently invited to attend an operational forum where rate setting was discussed. The guidance materials for setting rates was discussed and all four models of rate setting explained. Subsequently partners have been asked to rank in order of preference (using an MS Forms survey) which method of setting rate they would prefer: <ul style="list-style-type: none"> <li>Survey of costs</li> <li>Cost Modelling</li> <li>Working Group</li> <li>Survey of prices</li> </ul> </li> <li>Results, indicate that survey of costs would be the first choice of partners who took part in the survey (62 responses from 49 private nurseries and playgroups and 83 childminders)</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>The increase of rate was based on the increase in line with the percentage increase in the living wage for 2020-21 and 2021-22. This is 6.45% (as it increased from £9.30 to £9.90 over the last 2 years), and applying that percentage increase to the hourly rate.</li> <li>Fife have looked at the percentage increase in living wage over the last 2 years is because no increase was given in the rate for year 2021-22.</li> </ul>
Glasgow City	<ul style="list-style-type: none"> <li>The proposed rate was set using the available data from IPSOS MORI on unit costs for providers. Glasgow City Council (GCC) received both its own data and the aggregated data for the West</li> </ul>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<p>Partnership RIC. The West Partnership data was chosen as it was more advantageous for the funded providers.</p> <ul style="list-style-type: none"> <li>The calculated costs from the data gathered directly from providers, showed that the figure to pay the SLW at February 2022 was £4.90 per hour per child based on West Partnership data and £4.73 per hour based on the specific to Glasgow data. The difference in the figures lies in the fact that GCC has much higher volumes of children than the other West Partnership local authorities which reduces the unit cost and also has more accurate data coming from its own providers as the figures are not aggregated.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>GCC read the data across the table to identify the percentile which allows providers to pay the living wage. This was the 72nd percentile and was a cost only figure which did not take account of seasonality (an adjustment required due to the timing of the data collection), wage inflation (the living wage rises annually so they predicted the February 2022 figure would increase) and re-investment in quality (i.e. margin).</li> <li>Reflecting the particular issues in the energy market, GCC also obtained the unit cost for the energy element of total costs and applied an inflationary uplift. Apart from wages and energy, they did not apply any other inflationary element as Council services do not receive inflation in budgets for anything other than wages.</li> <li>Adjustments reflecting seasonality, wage inflation and energy inflation were applied to the cost only figure. A margin was then applied to this rate. This allowed the calculation of the final rate.</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>A communication was sent to all funded providers on 15<sup>th</sup> July, sharing the Glasgow data outputs from Ipsos Mori along with the technical guidance and advising them of the delay that there would be in decisions being reached due to the timelines for Committees. A new Council had only been elected in May and Committee dates not yet set, therefore, GCC knew that it would not be possible to take anything to Committee prior to the summer recess.</li> </ul>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<ul style="list-style-type: none"> <li>• Only one response was received to that communication, thanking us for the update. No questions on the data or rate calculations were raised with us by any providers.</li> <li>• Shortly after the start of term in August, GCC held two face to face engagement sessions with all funded providers to share the approach being taken to using the data to calculate the rate. Again, no questions were raised by the providers.</li> <li>• The paper which went to Committee on 29<sup>th</sup> September was published on 22<sup>nd</sup> September and sent directly to every funded provider on that day. Three of the 130 funded providers contacted the Council directly with questions regarding the paper.</li> <li>• At 29<sup>th</sup> September the paper on proposed rates was remitted to a special meeting of the Education, Skills and Early Years Committee for further discussion. This discussion took place on 25<sup>th</sup> October and was attended by invited senior representatives from the 3 membership organisations – Early Years Scotland, National Day Nurseries Association and Scottish Childminding Association. All Funded Providers in Glasgow are members of one or other organisation as the Council funds their membership fee to ensure that they have access to representation.</li> </ul>
Highland	<ul style="list-style-type: none"> <li>• A number of aspects to the approach in Highland is summarised below:- <ul style="list-style-type: none"> <li>○ A working group including partner representatives and Council officers.</li> <li>○ Broader engagement with invites to meetings sent to all PVI partners.</li> <li>○ Direct input by Council Chief Executive in some engagement sessions.</li> <li>○ Review of Ipsos Mori data, and discussion with PVI partners.</li> <li>○ Review of PVI partner financial sustainability.</li> <li>○ Discussion of rate options with Partners.</li> <li>○ Analysis of Council ELC budget and funding, and response to PVI partner queries.</li> <li>○ Council financial context and briefing of PVI partners on that.</li> <li>○ Council affordability and impact assessment.</li> </ul> </li> </ul> <p><b>Provider Engagement</b></p>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<ul style="list-style-type: none"> <li>• As noted above, a working group operated from 2021 through to summer 2022 which included PVI partner representation.</li> <li>• In more recent times, and prior to final decisions being made by the Council, there have been meetings, led by the Council's Chief Executive, to which all PVI partners were invited. This was a hybrid of face to face plus virtual (teams) attendance.</li> <li>• The Council heard from partners their own perspective on the review of rates, and sustainability. The sessions were also used to share information on the Ipsos Mori survey data, the Council's financial position and ELC budget/funding, and respond to PVI partner questions.</li> <li>• Options on funding rates were discussed and developed via the engagement described above.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• Ipsos Mori data was analysed, and discussed with partners.</li> <li>• As was high level and anonymised partner financial account information as another data source.</li> <li>• Through engagement, partners also shared their perspective on costs of delivery and sustainable rate expectations. The rate options developed took on board feedback from the partner engagement sessions.</li> <li>• In line with the Funding Follows the Child Guidance, the Council's own financial position, and affordability and sustainability to the Council's budgets were also key matters to consider, and were factored into the final recommendations.</li> </ul>
Inverclyde	<ul style="list-style-type: none"> <li>• Using the data provided by Ipsos Mori for the West Partnership, Inverclyde have used the guidance to ensure to set a rates which take account of: <ul style="list-style-type: none"> <li>○ Payment of the real living wage</li> <li>○ Reinvestment margin to ensure investment in the setting – staff, resources and physical environment</li> <li>○ Margins for Utilities</li> <li>○ Margins for seasonality</li> </ul> </li> </ul> <p><b>Provider Engagement</b></p>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<ul style="list-style-type: none"> <li>• Inverclyde Council engaged with all partner providers throughout the rate setting process.</li> <li>• Officers provided information regarding the Ipsos Mori data collection exercise and were available to answer any questions throughout this process.</li> <li>• There were also a series of meetings, a bulletin and information sessions for providers to provide information on the methodology used to identify a sustainable rate.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• The information contained in the Ipsos Mori data identified in 72<sup>nd</sup> percentile a rate of £4.90 was the actual cost of an hour of ELC across the West Partnership this was used as the initial base working rate.</li> <li>• From this rate Inverclyde then applied and uplifts which for payment of the seasonality, RLW, inflation, reinvestment and payment of the RLW.</li> <li>• 2% Seasonality (staffing only), 10.1% RLW, 10p per hour increase for utilities inflation and reinvestment, 4.5% staffing margin and 5 % non-staffing margin. This provided a proposed rate for Inverclyde of £5.69 per hour.</li> <li>• The rate will be reviewed annually using information available from the annual Financial Sustainability Health Check.</li> </ul>
Midlothian	<ul style="list-style-type: none"> <li>• To set the rate Midlothian used the RIC level data from the IPSOS Mori survey.</li> <li>• Using the mean Midlothian applied inflation to the costs (including an adjustment for the real Living Wage), then added 8% for return on investment (ROI). This provided the rate for the 3-5 year olds.</li> <li>• After undertaking benchmarking analysis from neighbouring authorities, it was determined that the council was already providing a competitive rate for 2 year-olds, so this has been maintained.</li> <li>• Midlothian had discussions with funded providers about the methodology prior to the report going to Council.</li> </ul> <p><b>Provider Engagement</b></p>



Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<ul style="list-style-type: none"> <li>• There are regular partnership meetings between the council and funded providers, including representation from SCMA, and additionally regular meetings with a smaller collaborative group of providers to facilitate more discussion and setting the agenda for the wider group.</li> <li>• Progress with the rate review, the potential rates and next steps in the decision making process have been discussed with providers at these meetings.</li> <li>• All providers were invited to participate in the Ipsos MORI survey, both by Ipsos MORI themselves and the council. It was highlighted that the more providers who participated, the more accurately the findings would reflect the position in Midlothian.</li> <li>• Unfortunately, however, while Ipsos MORI sent out 36 survey invitations in Midlothian, it only received 14 responses, and of these there were only five useable responses. This meant that the Ipsos MORI analysis was at RIC level.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• Midlothian applied inflationary adjustments to the costs established by the Ipsos-MORI survey and an allowance for ROI.</li> </ul>
Moray	<ul style="list-style-type: none"> <li>• Moray used the same method for calculating the rate as used in 2021</li> <li>• The method takes account of the real living wage, and uses salary and total cost data from Ipsos Mori as a starting point.</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• Moray have a financial sustainability work stream that meets, as a minimum, once a term. There is partner representation on this group along with ELC colleagues and Moray Council Head Financial Officer.</li> <li>• Through Committee processes Moray agreed an approach to ensure all funded providers were given the opportunity to feedback. Moray also offered a consultation for all providers to feedback on the rate agreed, based on the financial work stream developments.</li> <li>• On Tuesday 1<sup>st</sup> November there is a further drop in session arranged for all funded providers in relation to no further uplift in this financial year.</li> </ul>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• The Real Living Wage was factored into rate setting for 2021-2022.</li> <li>• The decision for no further uplift was made prior to RLW being set in September 2022.</li> <li>• Awaiting full council decision on 2 February 2023 about a potential 5% uplift following recommendation of the Education Committee on 14 December 2022.</li> </ul>
North Ayrshire	<ul style="list-style-type: none"> <li>• North Ayrshire meets regularly with providers and co-produced the process with them for the current review of rates.</li> <li>• Three funded providers, as a representative group, volunteered to work with the local authority senior finance business partner to provide information relating to the costs of running their service. This work, based on an open book process, has recently concluded.</li> <li>• Scottish Government guidance has been followed throughout this process.</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• North Ayrshire invited Adam Hall, SG to a meeting with funded provider partners in August to present on the process undertaken by IPSOS MORI for the national survey on funded provider costs.</li> <li>• A further meeting with all funded providers took place in September during which discussion took place around the challenges of rate setting in an environment of ever-increasing costs and reduction in funding from national government.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• Following a request for openness around funded provider costs to enable greater understanding of costs of delivery, three funded providers volunteered to share financial data with Finance Officers and Council Business Partners, relating to the costs of running their businesses. North Ayrshire have also considered inflation and propose a rise from the present rate.</li> <li>• North Ayrshire have now concluded the cost analysis exercise with Funded Providers and will be seeking approval from Cabinet for a new proposed hourly rate early in 2023.</li> </ul>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
North Lanarkshire	<ul style="list-style-type: none"> <li>• North Lanarkshire Council (NLC) used data gathered and reported by IPSOS MORI as the basis for the review and calculation of the sustainable rate.</li> <li>• The data identified that the average unit cost to provide 1140 hours provision is £4.94. Applying the same logic to the figures for North Lanarkshire Council, the average unit cost to provide 1140 hours provision is £4.88.</li> <li>• Working from this base average cost of £4.88 (£3.88 staff costs / £1.00 non staff costs) the rate was formulated in line with rationale and methodology utilised by Local Authorities across the Regional Improvement Collaborative and West Partnership.</li> <li>• The rate is based on Based on a 10% increase to support the implementation of the SLW aligned to staff costs, an 8% inflation uplift and 1.44% reinvestment uplift aligned to both staff and non- staff costs.</li> <li>• It is important to note the uplift aligned to reinvestment circa 1.5% takes into consideration that NLC previously applied an elevated level of uplift year on year (2019-2023) to support partners in supporting quality improvement to deliver 1140 hours.</li> <li>• The rate paid for eligible 2s was previously £5.80, 4.5% more than the rate for 3-5-year-olds (£5.55). The same logic has been applied to the 3–5-year-old rate to determine the rate for eligible 2s. The rate for eligible 2s from August 2022 is £6.03.</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• There are regular partnership meetings between the council and funded providers, including representation from SCMA. During September additional smaller engagement sessions took place to review the IPSOS MORI survey report and the data relating to NLC to facilitate discussion regarding the methodology used to review the rate.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• The decision to review the rate (which was previously set by NLC up to August 2023) was made in response to the announcement of the increase to the SLW in September 2022 and increase in inflation.</li> </ul>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<ul style="list-style-type: none"> <li>• IPSOS Mori survey information was used as base line data.</li> <li>• Uplift all costs for an element of reinvestment.</li> </ul>
Orkney Islands	<ul style="list-style-type: none"> <li>• There are no private providers in Orkney so all of the funded providers are either local authority settings or 6 childminders offering split places.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• Orkney used the childminder information provided by the Scottish Government at the end of July 2022 for a guide to hourly costs nationally.</li> <li>• Orkney also asked childminders in partnership how much they charged per hour. The £5 rate is above the amount they currently charge.</li> <li>• Orkney's childminders they are reviewing their charges due to rises in fuel costs etc, at which point Orkney will review the rate.</li> <li>• As childminders are the only non-LA providers, Orkney have tried to set the rate to support childminders but to avoid parents buying baby and toddler places being costed out of the market.</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• Orkney do not have any funded providers other than a small group of childminders, therefore the process has been different.</li> <li>• Orkney engaged with childminders in partnership by email and also through regular support and development meetings.</li> </ul>
Perth and Kinross	<ul style="list-style-type: none"> <li>• Survey costs method used - utilising most recent IPSOS Mori Survey</li> <li>• Rate sustainable as laid out in paragraph 3 of guidance</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• Funded Providers were informed of the increase through focus groups, and through normal communication channels.</li> </ul> <p><b>Meeting Current Costs</b></p>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<ul style="list-style-type: none"> <li>• IPSOS Mori survey Tayside Regional Improvement Collaborative (RIC) information was used as base line data.</li> <li>• Confirmed mean salary above predicted real Living Wage (RLW) and 38% paying all staff over RLW</li> <li>• Uplift all costs for further inflation</li> <li>• 8% Return on Investment (ROI) applied</li> </ul>
Renfrewshire	<ul style="list-style-type: none"> <li>• The data from the Ipsos MORI, national costs collection exercise which was commissioned by the Scottish Government and COSLA and carried out in early 2022, helped the Council to understand the actual cost to funded providers to deliver ELC.</li> <li>• To establish a revised hourly rate, officers from the Council worked collaboratively with the West Regional Improvement Collaborative to streamline the approach and agree a methodology which took cognisance of inflationary increases, payment of the real Living Wage, seasonality and reinvestment, whilst at the same time ensuring the rate is reflective of the cost to deliver ELC.</li> <li>• The Council agreed to using the Ipsos MORI data provided to the West Regional Improvement Collaborative, as the sample size was larger and the data in relation to cost to funded providers to deliver ELC was a higher starting point than the figures provided in the Renfrewshire Council data return. There were 113 usable responses across the West Regional Improvement Collaborative, which included 17 usable responses from Renfrewshire.</li> <li>• All 38 funded provider nurseries from Renfrewshire were invited to participate in the Ipsos MORI consultation and were actively encouraged to do so throughout the period of consultation. A representative group of childminders contributed to the national childminding consultation exercise.</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• Renfrewshire Council has well established positive working relationships with funded providers. The Ipsos MORI data collection exercise was the process in which the Council consulted with its funded providers to understand the actual cost to funded providers to deliver ELC to help the rate setting process. Funded providers were actively encouraged to participate in the data collection exercise,</li> </ul>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<p>prior to the commencement of the exercise and throughout the consultation period. The subject of sustainability was on the agenda at each funded provider meeting, as requested by providers. The national rate setting guidance was shared and discussed with funded providers, including the expectation on Councils to take cognisance of inflationary increases, payment of the real Living Wage, seasonality and reinvestment, whilst at the same time ensuring the rate is reflective of the cost to deliver ELC.</p> <ul style="list-style-type: none"> <li>Funded providers were advised of the Council's intention to work collaboratively with the West Regional Improvement Collaborative to streamline the approach and agree a methodology and of the commitment to take cognisance of inflationary increases, payment of the real Living Wage, seasonality and reinvestment, whilst at the same time ensuring the rate is reflective of the cost to deliver ELC.</li> <li>Meetings were held with funded providers to share the recommended sustainable rate for session 2022-23 concurrently with the policy board report being published in the public domain.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>The Ipsos MORI data was used as the basis for the rate-setting process.</li> <li>Because the Renfrewshire Council sample represented a low sample (less than half of the providers within the Renfrewshire Council area submitted "usable responses"), the aggregated cost data for the West Regional Improvement Collaborative ("WRIC") was used (comprising Renfrewshire Council plus seven other neighbouring councils).</li> <li>Renfrewshire examined cost data at the percentile for which the salary rate paid matched the real Living Wage as at the time the data was surveyed (February / March 2022). Inflationary uplifts were then applied to staff costs to reflect the actual increase in real Living Wage between February / March 2022 and 22 September 2022. In addition, an inflationary uplift was applied to energy costs; to all costs for seasonality, and a further percentage increase to allow for reinvestment.</li> </ul>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
Scottish Borders	<ul style="list-style-type: none"> <li>• Scottish Borders Council is dependent on the private and voluntary sector and childminders to fulfil its statutory duty to deliver funded ELC for eligible children and endeavours to ensure that there is sufficient range of provision to meet the needs of families and ensure that funding follows the child.</li> <li>• During the phasing in of the expansion of hours, Scottish Borders Council increased the hourly rate paid to partners to £5.31 by August 2020 in line with previous IPSOS Mori findings.</li> <li>• Significant financial support was given to funded providers during the time of COVID restrictions to ensure they were able to continue to provide childcare for children of key workers and so that they survived as businesses/organisations, retaining their staff for when restrictions lifted.</li> <li>• As a result of this and of additional pressures on Council officers as a result of COVID, work was not undertaken to review the rate in time for August 2021. Work did take place to ascertain a sustainable rate and a paper was prepared for Council in January 2022 but providers asked that it was looked at again as they felt the methodology used didn't fully reflect their outgoings and wasn't fully representative of the sector.</li> <li>• Subsequently, Finance Officers worked with a representative group of funded providers to develop robust methodology which has informed the current rate.</li> <li>• From now on, the review of the rate will move from the academic year to the fiscal year and any increase will be recommended and considered as part of the Council's Fees and Charges process starting in February 2023</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• As noted above – the methodology for identifying a sustainable rate was developed and agreed with a representation of partner providers – meetings were held virtually.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• Providers were asked to share details of their accounts, outgoings, income, staffing models, rate charged to parents through other childcare arrangements and profit. It is only through having access to this information that the Council can make a fair assessment of what a sustainable rate is.</li> </ul>

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	<ul style="list-style-type: none"> <li>Scottish Borders are aware that there has been an increase in the Real Living Wage. This will be taken into account when proposing an increase in the hourly rate in February 2023, to be implemented in April 2023 which will allow providers to increase the rate paid to staff before the deadline of 14<sup>th</sup> May 2023.</li> </ul>
Shetland Islands	<ul style="list-style-type: none"> <li>Sustainable rates from August 2020 were developed using (1) survey costs method. The Terms and Conditions for the Council's Flexible Framework stated that an annual uplift would be applied in line with CPI increase. Sustainable rates have been increased using this method.</li> <li>The Flexible Framework covers a 5 year period. Shetland would look at carrying out a detailed cost survey again, ahead of renewing the Flexible Framework, in August 2025.</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>Shetland Islands are in regular contact with funded providers.</li> <li>There has been no official consultation as part of the rate setting process for 2022-23. This is because there is an annual CPI linked increased rate.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>Shetland Islands set the sustainable rate based on CPI linked inflationary increase.</li> </ul>
South Ayrshire	<p><b>Note:</b> South Ayrshire completed this part of the survey before 2022-23 rates had been confirmed at Council.</p> <ul style="list-style-type: none"> <li>South Ayrshire are currently progressing the rate setting process with funded providers. This process is aiming to establish a fair, affordable and sustainable solution.</li> <li>The rate is being reviewed in light of the increased costs taking account of the impact of inflation and the real living wage.</li> <li>The funded providers in South Ayrshire (with two exceptions) did not engage with the IPSOS MORI cost collection process.</li> <li>The current approach includes: <ul style="list-style-type: none"> <li>a review of the funded provider charges based on local market prices and data.</li> <li>taking account of the impact of inflation and the real living wage</li> </ul> </li> </ul>



Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<ul style="list-style-type: none"> <li>○ a review of the IPSOS Mori data (Regional Collaborative level)</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• A series of meeting have taken place of both a small working group and the wider funded provider group.</li> <li>• Following a meeting of all funded providers a small working group was formed. The group agreed a cost collection template.</li> <li>• The wider funded providers did not agree to progress with this template.</li> <li>• Subsequent meetings have looked at inflationary pressures and the real living wage.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• Rates still have to be confirmed</li> <li>• The Council are conscious of the impact of the increase of the real living wage and inflationary pressures.</li> <li>• In the absence of a cost collection data at local level, proposals currently being explored are looking at an uplift to take account of the a range of increasing pressures including Real Living Wage and inflationary increases as well as opportunities for reinvestment.</li> </ul>
South Lanarkshire	<ul style="list-style-type: none"> <li>• Following the publication of the Ipsos MORI data in May 2022, a baseline process was established across the West Partnership (WP) authorities to consider a consistent approach for setting the sustainable rate. Unfortunately, only 10 funded providers within South Lanarkshire shared information with Ipsos MORI and, therefore, localised data was not available. Data from across the West Partnership has been shared with the eight partner authorities and this informed the review of the sustainable rate.</li> <li>• This approach was taken due to lack of specific local data but also to ensure that providers working across a number of authorities have similar methodology, enabling understanding as to how each local rate has been reached. Whilst WP authorities have looked to take a consistent approach, each authority has its own geography, demographics and wider financial considerations which results in the potential for different rates being paid.</li> </ul>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<ul style="list-style-type: none"> <li>• A number of key factors have been considered starting with the total hourly rate for those paying the real Living Wage (RLW) for an Early Years practitioner based on the Ipsos MORI dataset and using this as a starting point for costs, splitting for staffing and non-staffing and considering the variable elements for application in line with the guidance: <ul style="list-style-type: none"> <li>○ Support for payment of the Scottish Living Wage</li> <li>○ Reflecting the cost pressures facing providers including utilities</li> <li>○ Consideration of the seasonality of provision</li> <li>○ Providing an appropriate margin to provide support for reinvestment</li> </ul> </li> <li>• The overall impact on the sustainable rate based on the data from the funded providers exercise and allowing for the variable elements for consideration, produced a recommended rate that aligns to SLC localised conditions and allows affordability to be applied. The new rates will be implemented from August 2022 in line with the terms and conditions of the contract for ELC and will be paid in the next appropriate payment run for each funded provided. This will be backdated to August 2022 from the date of approval, agreement and payment.</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• An internal working group was set up to consider the SLC sustainable rate from August 2022. This comprised both Finance Services staff and Early Years staff. Members of the group have participated in various national workshops facilitated by the Government and the Improvement Service and also across the West Partnership and ADES joint ELC and Resources networks. Work undertaken has resulted in an options appraisal of various factors influencing the sustainable rate.</li> <li>• Initial consultation took place with a small number of funded providers. The funded provider consultation group include representatives from a childminder, a voluntary sector provision, a rural provision, as well as a small and large urban located provider.</li> <li>• The main issues raised for consideration related to the payment of the real living wage for staff, the impact of the rate of inflation, general operational increased costs and also the timeline for implementation associated to this review. These meetings were scheduled in July.</li> </ul>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<ul style="list-style-type: none"> <li>• In addition an information Bulletin was issued to all funded providers to ensure an on-going update of information was provided. All partner providers were provided with a copy of the Ipsos MORI SLC specific data as well as the technical report. Agreement is being sought across the West Partnership to release the full dataset to funded providers following approval of all authorities. This is expected to be in the next few weeks.</li> <li>• In order to ensure full representation, 4 geographical area forums for all funded providers were held on 12 August 2022 with the main agenda highlighting the outcome of the Ipsos MORI cost collection survey, the subsequent methodology process currently being followed as well as presenting the opportunity for issues to be raised. Again the main issues raised related to payment of the real living wage for staff, the impact of the rate of inflation and general operational increased costs.</li> <li>• A funded provider meeting was held on 7 September 2022 providing an update on progress towards a sustainable hourly rate, confirming announcement of the RLW on 22 September 2022 and again providing the opportunity for issues to be raised. Funded providers continue to be updated via the regular scheduled six weekly meetings and a meeting is scheduled in the coming weeks when final rate to be considered.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• The revised sustainable rate for SLC takes account of the RLW, as announced on 22 September 2022, by applying a +10.1% increase to the staffing element of costs as provided within the specific total hourly rate.</li> <li>• The hourly rate increased from £9.90 to £10.90 and as such the SLC rate was increased by the same percentage to allow funded providers to support the payment of the RLW based on actual cost data provided as part of the Ipsos MORI data set.</li> </ul>
Stirling	<ul style="list-style-type: none"> <li>• In order to provide some financial assurance for partners, Stirling followed the previous guidance to allow them to increase the rate from the start of the financial year in April 2022, prior to the publication of the updated guidance.</li> </ul>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<ul style="list-style-type: none"> <li>• The timing of this also supported their procedure for making advance payments to ensure a smooth transition to the new rate and ensuring partners have sufficient cash flow.</li> <li>• Stirling offered all private nurseries the opportunity to amend their contract to offer places for entitled 2 year olds from August 2022 at a rate of £6.51 per hour. 11 out of 13 partners took up this offer.</li> <li>• The updated COSLA guidance was used in this process to ensure it was sustainable for both partners and the local authority.</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• In order to ensure that the rate set for 2-3 years old covered the additional costs associated with provision for this age group, all funded partner nurseries were invited to join a working group to agree a sustainable rate. 3 partner providers joined this group, alongside the Early Years Workforce Development (WD) officer.</li> <li>• This group enabled partners to share their challenges and highlight what needed to be considered when rate setting.</li> <li>• As part of this work the WD officer worked with the service accountant to update and analyse previous cost collection information that had been gathered from partners. These costs were updated to allow for inflationary rises, the uplift to the real living wage and staff ratios for 2 year olds.</li> <li>• Information from the working groups analysis was then shared with all partners, who were offered the opportunity to sign an amendment to their contract to enable them to provide funded places for eligible 2s at the uplifted rate of £6.51 per hour.</li> <li>• Stirling Council analysis looked at the current funded rates for 2 year olds paid by local authorities across Scotland, the current charges across Stirling PVI for 2 year old places and the previous cost collection exercise carried out by the local authority when setting the funded rate for 3 and 4 year olds. The rate of £6.51 is based on projected costs for delivery, including the uplift to the real living</li> </ul>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<p>wage and inflationary rises, and is based on 75% occupancy to ensure sustainability when not operating at full capacity.</p> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• In addition to actions detailed above, Stirling benchmarked its rate against other local authorities</li> <li>• Partners were advised that, if required, Stirling would review the rate based on the findings from the Ipsos Mori Cost Collection Exercise. The results from this have subsequently suggested that the rate is fair and sustainable, as findings show that across Forth Valley and West Lothian Regional Improvement Collaborative (RIC) the median costs per hour for children age 0-5 is £4.45 and the mean is £5.23. For 2 year olds the average fee per hour across the RIC is £4.19 (median) and £4.49 (mean).</li> <li>• Stirling are confident that the rate of £6.51 plus lunch is in line with all current guidance and within the scope of budget available.</li> </ul>
West Dunbartonshire	<ul style="list-style-type: none"> <li>• West Partnership Finance Group met to discuss findings of National Cost Collection Exercise, Sustainable Rate Setting; agree next steps and report back to individual Councils.</li> <li>• To set an affordable rate within the quantum provided and to realign budgets, a sustainable hourly rate for Council to agree which represented an uplift of 6.78% was proposed. This new rate reflected the costs of ELC delivery (including inflationary increases), provided scope for reinvestment which reflected a measure of profit in a private sector setting and delivery of the Real Living Wage commitment for providers of ELC.</li> <li>• The increase from £5.31 to £5.67 for 3-5 year olds captured the increase in the Scottish Living Wage since 2021 as well as an element for any increase in 2022-23, in addition it contained an uplift of just over 2% for future investment and development at each setting.</li> <li>• The hourly rate for eligible 2 year olds was increased from £5.31 to £5.84. The 10% uplift in the hourly rate for this age group reflected the higher staff ratio required for this age group and subsequent increased costs of the numbers of funded eligible 2 year olds attending those services (approx. 50).</li> </ul>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• 2021-22 - discussion and engagement at a monthly Provider Forum to set and agree a sustainable rate for 2022-23. This resulted in agreement with providers that this should align with the principles of Funding Follows the Child Operating Guidance i.e. high quality ELC, cost of delivery, investment in service and payment of the Living Wage.</li> <li>• Provider Forum working group proposal for increased hourly rate to £5.84 for 2-5 year olds, identified the following factors influencing their proposed increase: gap in salaries in the private and public sector, increases in the RLW, increase in National Insurance, Fair Work Practices, cost of Covid, increased cost of energy, food, insurance and resources.</li> <li>• As a result of the proposal the hourly rate for eligible 2 year olds was increased from £5.31 to £5.84 in April 2022.</li> <li>• WDC encouraged all providers to return the National Cost Collection Exercise in May 2022. This resulted in 8 returns from 11 providers. In order to preserve confidentiality RIC level information was provided but not local authority level data. As a result the data could be not be used to help set the local sustainable rates for 2022-23.</li> <li>• An average rate for the West Partnership Regional Improvement Collaborative (RIC) was provided from May 2022, the West Partnership Finance Group met to discuss the findings of the National Cost Collection Exercise, Sustainable Rate Setting and next steps. Thereafter, a working party was established with finance representatives from each of the eight Local Authorities which comprise the West Partnership to study the data and to review rates. Although the West Partnership rate has informed the review, there will not be the same sustainable rate across the RIC, this was to ensure that local contexts are taken into account.</li> <li>• Engagement with a Provider Forum regarding the proposed increased rate. Note, scope to provide the data they did for the Cost collection exercise was not an option at this point in the process.</li> <li>• Proposal to Education Services Committee which was agreed based on increased costs ELC provision.</li> </ul>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• In setting the rate, WDC sought to establish a process which is data informed, consistent and fair. To support this process, WDC collaborated with colleagues across the West Partnership to streamline the approach. The aim was to ensure that those providers working across a number of authorities do not have to engage with significantly different methodologies in understanding how each local rate has been reached.</li> <li>• Colleagues in finance engaged with the West Partnership Finance Group to streamline the approach to rate setting. Although they looked at this collectively through the finance group, it was recognised that each local authority has its own geography, demographics and political oversight so whilst the methodology may be the same the eventual local rate for each area as expected had some differences.</li> <li>• The external factors influencing the sustainability of the hourly rates paid to contracted providers that WDC considered were: <ul style="list-style-type: none"> <li>○ rising costs and wages including payment of the real Living Wage for those delivering the funded entitlement;</li> <li>○ rising cost pressures;</li> <li>○ delivery of a high quality ELC experience for all children;</li> <li>○ an increase that reflected the cost of delivery, including the delivery of national policy objectives;</li> <li>○ an increase that allowed for investment in the setting – staff, resources and physical environment.</li> </ul> </li> </ul>
West Lothian	<ul style="list-style-type: none"> <li>• No rate change, as rate considered to be sustainable and fair.</li> <li>• When setting the current rate in 2021, West Lothian reported the process included meetings and consultation with private partner providers, a short term working group (consisting of partner providers, Finance and Education), a survey of current costs and charges, and cost modelling.</li> </ul> <p><b>Provider Engagement</b></p>

Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<ul style="list-style-type: none"> <li>• The rate set and paid from April 2020 was set following extensive consultation with partner providers. The process commenced with an in person meeting with partner providers in the Civic Centre. Livingston to outline and agree the process (following the Scottish Government guidance on setting sustainable rate).</li> <li>• Providers were then asked to complete a financial template to return to Education Services which outlined current costs/charges with an estimate of future costs/rates. Individual meetings were held with each provider to discuss their situation. In addition, a small working group was formed attended by 3 partner providers, officers from Education Services and Finance Services.</li> <li>• Please note that the hourly rate set includes sum for ELC meal and milk/snack, as set before the roll out of the separate payment for SHMSS effective from August 2021.</li> <li>• Regular meetings are scheduled with Partner Providers and Childminder throughout the year. Sustainable rates are benchmarked with other local authorities and the information is shared with partner providers. Rates are compared with Regional Improvement Collaborative (RIC) authorities (Forth Valley and West Lothian) and again these rates are shared with partner providers.</li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• The financial information used estimates for future costs, inflation and potential increases to the real living wage (Scottish Living Wage Rates).</li> </ul>
Western Isles	<ul style="list-style-type: none"> <li>• Western Isles carried out an extensive costing exercise with funded providers and from the information received calculated a proposed rate for funded 2's and funded 3- &amp; 4-year-olds.</li> <li>• This was informed with the information gathered from each individual setting and incorporated taking into account the key aspects of Funding Follows the Child which included the following: <ul style="list-style-type: none"> <li>○ the rate will support delivery of a high quality ELC experience for all children</li> <li>○ it will be a rate that reflects the cost of delivery, including the delivery of national policy objectives</li> <li>○ the rate will allow for investment in the setting – staff, resources, and physical environment</li> </ul> </li> </ul>



Council	Summary of Approaches by Local Authorities to Setting Sustainable Rates for 2023-23
	<ul style="list-style-type: none"> <li>○ it will enable payment of the real Living Wage for those childcare workers delivering the funded entitlement.</li> </ul> <p><b>Provider Engagement</b></p> <ul style="list-style-type: none"> <li>• The Council emailed out to funded providers asking for the following information to ascertain the sustainable rate going forward: <ul style="list-style-type: none"> <li>○ An overall cost of staffing (including admin, janitorial and maintenance), if the setting was full to capacity and staffed accordingly.</li> <li>○ Capacity for funded 2's and 3–5-year-olds</li> <li>○ Current attendance numbers for funded 2's and 3–5-year-olds</li> <li>○ Overheads for Building and utility costs</li> <li>○ Overheads for materials and equipment</li> <li>○ Allowance for 'investment and development'.</li> </ul> </li> </ul> <p><b>Meeting Current Costs</b></p> <ul style="list-style-type: none"> <li>• Western Isles approach was to undertake an extensive costing exercise in collaboration with the partner provider. This was informed with the information gathered from each individual setting, as detailed in section 3 (b) and incorporated taking into account the key aspect of Funding Follows the Child which included the following: <ul style="list-style-type: none"> <li>○ the rate will support delivery of a high quality ELC experience for all children</li> <li>○ it will be a rate that reflects the cost of delivery, including the delivery of national policy objectives</li> <li>○ the rate will allow for investment in the setting – staff, resources, and physical environment</li> <li>○ it will enable payment of the real Living Wage for those childcare workers delivering the funded entitlement.</li> </ul> </li> </ul>

## Annex D

### Summary of Additional Support for Funded Providers

- The [Guidance For Setting Sustainable Rates](#), originally published in April 2019, highlights that *along with the sustainable rate, local authorities provide a range of benefits to funded providers and that it is for local authorities to decide the best package to ensure high quality ELC provision is offered to children and families, based on their own local circumstances.* Further information is provided in [Section 6 of the April 2019 Sustainable Rates Guidance](#).
- It also notes a local authority should outline the support package available, and its monetary value (where available), to funded providers at the time of application.
- Local authorities were asked to detail their additional support package, and advised they could include financial and non-financial measures.
- **Table D1** sets out the information provided by local authorities in response to this survey question.

