

**Date: 22 November 2023**

By email only to:

[publicaudit.committee@parliament.scot](mailto:publicaudit.committee@parliament.scot)

Dear Mr Leonard,

Thank you for your letter of 24 October regarding the Committee's work looking into the delivery of the funded early learning and childcare policy.

We welcome the opportunity to provide more information on the FOI data collection we conducted earlier this year ahead of the 2023/24 academic year starting.

We have continued to collect information from councils about their new funding rates and I have also attached the updated spreadsheet of data collection which includes four further responses which have been received in November. Unfortunately due to a number of councils failing to respond in the previous year it is not possible to present a comparison for each council.

We have also had to revise one rate which had been provided with a lunch rate as part of the hourly rate, rather than as a separate amount of funding.

We still have outstanding questions about rates in East Ayrshire, where the council have said a decision will be made in early December on August funding rates. At the same time we have responses from East Dunbartonshire and East Lothian that the rates are still under review while Orkney does not have partner provider rates because they do not deliver through any partner settings.

This means that there are still partner nurseries and providers in three local authority areas who are delivering funded ELC places without knowing what the hourly funding rates they will receive. This is into the fourth month of the academic year. We are concerned that the National Standard contains requirements about settings' financial sustainability while these same settings are expected to deliver services without knowing the rates they will be paid for this work.

The delays in sharing this information with partner providers leaves nurseries struggling with forward planning and can impact cash-flow as well.

You also asked about any other area of information we would be able to share. I was hoping to be able to include in this letter an update to our FOI research into the financial breakdown of ELC spend by local authorities. Last year we found that over 30% of the funded ELC hours were delivered by partner providers but only 20.5% of the ELC budget in councils was allocated to delivery through these partners.

**\*Brighter thinking  
for early years**



National Day Nurseries Association

We will shortly have a full range of responses to the same enquiry this year and I will write to you with an update when this is available.

You will be aware that the Low Pay Commission has published new National Minimum and National Living Wage rates from April next year. The different bands will increase by between 9.8% and 21% depending on a recipient's age while the Real Living Wage, a requirement under the national Standard, is due to increase by 10% to £12.00 per hour. These increases will be unsustainable if funding rates do not keep pace.

If you would like any further information or have any follow up questions about this issue then please come back to me. We would be happy to provide formal evidence to your Committee and can also arrange for members to provide their own experiences as well.

Yours sincerely,

Purnima Tanuku OBE  
**Chief Executive**

**\*Brighter thinking  
for early years**

**National Day Nurseries Association**

National Early Years Enterprise Centre, Longbow Close, Huddersfield HD2 1GQ  
tel: 01484 407070 fax: 01484 407060 info@ndna.org.uk [www.ndna.org.uk](http://www.ndna.org.uk)

Company Limited by Guarantee. Registered in England. Company No. 3738616. VAT No. 123353839. NDNA is a registered charity in England and Wales (1078275) and Scotland (SC040610)