

## South Ayrshire Council

**Report by Director of Education  
to Cabinet  
of 20 June 2023**

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**Subject: Early Learning and Childcare Funded Provider Rates**

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**1. Purpose**

- 1.1 The purpose of this report is to seek approval and funding for an increase in the funded provider rates for academic session 2023-24.

**2. Recommendation****2.1 It is recommended that the Cabinet:**

**2.1.1 agrees to an increase in the funded provider rates for children aged three to five from £5.76 per hour to £6.05 from August 2023; and**

**2.1.2 agrees to an increase in the provider rates for children aged two to three from £5.76 per hour to £6.33**

**3. Background**

- 3.1 Under the Children and Young People (Scotland) Act 2014 Education Authorities must provide 1140 hours of funded early learning and childcare.

- 3.2 South Ayrshire currently has 12 funded providers. They currently provide Early Learning and Childcare (ELC) to 463 children aged three to five years and 23 children aged two. This number can vary year on year. This equates to 23% of the eligible children attending ELC. Working with funded providers means that there is more choice and flexibility for parents and families and partnership with local businesses. This is at the heart of the expansion of ELC.

- 3.3 An increase in the rate for 1140 hours to £5.76 was agreed in December 2022 for session 2022/23. This was an increase of 8.5% from £5.31. This rate had been in place since 2020. At that time Council requested that a further paper be prepared setting out the rate from August 2023.

- 3.4 The increased rate for two year olds reflects the higher staff child ratio for younger children.

**4. Proposals**

- 4.1 It is proposed to increase the rate by 5% for children aged three to five. The proposed rate from August 2023 would be £6.05. This takes account of increase in inflation during 2023/24. Future rates will be reviewed in line with wider budget considerations.

4.2 It is proposed to increase the funding rate by 10% for children aged two to three. The proposed funding rate from August 2023 would be £6.33. Prior to 2020 a higher rate was paid for two to three year olds.

## 5. Legal and Procurement Implications

5.1 There are no legal implications arising from this report.

5.2 The recommendations in this report are consistent with procurement requirements and reflect appropriate advice.

## 6. Financial Implications

6.1 Summary costs of options:

<b>Proposal</b>	<b>Part Year Aug 23 – Mar 24</b>	<b>Full Year</b>
Apply an inflationary increase of 5% on the current rate of £5.76 from August 2023. The proposed rate would be £6.05	£78,069	£124,910
Increase the rate for 2 year olds by 10% to £6.33	£8,105	£12,968
<b>Total</b>	<b>£86,174</b>	<b>£137,878</b>

6.2 The costs, part year and full year, will be met from existing resources.

## 7. Human Resources Implications

7.1 Not applicable

## 8. Risk

### 8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There is a risk that funded providers will not want to be part of the Framework for delivering ELC. Should the Funded Providers withdraw from the procurement framework for session 2023-24, parents will be required to look for alternative ELC provision. In a few areas, the council will not be able to provide a full range of flexibility and choice of session and days. This may have a negative impact on parents who rely on childcare to access employment.

### 8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 Rejecting the recommendations may be a risk to the sustainability of local businesses and jobs.

## 9. Equalities

9.1 An Equalities Impact Assessment (EQIA), (including the Fairer Scotland Duty in respect of any Strategic decision), has been carried out on the proposals contained in this report, which identifies potential positive and negative equality impacts and any required mitigating actions. The EQIA is attached as [Appendix 1](#).

## 10. Sustainable Development Implications

10.1 **Considering Strategic Environmental Assessment (SEA)** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

## 11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

## 12. Link to Council Plan

12.1 The matters referred to in this report contribute to Priority 2 of the Council Plan: Live, Work, Learn/ Education and lifelong learning (Outcome 1).

## 13. Results of Consultation

13.1 Consultation has taken place with Councillor Stephen Ferry, Portfolio Holder for Education, and the contents of this report reflect any feedback provided.

13.2 Consultation has taken place with Funded Providers and the contents of this report reflect any feedback provided.

## 14. Next Steps for Decision Tracking Purposes

14.1 If the recommendations above are approved by Members, the Director of Education will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Cabinet in the 'Council and Cabinet Decision Log' at each of its meetings until such time as the decision is fully implemented:

<b><i>Implementation</i></b>	<b><i>Due date</i></b>	<b><i>Managed by</i></b>
Implement the increased rates as per Council approval for session 2023/24	21 August 2023	Quality Improvement Manager

**Background Papers**    **None**

**Person to Contact**    **Aileen Valenti, Quality Improvement Manager**  
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**Date:** 12 June 2023

**South Ayrshire Council**  
**Equality Impact Assessment including Fairer Scotland Duty**

**Section One: Policy Details\***

Name of Policy	Early Learning and Childcare Funded Provider Rates
Lead Officer (Name/Position)	Aileen Valenti
Support Team (Names/Positions) including Critical Friend	Sarah Pye, Quality Improvement Officer Lyndsay McRoberts, Director of Education

\*The term Policy is used throughout the assessment to embrace the full range of policies, procedures, strategies, projects, applications for funding or financial decisions.

