

Scotland Excel

To: Executive Sub Committee

On: 28 September 2018

**Report
by
Director Scotland Excel**

Early Learning and Childcare (ELC) and Procurement: Delivering the 1140 Hours

1 Purpose

To inform the Scotland Excel Executive Sub Committee of Scotland Excel's work regarding the expansion of Early Learning and Childcare in Scottish local authorities.

2 Recommendations

Members of the Scotland Excel Executive Sub Committee are invited to note the new project that Scotland Excel is undertaking in relation to the Early Learning and Childcare expansion.

3 Introduction

Currently, every 3 and 4 year-old, and eligible 2 year olds, are entitled to 600 hours of funded childcare per year.

Local authorities use a variety of processes to ensure suitable early learning and childcare (ELC) provision is available in their local area. This includes full procurement processes to lighter touch application processes that are open year-round.

In October 2016, Scottish Government launched "A Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland". The document set out their vision to nearly double the entitlement to free ELC to 1140 hours per year by 2020 for all 3 and 4 year olds and eligible 2 year olds. The vision is underpinned by guiding principles covering:

- Quality
- Flexibility
- Accessibility
- Affordability

A Service Models Working Group (SMWG) was formed by the Scottish Government in June 2017 to develop the principles and detailed documentation for the expansion. The group has various members including local authorities (Dundee City, East Dunbartonshire, East Lothian, North Ayrshire, Highland and Edinburgh City), the Care Inspectorate and the Convention of Scottish Local Authorities (COSLA).

In particular, the work of the SMWG has focused on a new National Standard and a “Funding Follows the Child” approach.

The National Standard will contain criteria that children and their families should expect from their ELC experience, regardless of where they access their entitlement: whether in a public, private or third sector setting or through provision offered by childminders. The National Standard should ensure that there is consistency of high quality provision across all provider types while the “Funding Follows the Child” approach should ensure more choice of high quality provision for parents and carers.

4 Background

In March 2018, the Scottish Government and COSLA published ‘The ELC Service Model for 2020: Consultation Paper’ setting out the “Funding Follows the Child” approach, and seeking views of the National Standard that will underpin it. The consultation closed on 29th June, and the responses are now being analysed.

As set out in the consultation paper, a suite of operating guidance and supporting material for providers and local authorities will be required to support implementation of the new funding model and National Standard from 2020 and beyond.

Given Scotland Excel’s strong background of working across local authorities to develop and deliver national, collaborative projects, the SMWG has commissioned Scotland Excel to develop the necessary ELC supporting guidance.

5 Remit

Scotland Excel has been awarded grant funding by the Scottish Government to deliver the following work:

- A set of principles, supported by guidance on options to support local authorities and providers to establish affordable and sustainable rates for delivery of the funded hours;
- Guidance on options, including key principles, and templates to promote simplicity in the approach to become or continue to be a funded provider;
- Guidance to support new and existing providers meet the business sustainability criteria; and

- Technical guidance to support local authorities and providers in the private and third sectors and relevant childminding organisations to implement the ‘real’ living wage commitment.

By undertaking and developing these critical pieces of work on behalf of, and through engagement with, all 32 local authorities and ELC providers, Scotland Excel will reduce the need for individual local authorities to allocate local resource on ELC procurement related topics.

6 Workplan

The workplan shown below outlines the workplan and milestones to be covered within the next two years. Regular updates will be provided to the SMWG by Scotland Excel.

Activity/Milestone	Completion Date
Market overview and review of existing procurement and contracting arrangements	Mid October 2018
Guidance and set of principles for determining local sustainable rates	Mid November 2018
Financial viability workstream	Mid November 2018
Procurement guidance – Transition options	Mid November 2018
Template contract terms	End March 2019
Procurement guidance – Future options	End March 2019
Template tender documentation and assessment/ evaluation methodology	End May 2019
Supporting local authorities undertake procurement activity, ongoing service monitoring, including financial risk monitoring	June 2019 – May 2020

Table 1: Workplan for ELC project

7 Next Steps

Scotland Excel will co-produce the guidance with local authorities, with input from provider bodies and other relevant stakeholders, for example the Care Inspectorate, COSLA and the Improvement Service.

Focus groups will be set up in the coming weeks to engage with local authorities, to identify and share best practice and develop the contents of each of the guidance documents. Consultation with public, private and third sector providers, including childminders, will also be undertaken.