

COSLA submission of 2 February 2023

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

Thank you for your letter of 6th January 2023 inviting COSLA to address the issues raised in the petition relating to the delivery of Early Learning and Childcare.

Local authorities and our partners have worked hard over recent years to almost double the number of funded hours available to children. We have already seen that this offer is meeting the needs of children and their families, with increasing uptake and high levels of satisfaction. The most recent data on the rollout of the expansion [collected by the Improvement Service](#) shows:

- 93,902 children were accessing funded ELC as of the first week of September 2022.
- Of these, 91,465 children (97%) were accessing more than 600 hours, and 83,237 children (89%) were accessing 1140 hours funded ELC.
- There has been a year-on-year increase in numbers of 2- to 5-year-old children reported to be accessing funded ELC (3% increase).
- Amongst eligible 2-year-olds, there are continued year-on-year increases both in the number of children accessing funded ELC, and in the proportion of children accessing the full 1140 hours.

The Scottish Government's [Schools in Scotland 2022 statistics](#), published in December 2022 also showed:

- 99% of three and four year-olds were estimated to be registered in 2022, and increase from 97% in 2021.
- The number of two year-olds registered for the targeted ELC funded offer has increased from 6,474 in 2021 to 7,042 in 2022. This represents 14% of all two year-olds, an increase from 13% in 2021.

Finally, information collected by the Scottish Government on the [views of parents and carers](#) found that “the majority of parents are very positive

about funded ELC. The benefits to their child's social, emotional and educational development were regarded as the main reasons for using the entitlement by almost all parents”.

Considering the strength of this evidence, we do not believe that this is the right time to consider such a fundamental reform of the delivery of Early Learning and Childcare in Scotland.

Funding Follows the Child

[Funding Follows the Child](#) (FFtC) is the underpinning framework that supports the delivery of Early Learning and Childcare in Scotland. Agreed by the Scottish Government and COSLA in 2018, FFtC is designed with parental choice at its core. Local authorities act as key enablers of flexibility and choice by ensuring that there is a range of options for families in their area. Local ELC delivery plans have been developed and are updated and informed by the findings of consultations with parents which must take place every two years.

Within this framework families are able to access ELC with the provider of their choice if that provider meets the criteria set out in the National Standard, wishes to deliver the funded entitlement, has a space available, and is able to offer the funded hours in-line with local ELC delivery plans.

In practice we are seeing a strong response from parents, with [recent research](#) by the Scottish Government finding that 88% of those with a 3-5 year old and 92% with an eligible 2 year old were satisfied with the flexibility they had been offered to ‘use their funded hours in a way that meets their family’s needs’.

Sustainable Rates Setting

To be clear, we do not recognise the characterisation of the process for setting the rates paid for provision of funded ELC by private and third sector partners that is set out in the petition. Indeed, local authorities set sustainable rates for ELC provision in line with [guidance](#) agreed by the Scottish Government and COSLA. This guidance sets out clearly the factors that should be considered, including the costs of delivery, the scope for reinvestment and enabling private and third sector services to pay at least the Real Living Wage to staff delivering funded ELC. Additionally, in 2022, COSLA supported a national data collection exercise to support the improved quality and consistency of data used to support decision making.

Information [collated by the Scottish Government](#) has shown that the average rate for 3-5 year olds across those local authorities who have confirmed rates for 2022-23 is £5.77 per hour, a significant increase from the £3.68 per hour average rate in 2017-18.

Consultation

As set out in the Scottish Government's response to the Citizen Participation and Public Petitions Committee on this petition, the use of an online account was an option for the delivery of ELC and consulted on in 2017. Over two thirds of responses favoured a different approach with a number of drawbacks of the system of online accounts highlighted, including:

- Lack of certainty regarding funding for private providers and local authorities alike.
- Not predictable, may not work for rural communities, increasing fragility of provision.
- Administration could be complicated, and parents may not understand the system.
- Parents may use funding for things other than ELC.
- Relies on there being provision to choose from, which may not be the case.

These concerns would remain should a system of online accounts be introduced in the future. Additionally, this approach would remove the vital role that local authorities play in ensuring that funded ELC provision is high-quality and the range of support they provide to local funded providers – such as training opportunities – to support quality improvement.

Over and above this, the establishment of a new online account system and supporting infrastructure would be time consuming and divert investment away from the services which directly support children in ELC settings across Scotland.

We hope this letter is helpful to the Citizen Participation and Public Petitions Committee in its consideration of the petition.