



IT'S TIME TO FIX EARLY YEARS' FUNDING

The Scottish Private Nursery Association (SPNA) is calling on Scotland's Government and Local Authorities to be clear and transparent on the funding for the Early Learning and Childcare (ELC) policy.

CEO of SPNA, Sharon Fairley, welcomed the recent announcement that the Scottish Government's flagship policy of funded childcare would be expanded to 1 and 2 year olds, but has called for a parliamentary inquiry into the financial implementation of the current system.

"There can be little doubt that the aims of the policy are admirable. But the simple fact is that the current policy of 1,140 hours of funded childcare for 3 and 4 year olds, and eligible 2 year olds, either didn't receive proper research to establish the level at which it should be funded, or, if it has, the full funding isn't getting through to the private, not-for-profit, and independent (PVI) sectors."

Mrs Fairley pointed out that Local Authorities are put in the unenviable position of being both funders of the PVI sector, as well as providers of Council-run nursery settings themselves. They are struggling to do both, with the conflict of interest becoming clear.

"The Scottish Government talks about 'Funding Following the Child' – which is an admirable goal. However, if funding is really following the child, why does our research show that there is a 28% difference between the highest funding Local Authority and the lowest? Governments have told us to pay the Living Wage – we simply cannot do that if Local Authorities refuse to fund Living Wage."

Sharon said that "a £476 million grant package was provided purely for Local Authorities to build new nurseries or redevelop existing ones – funding which was provided irrespective of whether there was a demand for new Local Authority settings. At the same time, private nurseries have been closing at an alarming rate, some due to the unfair conditions of the partnership with Local Authorities, with COVID and now rising energy prices only exacerbating this issue."

Sharon explained that independent nurseries often dominate in offering greater choice for parents.

"Not only do we provide the 1,140 hours with the same curriculum and standards, we also offer flexibility and can provide additional care around the funded hours. So many of our parents are key workers who have kept this country running over the last 18 months.

"But, without fair and proper funding, the private sector will continue to be negatively impacted, with some even having to close, leaving families stuck with the limited and inflexible opening times of most Local Authority nurseries. That isn't fair on parents and that isn't fair on the children. We need to learn from our experience and ensure the expanded policy is introduced properly.

"For too long childcare was seen as glorified babysitting – something which undermined the professional qualifications of our staff, while they nurture, educate, shape and care for the next generation.

"Somewhere, the funding is falling short. Either there just isn't enough being put into the system overall, or some Local Authorities are holding back on the money. We need a parliamentary inquiry into how the system is currently operating, before the new expansion."

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SPNA: For nursery owners, by nursery owners.

www.scottishpna.org/home

Scottish Private Nursery Association Ltd (Company Limited by Guarantee SC703969)



Facts and Figures:

- Nurseries account for around 67% (145,970) of all childcare places around Scotland¹.
 - 52.2% offered by Local Authority (LA) nurseries
 - 41.1% offered by Private nurseries
 - 6.8% offered by Voluntary or Not for Profit (3rd Sector) nurseries
- There is a large regional variation in the split. Typically, the more remote the local authority, the higher the percentage of LA nursery places²:
 - Edinburgh City region:

Private nurseries	51% of places
LA nurseries	36%
3 rd Sector	13%
 - Glasgow City region:

Private	44%
LA	44%
3 rd Sector	12%
 - Aberdeenshire Local Authority:

Private	44%
LA	54%
3 rd Sector	2%
 - Highland Local Authority:

Private	25%
LA	68%
3 rd Sector	7%
- The Scottish Government provides funding to Local Authorities for the provision of the ELC 1,140 hour policy, although it is unclear how much the Government provides.
- Each LA enters contractual arrangements with private, NFP, and independent nurseries, providing funding on a per child per hour rate.
- That rate is set by each individual Local Authority, with each LA having complete autonomy on deciding the rate for nurseries in their area.
- This rate typically does not consider:
 - The disparity in the cost base for LA versus non-LA nurseries.
Costs such as rent, insurance, HR and legal costs and fees, and sick leave for staff are additional expenses which PVI nurseries have to cover themselves, but which are not an additional cost for Local Authority settings.
 - The annual increase in the Real Living Wage, which nurseries are contractually obliged to pay their staff – many LAs have now paid the same rate for multiple years or have locked in a rate for 3 years.
 - Where a child lives - children may be in a nursery which is in a different LA area. Where one LA pays a different rate to another, funding is not following that child.

¹ Care Inspectorate, “[Early learning and childcare statistics 2019](#)”, published January 2021, p11

² Figures accurate for 2018, taken from the Care Inspectorate website, [Early Learning and Childcare Profiles 2018 \(careinspectorate.com\)](#)