



Equality Impact/Fairer Scotland Duty Assessment Form

(To be completed with reference to Guidance Notes)

Step 1

Name of Proposal:

REPORT: CHILDREN AND LEARNING COMMITTEE REPORT NO. XX / 22

**TITLE: OPEN FRAMEWORK (AUG 2020 – JUL 2025) FOR FUNDED
EARLY LEARNING AND CHILDCARE –
REVIEW OF SUSTAINABLE HOURLY RATES**

Step 2

Is this only a **screening** Equality Impact Assessment **No**

(A) If Yes, please choose from the following options **all** reasons why a full EIA/FSD is not required:

(i) It does not impact on people **No**

(ii) It is a percentage increase in fees which has no differential impact on protected characteristics **No**

(iii) It is for information only **No**

(iv) It is reflective e.g. of budget spend over a financial year **No**

(v) It is technical **No**

If you have answered yes to any of points above, please go to **Step 16**, and sign off the Assessment.

(B) If you have answered No to the above, please indicate the following:

Is this a full Equality Impact Assessment **No**

Is this a Fairer Scotland Duty Assessment **No**

If you have answered Yes to either or both of the above, continue with Step 3.

If your proposal is a **strategy** please ensure you complete Step 13 which is the Fairer Scotland Duty Assessment.

Step 3

(i)Lead Directorate/Service: **Education and Lifelong Learning**

(ii)Are there any **relevant** statutory requirements affecting this proposal? If so, please describe.

The Children and Young People Act (Scotland) 2014 (the 2014 Act) made 600 hours of funded ELC per year available for all three and four-year-olds (from the relevant start date) and extended the entitlement to eligible two-year-olds. In a joint agreement with local government, the Scottish Government committed to increase the entitlement to 1,140 hours per year from August 2020.

Funding Follows the Child and the National Standard for Early Learning and Childcare (ELC) was introduced with the national roll-out of 1,140 and aims to ensure that all providers delivering funded hours will meet a National Standard. Payment of sustainable hourly rates to providers is a key aspect of Funding Follows the Child and vital to supporting their sustainability.

The guidance requires that sustainable hourly rates meet the following:

- **the rate will support delivery of a high quality ELC experience for all children**
- **it will be a rate that reflects the cost of delivery, including the delivery of national policy objectives**
- **the rate will allow for investment in the setting – staff, resources and physical environment**
- **it will enable payment of the real Living Wage for those childcare workers delivering the funded entitlement**

The guidance also sets out clear standards around Fair Work Practices which contracted providers of funded ELC must meet.

(iii)What is the aim of the proposal? Please give full details.

The aim of the proposal is to review and increase the hourly rates we pay to contracted providers of funded ELC to ensure they are sustainable and providers continue to be financially viable. The review has been instigated by sharp rises in costs and wages since August 2021; and by a National Costs Collection exercise commissioned by Scottish Government in 2022.

The aim is also to ensure that our sustainable hourly rates enable providers to pass on the latest real Living Wage rate to all staff directly involved in the delivery of funded ELC. While we cannot mandate that they pay it, we have made our expectations around Fair Work Practices clear in the contract terms and conditions.

The final aim is to bring forward the annual rate increase from August to April each year. The annual real Living Wage increase is announced mid-November each year but is not currently incorporated into our hourly rates for funded ELC until the following August. By bringing this forward to April we will be supporting our

contracted providers to implement the real Living Wage increase within six months of its announcement, as recommended by the Living Wage Foundation.

(iv) Is it a new proposal? **No** Please indicate OR

Is it a review of e.g. an existing budget saving, **report**, strategy, policy, service review, procedure or function? **Yes** Please indicate

Reference is made to Committee Report [354/19](#), approved by the Children and Learning Committee on 5 November 2019. The report outlined the procurement strategy for funded ELC in non-local authority settings in Angus from August 2020, including the sustainable hourly rates to be paid to contracted providers.

