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Convener
Public Audit Committee

By email: publicauditcommittee@Parliament.Scot

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Dear Convener,

Early learning and childcare: Progress on delivery of the 1,140 hours expansion

Thank you for your letter of 24 October seeking further information about topics that were discussed during the Committee's meeting on 5 October. I was grateful to have had the opportunity, along with colleagues from the Convention of Scottish Local Authorities, to provide evidence to the Committee. I am pleased to note from your letter that the Committee welcomes both the progress made by the Scottish Government, councils and partners to increase the availability of funded early learning and childcare (ELC) provision to 1,140 hours a year per child, and the plans that are in place to evaluate the impact of the expansion.

I note also the Committee's concern about data gaps that exist around some aspects of the delivery of funded ELC and a number of other topics, and have set out responses to each of the Committee's queries below.

Data Availability/ SEEMiS Early Years

As Eleanor Passmore and I highlighted in our evidence to the Committee we have a good understanding of data relating to funded ELC delivery and uptake from a range of collated and published information. We have also already undertaken additional work to improve the information we have available in response to the Auditor General's recommendations. For instance, the Scottish Social Services Council has now published [analysis of the movement of day care of children staff](#) from private and third sector childcare providers to public sector ones.

An important principle around the collection of any new data about funded ELC must be that there is a clear purpose for gathering the information, and that it must be done in a proportionate way that does not create unnecessary burdens for councils, providers or staff. This is consistent with Audit Scotland's own proposals for 'radical action' on data, which make clear that we must avoid 'a cycle of reporting for reporting's sake.'

We are making good progress in the development of an outcomes and measurement framework for funded ELC which will allow us to take a holistic approach to considering how ELC data can be used to achieve accountability and improvement goals, and where further data may need to be collected. We have undertaken initial development work on the framework in partnership with COSLA, recognising the wider context around accountability and outcomes provided by the Verity House Agreement, and engaged closely with eight local authorities. My team will be in touch with Audit Scotland to share findings from the first phase of work early in the new year.

As your letter recognises, an important building block in being able to collect additional ELC data from councils is the development of a new software project – SEEMiS Early Years – and I am happy to provide further details about this work. Responsibility for the delivery of the SEEMiS Early Years software rests with SEEMiS Group, an Education Management Information System (MIS) provider. The Scottish Government is providing grant funding to support the associated costs for external resources who will complement the SEEMiS development team.

The SEEMiS Project Review Board approved a proposed two-phase approach to development by SEEMiS, whereby Phase 1 will go live with staff record functionality in May 2024, followed by child record functionality in Phase 2 in October 2024. Ministers and Directors of Education have been kept informed of project progress and work continues with ELC representatives across all 32 local authorities to ensure they are fully prepared for the new go live dates.

The Scottish Government is leading a separate but related project to improve the Early Learning and Childcare (ELC) census. The current census process is an aggregated return which does not provide sufficient data to closely monitor the delivery of funded ELC. Therefore an improvement project was set up to develop an individual child level and staff census which would be able to collect more detailed information, such as information on characteristics of children and staff, and hours of funded ELC children are registered for. From this new data, we will be able to provide more detailed analysis on the use of funded ELC at a national level.

The improvement project is dependent on the SEEMiS Early Years system being in place so that an extract of data from this new system can be used as the basis for the census collection. The delays to the roll out of the new system have led to delays with improving the census process. We are currently discussing the plans to move to the new census process with SEEMiS and ELC data providers based on the new phased delivery timeline of SEEMiS Early Years set out above.

Collection of data on payment of the real Living Wage

In relation to your request for further information on progress with meeting the real Living Wage commitment in ELC, the Scottish Government published an updated [Financial Sustainability Health Check](#) of childcare providers on 31 July 2023. A key part of the analysis in the Health Check was informed by detailed surveys of registered private and third sector day care of children services which were live from 20 January 2023 to 27 February 2023. The surveys were designed to capture detailed information on services' costs of delivery, income flows, capacity and demand, charges to family, staff recruitment and retention, and overall sustainability.

The survey included the following questions to capture information on payment of the real Living Wage across the childcare sector:

- Do you currently pay at least the real Living Wage to staff in your service?
- Do you intend to pay the real Living Wage to all staff in your service by August 2023?

The responses, by type of providers, are set out in Tables 2.27 and 2.28 in the [Financial Sustainability Health Check: Analysis and Evidence](#) report. Table 2.27 set out that 56% of funded early learning and childcare (ELC) services were paying all their staff the real Living Wage, whilst 25% were paying the real Living Wage to staff delivering funded ELC. In total this meant that 81% of funded ELC services who responded to the survey were paying the real Living Wage to all their staff or to those staff who were delivering funded ELC. Of the 108 private and third sector day care of children services who responded to the survey, 64 of them were funded ELC providers.

Capturing and considering children’s views in future evaluation of ELC policy

Moving on to your request for further information about how we plan to capture children’s views within ELC policy, we are committed to doing this in line with the UNCRC and the new commitments we will have as part of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Bill. Children’s development and wellbeing are at the heart of the ELC expansion, and our evaluation will use a range of measures to assess the impacts of the expansion on children. We published the evaluation strategy for the 1140 evaluation last October, and the focus for our policy and analytical resource during 2023-24 is on ensuring that the post-expansion phases of the Scottish Study of Early Learning and Childcare are completed as planned.

We must make sure children’s voices are incorporated in evaluation and policy development in a meaningful and ethical way, as well as understanding where practice within early learning and childcare is already supporting this to happen. To this end we are engaging with experts - including our Monitoring and Evaluation Working Group - and considering examples of good practice, to make sure we have the right approach to incorporating the views of children. We will set out a more detailed plan for this work in 2024.

Net Zero and ELC public buildings

Finally, turning to your request for information about Net Zero and ELC buildings, the Scottish Government’s Net Zero Public Sector Buildings Standard (NZPSBS) is a voluntary standard and is applicable across all new, or major refurbishment construction projects. Within the NZPSBS, three areas must be addressed: Moving towards zero direct emissions heating; reducing energy consumption; and offsetting any residual emissions, such as through tree planting.

There is no data currently available that would enable the calculation of an estimated cost to retrofit relevant ELC public buildings in accordance with the NZPSBS. As the Committee will appreciate, the learning estate is diverse, and each public sector ELC setting – whether standalone or within a primary school building – has different characteristics in relation to its age, scale, construction type, heating systems, insulation measures, location, and so on. The specification and cost of work that would be required to retrofit each setting would be unique to the individual circumstances of the site.

I hope this information is helpful to the Committee.

Yours sincerely,

Neil

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