**Table D1:** Summary of Additional Support Package provided by Local Authorities to support Funded Providers

Council	Summary of Additional Support Package for Funded Providers
Aberdeen City	<ul style="list-style-type: none"> <li>• A team of Early Learning and Childcare Locality Lead Officers providing regular Quality Improvement support and training to Funded Providers. This includes termly Quality Improvement visits, local network events and access to training and equates to: £183,000 per annum.</li> <li>• An Additional Support Needs Advisory Project (ASNAP) is commissioned from a Third Sector organisation to support children with additional support needs to uptake their statutory ELC entitlement in a Funded Provider setting. The cost of this service is £65,000 per annum.</li> <li>• Funding for accredited qualifications is also awarded to staff working in Funded Provider ELC settings as part of a commitment to workforce expansion and development.</li> <li>• Aberdeen City Council also pays for First Aid training for all Funded Provider ELC staff.</li> </ul>
Aberdeenshire	<ul style="list-style-type: none"> <li>• Aberdeenshire Council views all funded providers as equal and funds the delivery of ELC the same in a childminder as in a playgroup and a day care setting. All settings have access to the same support.</li> <li>• Aberdeenshire Council provides funding for all training for funded providers. This includes core courses such as first aid, ones which improve quality and a range of qualifications at levels up to BA.</li> <li>• The Quality Improvement Team also develop and deliver bespoke training, which all providers can access or which is specifically targeted to meet need or on request.</li> <li>• All settings have access to a teacher and additional members of the EY team such as Development Workers who support with admissions and deliver packages such as Nurture, Bookbug Baby Massage and Parenting programmes. Support to place and ensure sufficiency for 2 year olds is also delivered by the Development Workers.</li> <li>• Support for all settings is provided by the EY team proportionate to need on a Universal, targeted, and Intensive level. There is a National Standards Improvement Programme which focuses on settings at risk of failing to meet National Standards or who have recently failed to meet National Standards. Newly implemented EY Service Officer has been created to focus on practical support</li> </ul>

Council	Summary of Additional Support Package for Funded Providers
	<p>and delivery of the improvement plan. Data is showing this has had a positive impact and will be expanded.</p> <ul style="list-style-type: none"> <li>• Aberdeenshire Council also has an hourly rate, to support funded providers to meet the needs of children with Additional Support Needs. There are two rates, which are £9.30 and £10.30, depending on the level of need. If a funded provider is supporting a child or children who meet the criteria, then they can also apply for a grant for resources. The EY team support the setting to make a plan for what is required, additional staffing, resources and training.</li> <li>• Aberdeenshire Council offers a sustainability grant, which allows for a funded provider who is struggling financially to apply for up to £10,000. This can cover overheads (not salaries) and can also cover improvements to the environment, as identified by either the Care Inspectorate or the Quality Improvement team.</li> <li>• Aberdeenshire Council has regular meetings with the funded providers to hear their issues and concerns and to provide updates and information on training/recent inspections and availability of resources and EY Team input. These are at least once a term and mainly happen during the day time.</li> <li>• Meetings are also organised in the evening so that childminders can attend without children.</li> </ul>
Angus	<ul style="list-style-type: none"> <li>• All contracted providers have access to an extensive annual ELC training programme which offers a wide range of training and support for new and experienced staff at all stages in their career to engage with current theory and practice to provide high quality ELC.</li> <li>• Each contracted provider also receives bespoke support from an ELC central team member which includes termly visits and an annual quality assurance visit and report from an Early Years manager to support improvement planning. Additional targeted support for settings at risk of falling below Care Inspectorate grades 4, involves additional bespoke training, support work and visits from the EY locality team member to facilitate improvements towards identified needs following action plans.</li> </ul>

Council	Summary of Additional Support Package for Funded Providers
	<ul style="list-style-type: none"> <li>• Additional support from Angus Additional Support team and Educational Psychology team is available as required to meet the needs of all children.</li> <li>• Funding assistance for relevant national qualifications is offered to staff from contracted providers, including childminders.</li> <li>• Subsidised First Aid training is offered to contracted providers' ELC staff, including childminders.</li> <li>• Funding of 'Protecting Vulnerable Groups' checks is also offered to contracted providers' staff.</li> <li>• Business support team offers support, guidance and training with NAMS and admissions process</li> <li>• ELC central team supports the application process to become a funded provider and provides on-going contract support.</li> <li>• All contracted providers can request access to GLOW.</li> </ul>
Argyll and Bute	<ul style="list-style-type: none"> <li>• CLPL annual programme</li> <li>• Pre, during and post inspection support</li> <li>• Workforce development</li> <li>• Qualification funding</li> <li>• Grant distribution</li> <li>• Resource allocation</li> <li>• Network support</li> <li>• Additional Support Needs (ASN) funding – Argyll &amp; Bute pay an enhanced rate of £14.24 - £14.48 per hour for children with additional support needs.</li> <li>• SMHSS distribution</li> <li>• Free school meal provision</li> <li>• Learning and teaching support</li> <li>• Teacher allocation</li> <li>• Care Inspectorate (CI) support</li> </ul>

Council	Summary of Additional Support Package for Funded Providers
	<ul style="list-style-type: none"> <li>• Sharing practice fund</li> </ul>
Clackmannanshire	<ul style="list-style-type: none"> <li>• Access free of charge to training courses</li> <li>• Workforce development for required management qualifications</li> <li>• Access to ELC learning hub</li> <li>• Dedicated officer support</li> <li>• Quality Assurance</li> <li>• Inspection support</li> <li>• Access to physiological services</li> </ul>
Dumfries and Galloway	<ul style="list-style-type: none"> <li>• All providers have a link officer in the central Early Years Team to offer bespoke advice and support in a needs-based approach. Minimum of termly visits offered with intensive support in place as required.</li> <li>• Weekly bulletins have been introduced to ensure providers are kept abreast of all information, grants available, training opportunities etc.</li> <li>• Termly meetings are in place for providers to support quality of provision and share practice.</li> <li>• Regular evening meetings are in place for childminders to offer sector specific support.</li> <li>• A range of professional training opportunities continues to be offered including fully funding courses provided by external training providers.</li> <li>• All providers have been provided with a laptop to support use of NAMS and delivery of ELC.</li> <li>• Payments are made in advance and within 30 days of the start of term.</li> <li>• Additional payments are made in respect of children requiring support. Providers also have access to the Educational Visitor Service.</li> <li>• Support team provides support with NAMS including training as required, admissions, funded hours and meal and SMHSS payment processes.</li> <li>• Collaborative Forum has been established and biannual business meetings planned.</li> </ul>

Council	Summary of Additional Support Package for Funded Providers
	<ul style="list-style-type: none"> <li>• Dumfries and Galloway pay an additional rate of £10.07 per hour for children with additional support needs.</li> </ul>
Dundee City	<p><b>Financial support</b></p> <ul style="list-style-type: none"> <li>• Continued to fully fund all eligible children during unscheduled Jubilee holiday and Queens State Funeral.</li> <li>• Financial support for staff to undertake relevant qualifications (subject to available funding).</li> </ul> <p><b>Additional support measures</b></p> <ul style="list-style-type: none"> <li>• Access to a fully funded comprehensive Dundee City Council (DCC) Early Years CLPL programme -flexible delivery models available</li> <li>• Access to DCC e-learning modules</li> <li>• Regular information shared regarding a range of training that can be accessed from a range of sources (Ed Scot, CI).</li> <li>• Bespoke training for childminders and individual support from LA officer.</li> <li>• Participation in working groups.</li> </ul> <p><b>Quality Improvement</b></p> <ul style="list-style-type: none"> <li>• Early Years Team provide on-going, responsive and proportionate support and challenge including support for improvement planning and self-evaluation.</li> <li>• Minimum of 2 Quality Improvement visits with Early Years Officers.</li> <li>• Pre and post Care Inspectorate inspection guidance and support from Education Officers including attendance at CI inspection feedback.</li> <li>• Support for HMIE inspections including pre- inspection guidance and participation in the inspection process.</li> <li>• Proportionate support for providers to meet the National Standard including intensive support and additional visits for providers on Service Improvement Periods.</li> </ul>

Council	Summary of Additional Support Package for Funded Providers
	<ul style="list-style-type: none"> <li>• Regular liaison with Early Years Officers including a funded providers forum.</li> </ul> <p><b>General support and guidance</b></p> <ul style="list-style-type: none"> <li>• School Support team provide support with NAMS, applications and funding.</li> <li>• Training on NAMS as and when required.</li> <li>• Support and guidance from the Early Years team on admissions, funded hours, meal payment process and healthy milk and snack registration and payment.</li> <li>• Early Years Officers support application and assessment process to become a funded provider and provide on-going contract support.</li> <li>• School Support team/Early Years team support for applications for Deferred Entry to Primary and Early Years Panel.</li> <li>• Educational Psychology, Bilingual Service, SLT and Accessibility and Inclusion Service support.</li> <li>• Finance team support including support for the Sustainable Rate review and application and payment process for the Healthy Milk and Snack scheme.</li> <li>• Contracts team and legal team support including application and assessment process to become a funded provider and provide on- going contract support.</li> </ul>
East Ayrshire	<ul style="list-style-type: none"> <li>• Access to a teacher from the peripatetic early years teacher team for a block of time in each setting. The block of time allocated to each setting is assessed on the provider's need for support.</li> <li>• Access to support and challenge from an ELC Improvement Officer re ELC National Standards and following inspection, if required.</li> <li>• Access to training and continuous professional development at no cost to the provider.</li> <li>• Licence for Learning Journal at no cost to the provider</li> <li>• Access to GLOW at no cost to the provider</li> <li>• Access to professional networks e.g. Early Years Outdoor Learning Network and funded provider meetings</li> </ul>



Council	Summary of Additional Support Package for Funded Providers
	<ul style="list-style-type: none"> <li>• Access to Early Years Development Officer ( Workforce Planning and Training Officer) re training needs analysis for each funded provider</li> <li>• Access to an Educational Psychologist and Speech and Language Therapy Service re support, assessment and professional advice for children with additional support needs.</li> <li>• Funded Provider meeting held once per term chaired by Early Years Service Manager</li> <li>• Support for childminders via offices in East Ayrshire's Community Childcare Service</li> <li>• Support and guidance from the Early Years team on admissions, funded hours, meal payment process and healthy milk and snack registration and payment</li> <li>• Contracts/legal team support including application and assessment process to become a funded provider, including childminders and provide on-going contract support.</li> </ul>
East Dunbartonshire	<ul style="list-style-type: none"> <li>• All centres receive a minimum of 3 annual visits from their link Quality Improvement Officer. The focus of these visits is to provide support for self-evaluation, using the quality indicators from How Good is Our Early Learning and Childcare. Additional visits are planned at the request from a centre, as a follow up from a focus visit or following inspection.</li> <li>• Quality Improvement Officers support centres before, during and following inspections by the Care Inspectorate or Education Scotland and if required work with the centre to create an Action Plan to continuously improve so that the establishment meets the National Standard.</li> <li>• All centres are supported by Early Level Support Teachers who support in a range of ways including modelling practice, providing bespoke professional learning, assisting with identifying improvements, advice / support with Support for All meetings and assisting in the creation of stimulating learning environments.</li> <li>• All centres have access to Psychological Services for their children as appropriate to provide support for children, their families and the centre.</li> </ul> <p><b>Professional Learning</b></p> <ul style="list-style-type: none"> <li>• A comprehensive professional learning programme is provided for all early years' staff. Last session this included training on:- curriculum, self-evaluation, literacy, numeracy, play pedagogy,</li> </ul>

