

Scottish Government submission of 10 October 2022

PE1970/A: Create an online account for parents to manage the 1140 hours of Early Learning and Childcare funding

Background

1. High quality childcare that is flexible, accessible and affordable plays a critical role in our society. It is vital to giving children the best possible start in life, to supporting families to thrive, and to ensuring that parents and carers can work, train or study. This is why the Scottish Government has nearly doubled the hours of funded early learning and childcare (ELC) for eligible children, from 600 hours to 1,140 hours per year.
2. Since August 2021, all 3- and 4-year-olds, and eligible 2-year-olds, have been entitled to 1,140 hours of funded ELC a year. Local authorities have a statutory duty to ensure eligible children can access this entitlement, and the Scottish Government provides funding to local authorities to make this funded ELC available.

Funding Follows the Child

3. [Funding Follows the Child](#) (FFTC) allows families to access their child's funded entitlement from any setting – in the public, private, third or childminding sector – which meets the National Standard, wishes to deliver the funded entitlement, has a place available, is able to offer the funded hours in-line with local ELC delivery plans, and is willing to enter into a contract with their local authority.
4. This approach places a statutory duty on local authorities to ensure availability of funded ELC that meets the needs of parents and carers in their local area.
5. Under Funding Follows the Child, and in-line with the long-standing legal position, settings must ensure that the funded hours are free at the point of access. Funding Follows the Child is a provider neutral approach, and is underpinned by a National Standard that all services wishing to offer funded ELC must meet.
6. Local authorities are responsible for setting sustainable rates for the delivery of funded ELC. Joint Scottish Government and COSLA [guidance](#) is clear that rates should reflect the costs of delivery, provide

scope for reinvestment and enable private and third sector services to pay at least the Real Living Wage to staff delivering funded ELC.

Consideration of funding models

7. The Scottish Government consulted on different models for supporting the delivery of funded ELC between October 2016 and January 2017¹ – including using ELC accounts, where parents and carers would receive funding to spend at a provider of their choice.
8. An independent Consultation Analysis Report, published on 23 March 2017², highlighted that the Funding Follows the Child (FFTC) model was identified most frequently as the preferred funding model to best support the vision for high quality and flexible ELC, which is accessible and affordable for all and ensures that every child is entitled to the same number of hours.
9. There was some support for ELC accounts, with benefits including giving parents choice and reducing bureaucracy. However, drawbacks included lack of certainty for private providers and local authorities; and risk of parents using funds for other things.
10. It should also be noted that introducing a new system would involve significant additional investment and take time to deliver.

¹ [451371 Blueprint 2020.pdf \(consult.gov.scot\)](#)

² [A blueprint for 2020: the expansion of early learning and childcare in Scotland – consultation analysis report - gov.scot \(www.gov.scot\)](#)