Reference is made to Committee Reports [280/20](#) and [239/21](#), approved by the Children and Learning Committee on 17 November 2020 and 12 August 2021 respectively, which detailed the increased costs of delivering funded ELC in the context of COVID-19 and sought approval to implement a process for increased financial support to contracted providers until restrictions ended, later referred to as the ‘Covid Costs Recovery’ process.

Step 4: Which people does your proposal involve or have consequences for?

Please indicate all which apply:

Employees	No	(This does not apply to council employees whose remuneration is dealt with via a separate negotiation process)
Job Applicants	No	
Service users	No	
Members of the public	Yes	(This applies to employees of the providers we contract with for funded ELC provision)

Step 5: List the evidence/data/research that has been used in this assessment (links to data sources, information etc which you may find useful are in the Guidance). This could include:

Internal data (e.g. customer satisfaction surveys; equality monitoring data; customer complaints).

Internal consultation (e.g. with staff, trade unions and any other services affected).

External data (e.g. Census, equality reports, equality evidence finder, performance reports, research, available statistics)

- **[Costs of Early Learning and Childcare Provision in Partner Provider Settings \(2016\)](#)**
- **Estimating the Costs of Early Learning and Childcare Provision in Partner Provider Settings (2022)** (Not yet published)

- [Living Wage Foundation](#)
- [Consumer Price Index \(Housing\) \(12 months\)](#)
- [Early Learning and Childcare Workforce – Final Report \(October 2019\)](#)

External consultation (e.g. partner organisations, national organisations, community groups, other councils).

Contracted providers were consulted in 2019 on the method used to calculate sustainable hourly rates and on the proposed rates to be paid from August 2020. Providers' views were taken on board and the outcome was broadly positive. Some childminders expressed concern that their lower rate was somehow indicative of the value the council placed on their services. But they were reassured by the council's response – which was to give a detailed presentation of the methodology at an evening meeting held on 5 December 2019. For transparency and to assist prospective providers wishing to join the Framework, the minute of the meeting is published on Public Contracts Scotland as part of the suite of tender documents.

The 2022 costs data on which our proposed new rates will be based were released by Ipsos MORI on 16 May 2022 and at the time of writing have not been analysed in detail yet. Data specific to the costs of delivering funded ELC in a childminder setting are expected in June/July 2022. A small number of providers, including one childminder so far, have volunteered to work through the rate setting process with us.

Other (general information as appropriate).

Step 6: Evidence Gaps.

Are there any gaps in the equality information you currently hold? **Yes**

If yes, please state what they are, and what measures you will take to obtain the evidence you need.

Equalities information specific to the childcare workforce has been reported by Scottish Government and COSLA in their [Early Learning and Childcare Workforce – Final Report \(October 2019\)](#). The report establishes that the childcare workforce in Scotland is predominantly female.

The Ipsos MORI report on Estimating the Costs of Early Learning and Childcare Provision in Partner Provider Settings found that, for the Tayside Regional Improvement Collaborative, 10 out of 39 respondents to the costs survey reported that more than 30% of their staff are paid below the real Living Wage rate.

The gap in our equality information is at the local level. We do not know how many or which of our contracted providers of funded ELC in Angus currently pay the real Living Wage and to what proportion of their staff. We hope to gain a better understanding by August 2022 - by continuing to build mutual trust with our providers, by being transparent about our rate setting process and by listening and responding in a fair and balanced way to all their views and concerns.

Step 7: Are there potential differential impacts on protected characteristic groups?
Please complete for each group, including details of the potential impact on those affected. Please remember to take into account any particular impact resulting from **Covid-19**.

Please state if there is a potentially positive, negative, neutral or unknown impact for each group. Please state the reason(s) why.

Age

Positive Impact

According to the report on the Early Learning and Childcare Workforce commissioned by Scottish Government and COSLA (published 30 October 2019) childcare workers in Scotland are predominantly female (96%) with an average age of 26 years. The report found that 100% of the childminding workforce is female with an average age of 43.