Council	Summary of Additional Support Package for Funded Providers
	<p>nurture, supporting practitioner enquiry and tests of change, planning for children's learning through environments, high quality experiences and sensitive interactions – indoors and outdoors.</p> <ul style="list-style-type: none"> <li>• Regular Funded Provider Strategic Group Meetings take place on a regular basis throughout the year along with wider Funded Provider Business Meetings to provide ongoing support and advice.</li> <li>• Self-evaluation training was offered to all management teams - this training was highly evaluated.</li> <li>• Learning Partnership Groupings have been established in session 2021-22 with all funded provider groups invited to attend. This provides a valuable forum for sharing practice, ideas and for working on aspects such as self-evaluation, standards and quality reporting and centre improvement planning.</li> </ul>
East Lothian	<ul style="list-style-type: none"> <li>• Access and support from: <ul style="list-style-type: none"> <li>○ Early Years Service Manager</li> <li>○ Education Support Officers</li> <li>○ Early Years Support Teachers</li> <li>○ Lead Officer – 1140hrs</li> <li>○ Equity and Excellence Officers</li> <li>○ Educational Psychologist</li> <li>○ Early Years Outreach Officer</li> </ul> </li> <li>• Access to training provided by East Lothian Council at no charge to providers</li> </ul>
East Renfrewshire	<ul style="list-style-type: none"> <li>• Free access to East Renfrewshire Career Long Professional Learning (CLPL) Programme Subsidised external training – including BA, Froebel.</li> <li>• Commitment from an ELC Development Officer and Quality Improvement Officer.</li> <li>• Participation in a collaborative model of self-evaluation for self-improvement.</li> <li>• Dedicated ELC teacher, with a specific remit of supporting the children of ERC that attend funded providers and assisting staff by modelling, taking part in professional dialogue, and any other request within their remit.</li> </ul>

Council	Summary of Additional Support Package for Funded Providers
	<ul style="list-style-type: none"> <li>• Access to the Educational Psychology Team supporting you to support children in your care, by providing strategies, interventions that can enable inclusion and a strong sense of wellbeing as well as providing high quality CLPL to staff.</li> <li>• Regular Early Learning and Childcare Forums to share national and local information and provide a platform for sharing good practice.</li> </ul>
Edinburgh	<ul style="list-style-type: none"> <li>• An allocated Quality Improvement Education Officer (QIEO). The QIEO provides Support and Challenge, this is delivered through a proportionate model focusing on settings who have experienced a high level of change or are not meeting the National Standard.</li> <li>• The QIEO team led by the Quality Improvement Manager (QIM) provide both universal and targeted support to support the model of continuous improvement.</li> </ul> <p><b>Universal support includes:</b></p> <ul style="list-style-type: none"> <li>• Three conference events per year- Leading the Strategy. These provide the opportunity for the central Early Years Team to share key messages and provide strategic direction for Senior Leaders. They also support collaboration, opportunities to share and moderate practice across the sector and within localities.</li> <li>• Support for Self-Evaluation: QIEOs will review the settings Standards &amp; Quality report and ensure an annual visit to discuss the Improvement Plan. QIEOs are available to settings throughout the year to support the annual Self-Evaluation cycle.</li> <li>• Support and Challenge visits linked to core Quality Indicators from national documentation: HGIOELC and The Quality framework from the Care Inspectorate. These will be proportionate and focused visits.</li> <li>• Access to Core local guidance linked to key areas to support high quality practice e.g. Planning with Children, Communication &amp; Literacy, Numeracy and Maths etc.</li> <li>• A range of CLPL/training opportunities linked to practice.</li> <li>• ASL support for practitioners and individual support for children from the central ASL team.</li> </ul>

Council	Summary of Additional Support Package for Funded Providers
	<ul style="list-style-type: none"> <li>• Pre and Post inspection support for HMIE and the Care Inspectorate Inspections. This includes attending scoping and feedback meetings and any further training/CLPL support identified</li> <li>• Targeted support, for settings who are not meeting the National Standard includes: <ul style="list-style-type: none"> <li>○ Individual support developed around the action plan for the Service Improvement Period, which could include bespoke training/CLPL specific to the focused areas.</li> <li>○ Regular support visits from the QIEO.</li> <li>○ Unannounced visits to monitor progress from QIEO and another EY officer.</li> </ul> </li> <li>• Systems and operational support <ul style="list-style-type: none"> <li>○ IT issues with NAMS</li> <li>○ entering children onto NAMS</li> <li>○ marking leavers</li> <li>○ finding children and moving from other authorities</li> </ul> </li> <li>• Support in the calculation of funded entitlement for children aged 3-5 years and T2s. This is done through email, webpage updates, circulation of EY newsletter .</li> <li>• Support in meeting Criteria 9 of the National Standard through provision of advice and processes along with monitoring.</li> <li>• Intermediary between parents and nurseries when issues arise.</li> </ul> <p><b>Monetary value of this support</b></p> <ul style="list-style-type: none"> <li>• CEC officers working with both local authority and partner providers support 113 LA Settings and 153 Partners.</li> <li>• Partners provide just under 4 million hours of funded ELC per annum.</li> <li>• The indicative average cost attributable to supporting each hour in a Partner Provider is 14p.</li> </ul>
Falkirk	<ul style="list-style-type: none"> <li>• Free access to training courses</li> <li>• Free support from small team of peripatetic early years teachers</li> <li>• Free professional advice and support from Children's Services officers</li> </ul>

Council	Summary of Additional Support Package for Funded Providers
	<ul style="list-style-type: none"> <li>• Free support, supply and distribution of Co2 monitors.</li> <li>• Regular meetings with Senior Children's Services Staff (Private Nursery Providers)</li> <li>• Support from SCMA (Childminders)</li> </ul>
Fife	<ul style="list-style-type: none"> <li>• Access to courses and training opportunities</li> <li>• Access to a development officer to support with continuous improvement</li> <li>• Delivery of quality Improvement Sessions - 4 times per year</li> <li>• Attendance at Operational Forum Sessions – 4 times per year</li> <li>• Partner provider information published on Council website</li> <li>• Access to area ELC Principal teacher and Peripatetic Nursery Teacher</li> <li>• Support from Quality Improvement Officer (ELC)</li> <li>• All partner providers triaged for support with partners clearly informed about what different levels of support can be</li> </ul>
Glasgow City	<p><b>Financial Sustainability Framework (c. £75,000 to date)</b></p> <ul style="list-style-type: none"> <li>• No funded provider services in Glasgow have closed to date due to lack of financial sustainability. During Covid, the Council put in place a financial sustainability framework intended to support any coming forward who felt this may be a concern. Over the 2 years, 2020 and 2021, only 2 providers (both third sector) came forward. Both were funded and continue to thrive today.</li> <li>• Despite the fact that Covid restrictions have been removed, the financial sustainability framework remains in place and support has recently been offered to a provider who, through no fault of their own, found themselves in difficulties which might threaten their business. A short term solution was agreed – effectively payment in advance to be recouped over an extended time by adjustments to payments as the business stabilises once more - which enables them to continue to operate until such time as the crisis is past.</li> </ul> <p><b>Workforce Support, Development &amp; CLPL (estimated total costs c.£400,000)</b></p>

Council	Summary of Additional Support Package for Funded Providers
	<ul style="list-style-type: none"> <li>Glasgow part funds staff from funded provider settings who are undertaking certificated qualifications required by SSSC. GCC currently meet up to 70% of the cost of basic Support Practitioner and Practitioner level qualifications and 60% of higher, degree level GCC also part fund Masters level qualifications which go beyond SSSC requirements.</li> <li>Glasgow provides a fully funded comprehensive training programme on a broad range of practice areas to support quality improvement in funded provider settings. Here is a <a href="#">link</a> to the Early Years website which includes further information on the broad range of training available to staff within both funded provider and GCC settings.</li> <li>Training is offered within a progressive framework which includes programmes at varying levels.</li> <li>Funded providers also receive support in the form of compliance and business support from the Monitoring &amp; Liaison Team, inspection support, training and support &amp; challenge visits from peripatetic Leaders of Early Learning teacher team and senior Area ELC Managers.</li> </ul> <p><b>Additional Support for Learning (c. £15,000)</b></p> <ul style="list-style-type: none"> <li>In early 2022, within the central ELC team, GCC appointed a part-time Senior Educational Psychologist for early years, who developed the new Early Years website for staff which in addition to general information on all training, provides comprehensive ASL information around approaches, Glasgow specific processes and links to wider training with detail of how to access it. A suite of core online training modules has been created by Glasgow Psychological Services and made available to funded providers as well as Council staff, with plans to create even more modules looking at Children's Mental Health &amp; Wellbeing in development.</li> <li>In common with Council nurseries, funded providers can access an Educational Psychology service for advice and support around the needs of specific children. GCC also shared with providers at the August 2022 meetings, plans to pilot a Staged Intervention &amp; Inclusion Meeting (SIIM) structure specifically for funded providers. This mirrors the approach used to support Council nurseries when considering children with additional needs and information will be rolled out shortly.</li> </ul>

Council	Summary of Additional Support Package for Funded Providers
	<p><b>Funding for 3 Year Olds (c. £102,000)</b></p> <ul style="list-style-type: none"> <li>Funded providers currently receive funding for 3 year olds up to a week earlier than Council nurseries do, meaning that places are funded between 1 and 5 days earlier than they would be in a Council setting.</li> </ul> <p><b>Flexible Rental</b></p> <ul style="list-style-type: none"> <li>The Council currently has 7 buildings, including 2 multi-million pound new builds and 4 major refurbishments, which have been made available to funded providers via a bidding process to establish new, expanded nursery services at no capital cost to them. Other buildings are now being made available with no capital refurbishment but permission is in place for the nursery provider to carry out their own building works if they so wish. Social economy or 3rd sector providers currently pay rent of £11,000 per year whilst private sector providers pay £22,000 per year on 10 year leases, with review built in at mid-point. Given that some of these buildings have been registered to provide for more than 130 children at any one time, this provides an extremely good potential financial return for the successful bidders.</li> </ul>
Highland	<p>The Local Authority provides:-</p> <ul style="list-style-type: none"> <li>CPL opportunities at no cost to partners, such as first aid, food hygiene, others delivered via providers outwith HC, and funded by HC.</li> <li>Access to a 'teacher' by way of Early Years Education Support Officer support advice and guidance.</li> <li>Access to the central ELC team for support and guidance.</li> <li>Access via application to additional funding to support children with Additional Support for Learning.</li> <li>Top up funding to support access to required qualifications.</li> </ul>
Inverclyde	<ul style="list-style-type: none"> <li>In addition to the sustainable rate funded providers also have access to a range of support from the Local authority.</li> <li>Termly visits to support planning for improvement.</li> </ul>

Council	Summary of Additional Support Package for Funded Providers
	<ul style="list-style-type: none"> <li>• Targeted support requests</li> <li>• Teacher access support</li> <li>• Access to LA internal and external training providers</li> <li>• Support from Central Quality improvement team</li> <li>• Support from Educational Psychology service and ASN Forum</li> </ul>
Midlothian	<p>The support delivered by the council in support of funded providers includes the following:</p> <ul style="list-style-type: none"> <li>• Qualification training</li> <li>• Mandatory training</li> <li>• CPD training</li> <li>• Quality Assurance improvement planning and process support from Principal Teachers and other officers</li> <li>• Quality Improvement visits</li> <li>• Intensive support during service improvement periods for those settings not meeting the National Standard.</li> </ul>
Moray	<ul style="list-style-type: none"> <li>• As part of the preparation for the expansion of funded hours from 600 to 1140 hours, Moray offered partner providers the opportunity to apply for infrastructure/resource and training grants. Additionally, outdoor materials grants were offered to partner providers at the start of the pandemic along with financial support related to COVID costs throughout the lockdown period.</li> <li>• Moray also offer standard in person training courses i.e. first aid as well as virtual training opportunities i.e. child protection.</li> <li>• Moray have a team of central ELC staff that support the nursery and childminder providers including Continuous Improvement Officers, Childminding Development Officer and Early Years Teachers.</li> </ul>
North Ayrshire	<ul style="list-style-type: none"> <li>• Funded provider staff are included in all professional learning that is delivered by North Ayrshire Council (NAC) staff to early years practitioners.</li> </ul>



