



## Equality Impact/Fairer Scotland Duty Assessment Form

(To be completed with reference to Guidance Notes)

### Step 1

Name of Proposal:

**TITLE: OPEN FRAMEWORK (AUG 2020 – JUL 2025) FOR FUNDED EARLY LEARNING AND CHILDCARE (ELC) – SUSTAINABLE HOURLY RATES (SEE STEP 3, (II) AND (III))**

### 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 **Yes**

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 our partner providers is a key aspect of Funding Follows the Child and vital to supporting their sustainability.**

**The guidance requires that sustainable hourly rates paid to partner providers meet the following:**

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

**However, the guidance also highlights that from a local authority perspective, rates must be sustainable in terms of the budgets available, and that the following points are also important to consider when setting the rates for partner providers:**

- **the rate does not have a detrimental effect on the local authority's ability to continue to pay for the service in the long-term**
- **the wider package of 'in-kind benefits', which are separate to the sustainable rate, available to partner providers as part of their contract with the authority**

**The guidance also sets out clear standards around Fair Work Practices which partner 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 the methodology for setting the sustainable hourly rates we pay our partner providers of funded ELC to ensure a better balance is struck between sustainability for the provider and affordability for the council. The review has been instigated by sharp rises in costs and wages since August 2021; and by concern over the efficacy of the data on which our rates are currently based (the Ipsos Mori survey of ELC partner providers' costs commissioned by Scottish Government in 2022).**

(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 Report [144/22](#) approved by the Children and Learning Committee on 14 June 2022, which described the external factors influencing the sustainability of the hourly rates we pay for funded ELC from the provider perspective; and sought approval to backdate the annual rate increase (due August 2022) to April 2022.

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

Please indicate all which apply:

Employees	<b>No (This proposal does not apply to Council employees)</b>
Job Applicants ELC)	<b>Yes (For those applying to external providers of funded ELC)</b>
Service users	<b>No</b>
Members of the public	<b>Yes (This proposal impacts on the employees of external providers of funded ELC, with whom the Council contracts)</b>

**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 \(Ipsos Mori, 2016\)](#)
- 'National Costs Collection' survey of ELC partner providers (Ipsos Mori, 2022) (Not published)
- [Funding Follows the Child and the National Standard for ELC Providers: Interim Guidance – update May 2022](#)
- [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).

Partner 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. These rates were based on the published, national data from the Ipsos Mori 2016 survey of ELC partner providers costs, which attracted 191 responses from across Scotland.

Current rates are based on the latest survey data (Ipsos Mori 2022). The national dataset is unpublished and local authorities were given access to local data only, and/or data for their Regional Improvement Collaborative (RIC) if insufficient local responses were received. The total number of responses received for Tayside was 40, of which 17 were from partner providers in Angus.

The Angus and Tayside RIC data show that the average cost of delivering an hour of ELC in a private and voluntary (P&V) setting in Angus is 10% higher than the average for Tayside. At individual authority level, the Angus average cost is 20% to 25% higher than in Perth & Kinross and Dundee.

To understand the cost disparity better, and with a view to ensuring best value, the council will be conducting a local study of ELC providers' costs on which to base our sustainable hourly rates from August 2023. We will be challenging the areas of significantly higher spend compared to the Tayside authorities and working with our partner providers to understand where savings may be achieved without impacting on the quality of the service or their staff.

According to the Ipsos Mori 2022 survey, an area of significantly higher spend in Angus is on staff costs. Yet the survey reports that 15 out of 39 respondents in Tayside pay more than 30% of their staff below the real Living Wage (RLW) rate. Unfortunately, the number of Angus survey respondents fell below the threshold for reporting at a local level.

Therefore, as part of the planned local study of ELC providers' costs, we will be aiming to establish whether our partner providers are passing on the RLW element of the sustainable hourly rate to their funded ELC delivery staff. And we will be increasing our efforts to ensure all funded ELC delivery staff are paid at least the RLW rate within six months of its announcement by the Living Wage Foundation.

**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 2022 survey of ELC providers' costs found that 15 out of 39 respondents in Tayside were paying 30% of their staff below the RLW rate.

The gap in our equality information is at the local level. We do not yet know how many or which of our partner providers are paying the RLW rate and to what proportion of their funded ELC delivery staff. We hope to gain a better understanding by August 2023 as part of the local study of ELC providers' costs.

**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

**Neutral Impact**

Gender reassignment

**Neutral Impact**

Marriage and Civil Partnership

**Neutral Impact**

Pregnancy/Maternity

**Neutral Impact**

Race - (includes Gypsy Travellers)

**Neutral Impact**

Religion or Belief

**Neutral 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

**Neutral Impact**

**Other implications**

**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 staff employed by our partner providers. While the proposed change to the methodology for calculating sustainable hourly rates from August 2023 is likely to result in a rate reduction overall, the element of the rate associated with staff costs will keep in step with the RLW rate. Provided the RLW element is passed on to providers' staff, the impact 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?**

**There would be an advance in equality of opportunity for the predominantly female workforce by achieving the RLW.**

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

**While we cannot mandate that partner providers pay the RLW rate, we can work more closely with them to increase all our understanding of the importance of fair and equal pay for the ELC workforce.**

**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.

**Neutral 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).

**Neutral Impact**

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

**Neutral Impact**

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

**Neutral 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?**

**The EIA will be kept under review as developments progress.**

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

**The EIA will be published alongside the Committee Report.**

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

Prepared by: Lynn Duncan, Senior Practitioner Strategic Partnerships 5 May 2023

Reviewed by: Doreen Phillips, Snr Practitioner (Equalities) 10 May 2023

Approved by: Neil Lowden, Service Leader, 11 May 2023

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