Disability

Impact

Gender reassignment

Impact

Marriage and Civil Partnership

Impact

Pregnancy/Maternity

Impact

Race - (includes Gypsy Travellers)

Impact

Religion or Belief

Impact

Sex

Positive Impact

According to the report on the Early Learning and Childcare Workforce commissioned by Scottish Government and COSLA (published 30 October 2019) childcare workers in Scotland are predominantly female (96%) with an average age of 26 years. The report found that 100% of the childminding workforce is female with an average age of 43.

Sexual orientation It may also serve to attract a higher quality and more diverse workforce.

Impact

Other implications

Increasing our hourly rates for funded ELC to ensure providers are able to pay at least the real Living Wage to their staff may help narrow the gender pay gap and to attract a higher quality, more diverse workforce.

Step 8: Consultation with any of the groups potentially affected

If you have consulted with any group potentially affected, please give details of how this was done and what the results were.

If you have not consulted with any group potentially affected, how have you ensured that you can make an informed decision about mitigating action of any negative impact (Step 9)?

There has been no consultation with the group. The impact of an increase to the sustainable hourly rate we pay for funded ELC, provided the wage element is passed on to staff, will be positive.

Step 9: What mitigating steps will be taken to remove or reduce potentially negative impacts?

Not applicable

Step 10: If a potentially negative impact has been identified, please state below the justification.

Not applicable

Step 11: In what way does this proposal contribute to any or all of the public sector equality duty to: eliminate unlawful discrimination; advance equality of opportunity; and foster good relations between people of different protected characteristics?

Narrowing the gender pay gap would be an advance in equality of opportunity for the predominantly female workforce.

Step 12: Is there any action which could be taken to advance equalities in relation to this proposal?

While we cannot mandate that contracted providers pay the real Living Wage, we can work more closely with them to increase all our understanding of the importance of fair and equal pay for the ELC workforce. Fair Work Practices is a requirement of Funding Follows the Child and the National Standard for ELC and as part of our contract monitoring processes, a review of Fair Work Practices is planned for the early part of 2023.

Step 13: FAIRER SCOTLAND DUTY

This step is only applicable to **strategies** which are key, high level decisions. If your proposal is **not** a strategy, please leave this Step blank, and go to Step 14.

Links to data sources, information etc which you may find useful are in the Guidance.

Step 13(A) What evidence do you have about any socio-economic disadvantage/inequalities of outcome in relation to this strategic issue?

Step 13(B) Please state if there are any gaps in socio-economic evidence for this strategy and how you will take measures to gather the evidence you need.

Step 13(C) Are there any potential impacts this strategy may have specifically on the undernoted groupings? Please remember to take into account any particular impact resulting from Covid-19.

Please state if there is a potentially positive, negative, neutral or unknown impact for each grouping.

Low and/or No Wealth (e.g. those with enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future).

Impact

Material Deprivation (i.e. those unable to access basic goods and services e.g. repair/replace broken electrical goods, warm home, leisure and hobbies).

Impact

Area Deprivation (i.e. where people live (e.g. rural areas), or where they work (e.g. accessibility of transport)).

Impact

Socio-economic Background i.e. social class including parents' education, people's employment and income.

Impact

Other – please indicate

Step 13(D) Please state below if there are measures which could be taken to reduce socio-economic disadvantage/inequalities of outcome.

Step 14: What arrangements will be put in place to monitor and review the Equality Impact/Fairer Scotland Duty Assessment?

Step 15: Where will this Equality Impact/Fairer Scotland Duty Assessment be published?

Step 16: Sign off and Authorisation. Please state name, post, and date for each:

Prepared by: **Lynn Duncan, Senior Practitioner Strategic Partnerships 18 May 2022**

Reviewed by:

Approved by:

NB. There are several worked examples of separate EIA and FSD Assessments in the Guidance which may be of use to you.