Council	Summary of Additional Support Package for Funded Providers
	<ul style="list-style-type: none"> <li>Funded provider (FP) managers and business owners are included in all ELC Head Teacher meetings and in all relevant professional learning opportunities.</li> <li>Teacher access is provided by NAC and each FP establishment has an allocated teacher who provides learning and development and QI support for staff and managers.</li> </ul>
North Lanarkshire	<ul style="list-style-type: none"> <li>Support from link Quality Officers in regard to;</li> <li>The Quality Agenda – Meeting the National Standards (self-evaluation and quality assurance)</li> <li>Quality Improvement Visits (inhouse support and challenge)</li> <li>Pedagogical Leadership (including access to an accredited leadership programme).</li> <li>Curriculum design and implementation</li> <li>Child Development</li> <li>Play-Based Learning</li> <li>High Quality Physical Environments</li> <li>Outdoor Learning (access to bespoke training).</li> <li>Family Engagement</li> <li>Professional Collaboration and Development (access to cluster networks and a training calendar of ELC development opportunities).</li> <li>Quality Transitions</li> <li>Inclusion – GIRFEC / Child Protection / Safeguarding</li> <li>Loving Lunches / Healthy Snacks</li> <li>3 Equity and Excellence leads in partner nurseries</li> <li>Access to a training calendar of ELC development opportunities</li> <li>Membership for Early Years Scotland for all</li> <li>SCMA membership for Childminders only</li> <li>Support from the central team around admissions and payments</li> </ul>

Council	Summary of Additional Support Package for Funded Providers
	<ul style="list-style-type: none"> <li>• Participation in work groups to support improvement across the ELC service</li> <li>• Support from Psychological Services</li> </ul>
Orkney Islands	<ul style="list-style-type: none"> <li>• Orkney provide free training and development sessions at a time when childminders can attend, currently fortnightly on a Monday evening. This is open to partnership and non-partnership childminders.</li> <li>• Orkney also provide weekend sessions at times through the year, e.g. Forest School sessions with a visiting trainer.</li> <li>• Orkney have a loan library of books childminders and other early years professionals can borrow plus outdoor resources they can also borrow.</li> </ul>
Perth and Kinross	<ul style="list-style-type: none"> <li>• A wealth of CPD opportunities delivered both face to face and online.</li> <li>• A wealth of resources available on GLOW and continuously added to and updated to support high-quality practice, provision, and improvement.</li> <li>• Regular support from an Early Years Support Teacher.</li> <li>• Tailored support from members of the central team, including colleagues in Inclusion as appropriate to ensure continual improvement.</li> <li>• Termly development sessions and inset support provided to funded provider ELC leads in line with the offer to local authority ELC leads.</li> </ul>
Renfrewshire	<ul style="list-style-type: none"> <li>• Each provider and childminder is allocated a designated link Partnership Support Officer providing a minimum of a termly visit;</li> <li>• Professional advice and support on quality improvement;</li> <li>• Access to regular forums and manager sessions to advise and discuss national and local expectations and sharing of practice.</li> <li>• Access to an Early Years Graduate (in line with SIMD status) and to an Early Years Teacher;</li> <li>• Free access to high quality continued professional learning;</li> </ul>

Council	Summary of Additional Support Package for Funded Providers
	<ul style="list-style-type: none"> <li>Financial support towards external workforce training costs to assist in the compliance with SSSC requirements, including the BA degree qualification, Froebel and initial qualifications for trainee staff;</li> <li>Termly funded provider meetings with a focus on business and development matters.</li> <li>Other support services such as Educational Psychology to support with children with additional support needs.</li> </ul>
Scottish Borders	<ul style="list-style-type: none"> <li>Approx. 9,700 hours and an estimated cost of £316.5k of Early Years team time is dedicated to funded providers.</li> <li>This includes access to 130 hours teacher support each week for support/portal/Inspire/MA's training.</li> <li>Quarterly leadership meetings, network meetings.</li> <li>Direct access to central support team for NAMs, payments, queries etc. Link Officer Support, Review days and Contract meetings. (This does not include any other services time i.e. Finance for sustainable rate or ad hoc work, associated with private providers).</li> <li>In addition to this, funded providers received funding in 2021-22 for:- <ul style="list-style-type: none"> <li>£194k – ASN Grants</li> <li>£5k – Additional 10p Healthy Snack (Funded by SBC)</li> <li>£46k - SMHSS - Government Funded</li> <li>£9.5k – Service Management Fee - £450 per setting</li> <li>£14k – Catering provided by SBC (for lunch - settings that are unable to provide)</li> </ul> </li> </ul>
Shetland Islands	<ul style="list-style-type: none"> <li>Access to LA training and development</li> <li>Funding for qualifications to ensure they meet registration requirements</li> <li>Access to dedicated education support officers</li> <li>Providers who occupy an SIC premises can access a buildings support package</li> <li>Access to ELC grant funding</li> </ul>

Council	Summary of Additional Support Package for Funded Providers
South Ayrshire	<ul style="list-style-type: none"> <li>• There are a range of supports currently provided for funded providers. These include:</li> <li>• Access to shared CLPL Programme</li> <li>• Access to a teacher to work with children</li> <li>• Additional ASN support (payment for staff) as agreed</li> <li>• Support visits from the central team</li> <li>• Access to advice and guidance from Psychological services</li> <li>• Management support meetings and network meetings</li> <li>• Curriculum and management guidance and support materials</li> <li>• Admin support from central admin e.g. NAMS</li> </ul>
South Lanarkshire	<ul style="list-style-type: none"> <li>• In August 2019, South Lanarkshire Council (SLC) introduced Early Access for 3 year olds where children receive funded provision from the week following their third birthday. This policy is funding by SLC beyond statutory provision at standard hourly rates at a cost of £0.855m per annum equivalent to approximately £1.90 per hour per 3 year old for an average of three months in funded providers.</li> <li>• South Lanarkshire Council provides a range of support, guidance, personal and professional qualifications and training opportunities to all funded providers free of charge. Some examples of such opportunities are fully funded BA Childhood Practice and the Froebel certificate. SLC also invest in producing supporting curricular guidance, quality improvement and self-evaluation materials.</li> <li>• Funded providers can also access and benefit from on-call support from the central early years team, admissions support for processing applications, regular virtual meetings for sharing practice and providing support and guidance. Support is in place for pre and post inspections or areas identified for development. Since the introduction of the National Standard which set standards for ELC providers, SLC have also established processes to support those establishments whose outcomes do not meet the requirements. SLC jointly work with and support funded providers in conjunction with the Improvement Unit to engage in and support their improvement action plan.</li> </ul>

Council	Summary of Additional Support Package for Funded Providers
	<p>SLC also invest in a range of opportunities for individual providers and provide a link to an area Lead Locality Officer and an ELC Quality Officer. In addition, a range of central support is available at all times for funded providers.</p> <ul style="list-style-type: none"> <li>• The Council has also supported funded providers through a personnel team to provide advice, guidance and support for recruitment processes where needed.</li> <li>• The total annual cost is approximately £1m. This would equate to approximately £0.40p per hour per child. All of the above is provided at a zero rate to funded providers.</li> <li>• Funding as part of the Milk and Healthy Snack Scheme Scotland Regulations 2021 for pre-school children spending 2 hours or more in the care of a regulated day care provider and/or childminder that has registered for the scheme is also provided. From 1 April 2022, a national interim combined rate of 58.2p is paid per eligible child per day.</li> </ul>
Stirling	<ul style="list-style-type: none"> <li>• Stirling Council offer quality assurance support to all funder providers through the allocation of a Link Officer from the Early Years Central team to each setting, this includes both nursery and childminder settings. Funded Providers also attend termly early years business meetings and safeguarding networks where relevant updates and practice is shared. All funded providers participate in early years improvement partnerships in quads and quintets, working with partners in local authority settings for self-evaluation and improvement.</li> <li>• All funded providers are given access to a wide range of Stirling Council CLPL opportunities at no cost, this includes evening bitesize training sessions which can better meet the needs of funded providers unable to attend daytime training sessions, termly practitioner forums, curricular 'champions' training (e.g. Play, Literacy, Numeracy, Digital), first aid and food hygiene and an annual early years conference. Funding can also be made to reduce cost of access to external training opportunities, e.g. the Adventures with Alice programmes.</li> <li>• In addition, Stirling Council have a workforce development fund which all funded providers can apply to in order to support qualifications. This can be support worker or practitioner level qualifications, or support for degree level study. Practitioners who require a qualification for their</li> </ul>

Council	Summary of Additional Support Package for Funded Providers
	<p>role receive 100% funding, practitioners wishing to access a qualification to enhance their development can access up to 50% of their funding.</p> <ul style="list-style-type: none"> <li>Funded providers also have access to the Equity budget which provides additional funding to support children with ASN. All funded providers have access to support from the Stirling Council ASN Service, Educational Psychological Services and Speech and Language Therapy.</li> <li>All funded providers are provided with logins / access to Glow (where they can access all relevant Stirling Council guidance, policies and support materials), access to CPD manager (to book education training), and a google license and login (that enables them / their staff to access use google apps (mail, drive, meets, forms, sheets etc). Each setting is also given access to an online training platform, MyLO, to access essential training.</li> <li>7k per annum is allocated to the SCMA to support training for childminders, and additional funding has been made available from Stirling Council to support the recruitment drive and start-up costs for new childminders, particularly in rural areas. This allows local provision of services where it is needed.</li> </ul>
West Dunbartonshire	<p>Benefits include:</p> <ul style="list-style-type: none"> <li>Free access to all professional learning</li> <li>A designated link Partnership Education Support Officer;</li> <li>Working groups</li> <li>Annual mandatory training</li> <li>Leaders' meetings</li> <li>Partner provider meetings</li> <li>Early stages teacher allocated resource 0.2/0.1 FTE</li> <li>Access to Psychological Services support</li> <li>Link named psychologist</li> <li>Support from the central Early Years team</li> </ul>

Council	Summary of Additional Support Package for Funded Providers
	<ul style="list-style-type: none"> <li>• Preparation for inspection</li> <li>• Sharing of all guidance developed to support staff</li> <li>• Equitable access to workforce development budget.</li> </ul>
West Lothian	<p>Additional support to partner providers includes:</p> <ul style="list-style-type: none"> <li>• Support in relation to quality improvement provided by the Early Years Development team.</li> <li>• Access to all council provider ELC training events.</li> <li>• Targeted resources to support delivery of Froebelian pedagogy.</li> <li>• Access to Froebel Certificate (University of Edinburgh).</li> <li>• Support visits by EY Development team</li> <li>• Access to EY team for advice and support</li> <li>• Access to all WLC Council ELC training events including partnership events with West Lothian College.</li> <li>• Termly partnership liaison meetings with WLC senior managers,</li> <li>• Pre and post Care inspection support.</li> </ul>
Western Isles	<ul style="list-style-type: none"> <li>• Responsible for providing the cost of training, grants, and teacher time for support and transition within the limitations of the budgets allocated.</li> </ul>



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W W W . g o v . s c o t



## Appendix 3

### Response to Supplementary Questions

- a. The total number of funded hours provided in Edinburgh.
- b. The number of funded hours broken down by Council, Partner Providers, and by childminders.