What are the main <b>aims</b> of the policy?	Increase rate for funded providers.
What are the intended <b>outcomes</b> of the policy?	Increase the hourly rate for funded providers

**Section Two: What are the Likely Impacts of the Policy?**

Will the policy impact upon the whole population of South Ayrshire and/or particular groups within the population? (please specify)	No specific impacts anticipated
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**Considering the following Protected Characteristics and themes, what likely impacts or issues does the policy have for the group or community?**

**List any likely positive and/or negative impacts.**

<b>Protected Characteristics</b>	<b>Positive and/or Negative Impacts</b>
<b>Age:</b> Issues relating to different age groups e.g. older people or children and young people	The evidence suggests that provision for early learning and childcare will have a positive impact on the young children in securing positive outcomes.

<b>Disability:</b> Issues relating to disabled people	No specific impacts anticipated.
<b>Gender Reassignment – Trans/Transgender:</b> Issues relating to people who have proposed, started or completed a process to change his or her sex	No specific impacts anticipated.
<b>Marriage and Civil Partnership:</b> Issues relating to people who are married or are in a civil partnership	No specific impacts anticipated.
<b>Pregnancy and Maternity:</b> Issues relating to woman who are pregnant and/or on maternity leave	No specific impacts anticipated.
<b>Race:</b> Issues relating to people from different racial groups, (BME) ethnic minorities, including Gypsy/Travellers	No specific impacts anticipated.
<b>Religion or Belief:</b> Issues relating to a person's religion or belief (including non-belief)	No specific impacts anticipated.
<b>Sex:</b> Gender identity: Issues specific to women and men/or girls and boys	It is believed that expansion of ELC, including access to ELC in funded providers, will bring particular benefits for women as the primary carers, particularly impacting upon the cost and accessibility of childcare as a barrier to return to work.
<b>Sexual Orientation:</b> Issues relating to a person's sexual orientation i.e. LGBT+, heterosexual/straight	No specific impacts anticipated.

<b>Equality and Diversity Themes Relevant to South Ayrshire Council</b>	<b>Positive and/or Negative Impacts</b>
<b>Health</b> Issues and impacts affecting people's health	There will be a positive impact on families through access to local, flexible early years provision including funded providers.
<b>Human Rights:</b> Issues and impacts affecting people's human rights such as being treated with dignity and respect, the right to education, the right to respect for private and family life, and the right to free elections.	We will continue to ensure that all service users are treated with dignity and respect. This proposal positively supports the rights to education and family life.

Socio-Economic Disadvantage	Positive and/or Negative Impacts
<p><b>Low Income/Income Poverty:</b> Issues: cannot afford to maintain regular payments such as bills, food and clothing.</p>	
<p><b>Low and/or no wealth:</b> Issues: enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future</p>	
<p><b>Material Deprivation:</b> Issues: being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies</p>	<p>The increased payment rate will enable Funded Providers to pay their workforce at Real Living Wage as required by the national standard for the provision of statutory early learning and childcare.</p>
<p><b>Area Deprivation:</b> Issues: where you live (rural areas), where you work (accessibility of transport)</p>	

### Section Three: Evidence Used in Developing the Policy

<p><b>Involvement and Consultation</b> In assessing the impact(s) set out above what evidence has been collected from involvement, engagement or consultation? <b>Who</b> did you involve, <b>when</b> and <b>how</b>?</p>	<p>There has been engagement with local funded providers.</p>
<p><b>Data and Research</b> In assessing the impact set out above what evidence has been collected from research or other data. Please specify <b>what</b> research was carried out or data collected, <b>when</b> and <b>how</b> this was done.</p>	<p>Ipsos Mori Survey of Funded Providers 2022. All funded providers invited to participate</p>
<p><b>Partners data and research</b> In assessing the impact(s) set out in Section 2 what evidence has been provided by partners?  Please specify partners</p>	<p>No specific impacts anticipated.</p>
<p><b>Gaps and Uncertainties</b> Have you identified any gaps or uncertainties in your understanding of the issues or impacts that need to be explored further?</p>	<p>None</p>

**Section Four: Detailed Action Plan to address identified gaps in:**

**a) evidence and**

**b) to mitigate negative impacts**

No.	Action	Responsible Officer(s)	Timescale
1	N/a		
2			
3			
4			

**Note: Please add more rows as required.**

**Section Five - Performance monitoring and reporting**

Considering the policy as a whole, including its equality and diversity implications:

When is the policy intended to come into effect?	21 <sup>st</sup> August 2023
When will the policy be reviewed?	Ongoing
Which Panel will have oversight of the policy?	Council

**Summary Equality Impact Assessment Implications & Mitigating Actions**

**Name of Policy:** ..... Early Learning and Childcare Funded Provider Rates

This policy will assist or inhibit the Council’s ability to eliminate discrimination; advance equality of opportunity; and foster good relations as follows:

<b>Eliminate discrimination</b>
<b>Advance equality of opportunity</b>
<b>Foster good relations</b> Support local business
<b>Consider Socio-Economic Disadvantage (Fairer Scotland Duty)</b> Support Real Living Wage payment

<b>Summary of Key Action to Mitigate Negative Impacts</b>	
<b>Actions</b>	<b>Timescale</b>

**Signed:** .....Aileen Valenti.....Service Lead

**Date:** ..30<sup>th</sup> May 2023.....