The request is for 12 months to 31 May 2022 and 12 months to 31 May 2021:

We hold data from session 21-22 onwards. The information is gathered on a termly basis. The period requested stretches from May 20 which is during the pandemic and almost all settings were closed for a significant time during this period.

This is the information we provided to the Scottish Government:

May 2021 – Bubbles were still in place so not all children were able to access their full entitlement.

Banded Uptake	2-Year-Olds				3- and 4-Year-Olds			5-Year-Olds (Deferrals)		
	Local Authority Settings	PVI Settings	Childminders	Alternative Arrangements	Local Authority Settings	PVI Settings	Childminders	Local Authority Settings	PVI Settings	Childminders
600 hours or fewer	55.0				2,119.0	806.0	38.0		52.0	6.0
>600 hours, <900 hours										
≥900 hours, <1140 hours										
1140 hours	370.0	52.0	4.0		3,177.0	3,605.0	36.0		152.0	3.0

September 2021 (Note deferrals in partner settings were included in the 3-4 year old data).

Banded Uptake	2-Year-Olds				3- and 4-Year-Olds			5-Year-Olds (Deferrals)		
	Local Authority Settings	PVI Settings	Childminders	Alternative Arrangements	Local Authority Settings	PVI Settings	Childminders	Local Authority Settings	PVI Settings	Childminders
600 hours or fewer										
>600 hours, <900 hours										
≥900 hours, <1140 hours										
1140 hours	233.0	30.0	6.0		3,698.0	3,150.0	49.0	502.0		

February 2022 (Note deferrals were included in the 3-4 year old data).

[illegible]

<1140 hours										
1140 hours	379.0	44.0			5,303.0	3,742.0	30.0			

May 2022 – (Note deferrals were included in the 3-4 year old data).

Banded Uptake	2-Year-Olds				3- and 4-Year-Olds			5-Year-Olds (Deferrals)		
	Local Authority Settings	PVI Settings	Childminders	Alternative Arrangements	Local Authority Settings	PVI Settings	Childminders	Local Authority Settings	PVI Settings	Childminders
600 hours or fewer										
>600 hours, <900 hours										
≥900 hours, <1140 hours										
1140 hours	502.0	92.0			6,125.0	3,967.0	61.0			

## **Appendix 4**

### **Education, Children and Families (E,C&F) Elected Member Briefing**

At the E,C&F Committee in September 2022, members requested the following information following on from the Early Years Partner Provider Hourly Rate for Funded Early Learning and Childcare Report:

- 1.1.5 Agree to provide full detailed reports on the Gross Early Learning Annual Budgets for 2020/2021 and 2021/2022 to show how the Gross Early Learning Total Budget is allocated to the Private, Voluntary, Independent Sectors and the Local Authorities and how these allocations are calculated.

### **Early Years Expansion Update**

The Children and Young People (Scotland) Act 2014 extended provision to 600 hours for all three and four year olds and for two year olds who were looked after (including those in kinship care) and those whose parents were in receipt of out of work benefits.

There was also an original target to increase provision to 1140 hours by August 2020, however this was paused due to Covid and has been introduced from August 2022

The main aims of the expansion in ELC are to:

- improve children's outcomes and help close the poverty-related attainment gap
- increase family resilience through improved health and wellbeing of children and parents
- support parents into work, study or training

As well as the main aims stated above the expansion has other stated priorities with regard to providers

financial sustainability

partnership working

workforce recruitment and training

communications with parents and carers

### **Financial Sustainability**

The **Financial review of early learning and childcare in Scotland: the current landscape** published on 27 September 2016 noted that, at the time, across Scotland there was a difference between the average cost of providing an hour in Local Authority setting of £5.45 and procuring a place from a Private Provider of £3.70, a difference of 47%.

The report goes on to note that the large difference between costs in partner provider and local authority settings can be explained by the gap in staff costs noting that on average, for an early years practitioner, the public sector spends 80 per cent more than the private sector on staff-related costs (wages, pensions etc).

It is acknowledged that while this gap has closed due to funding provided to Local Government to support partner providers to pay the Living Wage, it does largely still exist due to the continued increased staff costs in the public sector. Some providers do pay their staff at rates above the living wage and commensurate with that paid in the public sector. However, Local Government is not funded to address the pay differential in this sector or indeed other sectors where similar differences also exist such as Adult Social Care and Older People Care Homes.

<https://www.gov.scot/publications/financial-review-early-learning-childcare-scotland-current-landscape/>

### Comparison of Rates from 2016/17 to 2022/23

Academic Year	Hourly rate paid to providers	Hourly Rate % Increase	Living Wage	Living Wage % Increase	CPI 12 month rate
2016/17	£3.60		£7.20		2.3%
2017/18	£3.70	2.8%	£7.50	4.2%	2.5%
2018/19	£3.80	2.7%	£7.83	4.4%	1.9%
2019/20	£5.31	39.7%	£8.21	4.9%	1.5%
2020/21	£5.31	0.0%	£8.72	6.2%	0.7%
2021/22	£5.42	2.1%	£8.91	2.2%	7.0%
2022/23	£6.03	11.3%	£9.50	6.6%	

The table above demonstrates the progress in paying a sustainable rate to providers since 2016/17. Hourly rates paid to providers have increased from £3.60 per hour to £6.03 an increase of 67.5% compared with an increase in the Living wage over the same period of 32%. The cumulative rate of CPI over the same period is 25.4%

It should be noted that the draft ELC sustainable rates report due to be published in coming weeks ranks Edinburgh as paying the sixth highest hourly rate in Scotland and the second highest with regard to meal payments. **See appendix**

### Allocation of Early Years Funding

#### CEC Early Years Funding

Year	CEC	Partners	Support	Apprentships	Reserves	Total
	£000	£000	£000	£000	£000	£000
2021/22	42,275	22,141	3,260	1,681	11,100	80,457
2022/23	47,033	26,110	4,216	1,336	(1,500)	77,195

#### CEC Funding

Provided for 6,125 places as at May 2022, also provided for 388 non funded places. The funding is inclusive of £269,833 of meal costs in 2021/22 and £449,702 in 2022/23.

#### Partners Funding

Provided for 3,967 places as at May 2022. The funding is inclusive of £1,798,517 of meal costs in 2021/22 and £2,037,000 in 2022/23.

## **Support**

Edinburgh currently (October 2022) has 109 PVI providers 43 Childminders in partnership to deliver funded early learning and childcare. They receive support from the CEC Early Years Team through:

- An allocated Quality Improvement Education Officer (QIEO). The QIEO provides Support and Challenge, this is delivered through a proportionate model focusing on settings who have experienced a high level of change or are not meeting the National Standard.
- The QIEO team led by the Quality Improvement Manager (QIM) provide both universal and targeted support to support the model of continuous improvement.
- Universal support includes:
  - Three conference events per year- Leading the Strategy. These provide the opportunity for the central Early Years Team to share key messages and provide strategic direction for Senior Leaders. They also support collaboration, opportunities to share and moderate practice across the sector and within localities.
  - Support for Self-Evaluation: QIEOs will review the settings Standards & Quality report and ensure an annual visit to discuss the Improvement Plan. QIEOs are available to settings throughout the year to support the annual Self-Evaluation cycle.
  - Support and Challenge visits linked to core Quality Indicators from national documentation: HGIOELC and The Quality framework from the Care Inspectorate. These will be proportionate and focused visits.
  - Access to Core local guidance linked to key areas to support high quality practice e.g., Planning with Children, Communication & Literacy, Numeracy and Maths etc.
  - A range of CLPL/training opportunities linked to practice.
  - ASL support for practitioners and individual support for children from the central ASL team.
  - Pre and Post inspection support for HMIE and the Care Inspectorate Inspections. This includes attending scoping and feedback meetings and any further training/CLPL support identified
- Targeted support, for settings who are not meeting the National Standard includes:
  - Individual support developed around the action plan for the Service Improvement Period, which could include bespoke training/CLPL specific to the focused areas.
  - Regular support visits from the QIEO.
  - Unannounced visits to monitor progress from QIEO and another EY officer.

## **Systems and operational support**

- IT issues with NAMS
- entering children onto NAMS
- marking leavers
- finding children and moving from other authorities
- Support in the calculation of funded entitlement for children aged 3-5 years and T2s. This is done through email, webpage updates, circulation of EY newsletter

- Support in meeting Criteria 9 of the National Standard through provision of advice and processes along with monitoring.
- Intermediary between parents and nurseries when issues arise.

#### Monetary value of this support

1. CEC officers working with both local authority and partner providers support 113 LA Settings and 153 Partners.
2. Partners provide just under 4 million hours of funded ELC per annum

The indicative average cost attributable to supporting each hour in a Partner Provider is 14p – this would give an equivalent hourly rate when added to the current rate of £6.17 per hour for 3 to 5 year old payments and £6.62 per hour for 2 year olds.

City of Edinburgh support also facilitated the distribution of Scottish Government Covid funding over the last two years.

#### **Apprenticeships**

This budget Provides for training costs of Early Years apprentices/trainees. There have been 7 cohorts of trainees either completed or still undergoing training. Of the most recent groups cohort 5 has recently completed with 40 of 60 recruited successfully finishing their training. Cohort 6 has 9 of 15 still undergoing training and cohort 7 has 26 of 30 still undergoing training.

#### **Reserves**

£11.1m of funding was transferred at the end of financial year 2021/22. £9.6m was transferred to the Early Years Capital Expansion programme as agreed with the Scottish Government to offset the increased building costs being incurred due to the delay in programme as a result of Covid. The remaining £1.5m was transferred to the current financial year and has been used to achieve a balanced position for Early Years in 2022/23

#### **Future Funding**

The funding received by City of Edinburgh to fund Early Years provision was significantly less in 2022/23 than in previous years, there having been a reduction of £3.263m over the last year a further £900,000 reduction will be applied to funding in 2023/24. It has only been possible to balance the current year budget through the allocation of prior year reserves, but this is a one off measure that will not be available in future years. In common with the rest of the authority and the wider public sector there will be a requirement to examine all areas of expenditure to ensure that we can continue to present a balanced budget.

## Appendix

### **Summary of local authority data on rates paid to Funded Providers to deliver an hour of funded Early Learning and Childcare (ELC)**

- Table A1 sets out the hourly rates paid by local authorities to providers delivering the funded ELC entitlement to 3, 4 and 5 year olds and eligible 2 year olds in 2021-22 and 2022-23.
- To provide consistency – and in line with the [guidance](#) (i.e. meeting the costs of delivering an hour of ELC to one child) – the rates presented in Table A1 do not include any top-ups for the delivery of the free meal commitment.
- The “Comments” column includes additional information provided by local authorities, including variations to the rate which might apply to some providers, temporary top-ups in the rates, and specific rates offered to childminders. Top-ups to the sustainable rate to cover meals and snacks are not included in the comments section, provision for meals is covered separately at Annex B.
- Due to the variation in approaches to funding children with additional support needs, variations to the rate for this purpose are not included here, but are included within comments at Annex D where the information has been provided.
- Where local authorities are currently in the process of reviewing rates to be paid to funded providers for the delivery of funded ELC in 2022-23 this is also highlighted in the comments section; the rate quoted will be the rate currently being paid.
- Where local authorities have increased their rate since the last report, we have included the month during which the new rate took effect. This may be a date prior to the date the rate was agreed upon and confirmed by a local authority if the local authority chose to backdate any increase. The exact date during the month from which the increased rate applied is not included as it was not provided by a significant number of local authorities. This field will read “N/A” (not applicable) where there has been no change since the last report.
- “2 year olds” and “3-5 year olds” is sometimes abbreviated to “2yo” and “3-5yo” respectively.



**Table A1:** Rate paid to funded providers for an hour of Early Learning and Childcare in 2021-22 and 2022-23

Council	Year	Rate paid to funded providers for one hour of ELC		Month during which increase is applied from	Comments
		2 year olds	3 - 5 year olds		
Aberdeen City	2021-22	£6.05	£5.45	August 2022	Rates for childminders: £5.75 (2yo), £5.45 (3-5yo)
	2022-23	£6.15	£5.55		
Aberdeenshire	2021-22	£6.34	£5.59	April 2022	Currently reviews rates around April each year
	2022-23	£6.61	£5.83		
Angus	2021-22	£6.68	£5.21	April 2022	Currently reviews rates around April each year Rates for nurseries operating from Council premises: £6.96 (2yo), £5.39 (3-5yo) Rates for childminders: £6.03 (2yo), £5.53 (3-5yo)
	2022-23	£7.18	£5.61		
Argyle & Bute	2021-22	£6.54	£5.78	August 2022	Pay a higher rate of £7.18 (2yo) / £6.35 (3-5yo) upon funded provider paying their staff the increased real living wage of £10.90  Childminders receiving this increased rate from November
	2022-23	£6.90	£6.11		
Clackmannanshire	2021-22	£5.42	£5.42	August 2022	Rate for childminders: £5.42
	2022-23	£6.07	£5.57		
Dumfries and Galloway	2021-22	£6.20	£5.26	September 2022	

Council	Year	Rate paid to funded providers for one hour of ELC		Month during which increase is applied from	Comments
		2 year olds	3 - 5 year olds		
	2022-23	£6.73	£5.71		Paid an interim rate of £5.53 for 3-5yo from January 2022 to September 2022
Dundee City	2021-22	£5.60	£5.31	August 2022	
	2022-23	£5.75	£5.45		
East Ayrshire	2021-22	£5.50	£5.50	N/A	Rate for childminders: £4.76 (from August 2022)
	2022-23	£5.50	£5.50		
East Dunbartonshire	2021-22	£6.40	£5.31	August 2022	
	2022-23	£6.95	£5.77		
East Lothian	2021-22	£5.31	£5.31	August 2022	
	2022-23	£7.55	£6.04		
East Renfrewshire	2021-22	£8.50	£5.31	August 2022	Providers with eligible 2yo receiving the 21-22 rate will continue to be paid at this rate for that child until they turn 3
	2022-23	£5.69	£5.69		
Edinburgh	2021-22	£5.42	£5.42	August 2022	
	2022-23	£6.48	£6.03		
Falkirk	2021-22	£5.55	£5.55	August 2022	Rate for childminders: £5.20
	2022-23	£5.70	£5.70		

Council	Year	Rate paid to funded providers for one hour of ELC		Month during which increase is applied from	Comments
		2 year olds	3 - 5 year olds		
Fife	2021-22	£5.31	£5.31	August 2022	
	2022-23	£5.65	£5.65		
Glasgow City	2021-22	£6.40	£5.40	August 2022	
	2022-23	£6.86	£5.79		
Highland	2021-22	£6.13	£5.43	August 2022	The increase in rates for 22-23 is due to a temporary uplift which will be paid until April 2023; rates beyond April 2023 are subject to review.
	2022-23	£6.66	£5.75		
Inverclyde	2021-22	£5.31	£5.31	August 2022	
	2022-23	£5.69	£5.69		
Midlothian	2021-22	£6.50	£5.31	August 2022	
	2022-23	£6.50	£6.02		
Moray	2021-22	£7.57	£6.30	N/A	
	2022-23	£7.57	£6.30		
North Ayrshire	2021-22	£5.31	£5.31	N/A	*The sustainable rates payable are currently still under review for 2022-23. Existing rate reported.
	2022-23	£5.31*	£5.31*		
North Lanarkshire	2021-22	£5.80	£5.55	N/A	Rate previously set for a three year period which ends next year; new rate expected for 2023/24
	2022-23	£5.80	£5.55		

Council	Year	Rate paid to funded providers for one hour of ELC		Month during which increase is applied from	Comments
		2 year olds	3 - 5 year olds		
Orkney Islands	2021-22	N/A	N/A		Orkney does not use private nurseries for funded provision - only childminders. For consistency with other authorities, these rates are stated below, not in the main table .  Rate for childminders: £6 (2yo), £5 (3-5yo)
	2022-23	N/A	N/A		
Perth and Kinross	2021-22	£5.50	£5.31	August 2022	
	2022-23	£5.65	£5.45		
Renfrewshire	2021-22	£8.50	£5.31	August 2022	
	2022-23	£8.50	£5.71		
Scottish Borders	2021-22	£5.65	£5.31	August 2021	The rate for 22/23 is being backdated to August 2021
	2022-23	£6.55	£6.21		
Shetland Islands	2021-22	£7.13	£5.48	August 2022	The quoted rates are for providers in receipt of the LA's Building Support Package.  Rates for nurseries not eligible for Building Support Package: £7.30 (2yo), £5.62 (3-5yo)
	2022-23	£7.77	£5.97		
South Ayrshire	2021-22	£5.31	£5.31	N/A	*The sustainable rates payable are currently still under review for 2022-23. Existing rate reported.
	2022-23	£5.31*	£5.31*		

Council	Year	Rate paid to funded providers for one hour of ELC		Month during which increase is applied from	Comments
		2 year olds	3 - 5 year olds		
South Lanarkshire	2021-22	£5.90	£5.31	August 2022	
	2022-23	£6.34	£5.71		
Stirling	2021-22	N/A	£5.55	August 2022 (2yo)	All eligible 2 year olds were with childminders in 2021-22.
	2022-23	£6.51	£5.70	April 2022(3-5yo)	Rate for childminders: £5.20 (including lunch)
West Dunbartonshire	2021-22	£5.31	£5.31	April 2022 (2 yo)	
	2022-23	£5.84	£5.67	August 2022 (3-5 yo)	
West Lothian	2021-22	£6.40	£6.40	N/A	Rate for childminders: £5.90
	2022-23	£6.40	£6.40		
Western Isles	2021-22	£5.31	£5.31	N/A	
	2022-23	£5.75	£5.75		

### Summary of Funding Arrangements for Delivery of Free Meals

- Table B1 sets out information provided by local authorities on the payments made to funded providers in the private, third and childminding sectors to deliver the free meal commitment for those children receiving funded ELC in 2022-23.
- Funding to deliver this commitment is additional to the sustainable rate and local authorities must ensure that they are transparent as to the funding being provided to private, third and childminding sector providers for the delivery of the free meal commitment.
- Local authorities may fund the free meal commitment by providing funding as a separate payment per meal, or as a 'top-up' to the sustainable rate.
- Local authorities may alternatively meet the free meal commitment by providing appropriate meals directly from in-house catering.

**Table B1: Overview of funding for settings delivering free meals to children receiving funded ELC**

Local Authority	Funding to deliver the free meal commitment
Aberdeen City	<ul style="list-style-type: none"><li>• £2.75 per meal</li></ul>
Aberdeenshire	<ul style="list-style-type: none"><li>• £2.50 per meal</li><li>• The rate is currently under review.</li><li>• Provide meals directly to some funded providers.</li></ul>
Angus	<ul style="list-style-type: none"><li>• Rate of £3 per meal</li><li>• A top-up to the sustainable rate of £0.10 per hour for snacks.</li><li>• Angus pay for up to six meals per week if children are funded on a term time only basis and take three 10-hour funded days per week; or up to five meals per week for children spreading their funded entitlement over 39 weeks or more.</li></ul>

Local Authority	Funding to deliver the free meal commitment
Argyll and Bute	<ul style="list-style-type: none"> <li>• £3.11 per meal</li> <li>• The rate is currently under review.</li> <li>• Provide meals directly to some funded providers.</li> </ul>
Clackmannanshire	<ul style="list-style-type: none"> <li>• £3 per day</li> <li>• Available via partner nurseries and childminders.</li> </ul>
Dumfries and Galloway	<ul style="list-style-type: none"> <li>• £3.00 per meal</li> <li>• Provide meals directly to some funded providers.</li> </ul>
Dundee City	<ul style="list-style-type: none"> <li>• £2.10 per meal per session</li> <li>• Funding is paid irrespective of whether a child attends their funded session or takes up the offer of a funded meal.</li> </ul>
East Ayrshire	<ul style="list-style-type: none"> <li>• £3.00 per meal</li> <li>• Provide meals directly to some funded providers.</li> </ul>
East Dunbartonshire	<ul style="list-style-type: none"> <li>• £0.50 top-up to the hourly rate</li> <li>• Provide meals directly to some funded providers.</li> </ul>
East Lothian	<ul style="list-style-type: none"> <li>• £0.35 top-up to the hourly rate</li> </ul>
East Renfrewshire	<ul style="list-style-type: none"> <li>• £0.50 top-up to the hourly rate (to a maximum of £3.00 per day)</li> </ul>

Local Authority	Funding to deliver the free meal commitment
Edinburgh	<ul style="list-style-type: none"> <li>£3.10 per meal</li> </ul>
Falkirk	<ul style="list-style-type: none"> <li>£0.37 top-up to the hourly rate for partner nurseries</li> <li>£1.90 per meal for childminders</li> </ul>
Fife	<ul style="list-style-type: none"> <li>£0.40 top-up to the hourly rate</li> </ul>
Glasgow City	<ul style="list-style-type: none"> <li>£3.00 per meal</li> <li>Funding of one meal per half day session, up to a maximum of 5 meals per week.</li> <li>This means that the child accessing their 1140 hours over 3 full days receives the same amount of funded food provision as the child accessing over 5 half days.</li> </ul>
Highland	<ul style="list-style-type: none"> <li>£3.00 per meal</li> <li>This figure includes a temporary uplift of £0.70 until April 2023, and is subject to review.</li> </ul>
Inverclyde	<ul style="list-style-type: none"> <li>£0.40 top-up to the hourly rate</li> </ul>
Midlothian	<ul style="list-style-type: none"> <li>£0.40 top-up to the hourly rate</li> </ul>
Moray	<ul style="list-style-type: none"> <li>£2.35 per meal</li> <li>Provide meals directly to some funded providers.</li> </ul>
North Ayrshire	<ul style="list-style-type: none"> <li>£3.00 per meal for partner nurseries</li> <li>£2.50 per meal for childminders</li> <li>Provide meals directly to some funded providers.</li> </ul>



Local Authority	Funding to deliver the free meal commitment
North Lanarkshire	<ul style="list-style-type: none"> <li>• £3.00 per meal.</li> <li>• Provide meals directly to some funded providers.</li> </ul>
Orkney Islands	<ul style="list-style-type: none"> <li>• £2.40 per meal</li> </ul>
Perth and Kinross	<ul style="list-style-type: none"> <li>• £2.80 per meal.</li> <li>• £0.20 per day for a healthy snack</li> </ul>
Renfrewshire	<ul style="list-style-type: none"> <li>• £3.00 per meal.</li> </ul>
Scottish Borders	<ul style="list-style-type: none"> <li>• £2.40 per meal.</li> </ul>
Shetland Islands	<ul style="list-style-type: none"> <li>• £1.99 per meal currently</li> <li>• Provide meals directly to a majority of funded providers.</li> </ul>
South Ayrshire	<ul style="list-style-type: none"> <li>• £2.87 per meal.</li> <li>• The rate is currently under review.</li> </ul>
South Lanarkshire	<ul style="list-style-type: none"> <li>• £0.50 top-up to the hourly rate</li> </ul>
Stirling	<ul style="list-style-type: none"> <li>• £0.35 top-up to the hourly rate</li> <li>• Provide meals directly to some funded providers.</li> </ul>
West Dunbartonshire	<ul style="list-style-type: none"> <li>• £3.00 per meal.</li> </ul>
West Lothian	<ul style="list-style-type: none"> <li>• £0.30 top-up to the hourly rate for meals</li> <li>• £0.10 top-up to the hourly rate for snacks</li> </ul>
Western Isles	<ul style="list-style-type: none"> <li>• £2.00 per meal.</li> <li>• Provide meals directly to some funded providers.</li> </ul>

