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Dear First Minister

Early Years Scotland: Response to Scottish Real Living Wage Announcement

My name is Jane Brumpton, and I am the CEO of Early Years Scotland (EYS). I write to you with reference to the recent announcement regarding the increase of the Real Living Wage increase to £12. EYS will always support measures to ensure that the lowest paid workers in Scotland are provided with an appropriate wage. The announcement, therefore, on 24 October of an increase to £12 per hour for the Real Living Wage is a positive step in supporting workers and their families at what is an extremely challenging time for everyone. Our organisation, working with families in communities throughout Scotland, unfortunately sees first-hand the impact of the cost-of-living crisis on our youngest children.

We are, however, disappointed that this announcement closely followed the Scottish Government's priority commitment to recognise the importance of the early year's workforce, by promising to increase their wage to at least £12 per hour. Sadly, what seemed like a positive policy initiative at the time does not now, unfortunately, place relevant value on the early years sector which appeared to be in place when the Programme for Government was announced. EYS and our membership nationally, firmly believe providing children with vital and positive early years opportunities requires a highly skilled, qualified, valued and ultimately appropriately paid workforce. When you made your announcement in September, we struggled to even be cautiously optimistic due to a range of issues which have been raised by representatives of the early learning and childcare sector and within our EYS National Steering Group.

As it stands (under the National Standard and Funding Follows the Child guidance) it is entirely possible to pay those who look after 3-5 and eligible 2-year-old children, more than those who care for our youngest unfunded babies and toddlers. The reality, however, is that few settings do implement this as fair employers, and in fact pay all ELC staff the same pay, with relevant increases and increments accordingly. Any change via an uplift for those providing funded early learning and childcare (ELC) could, in theory, lead to either further disparities based on the age of children staff are supporting, or an increased strain on providers with the payment of higher wages overall, without the guarantee that local authorities will honour this uplifted rate.

Parents of babies and 2–3-year-olds already pay more in fees due to the higher ratios required for this age group. Therefore, private, voluntary, and independent (PVI) settings, who provide a significant amount of ELC for this age group, have increasingly no choice but to charge parents more to balance the books. The ELC sector is already struggling financially due to ongoing low rates for the funded entitlement paid by their local authority, and the significant disparities between the amounts paid nationally.

There is a pervasive gulf which already exists within our sector, where practitioners within local authority settings are paid significantly more than the funding shared with the PVI sector. Given the funding disparities, it can often be the case that a manager in a PVI nursery is paid the same as a local authority practitioner level in a LA setting. With the implementation of the £12 per hour payment it is therefore highly likely to see that gulf widen, making it increasingly more challenging for the sector to provide the high-quality early learning and childcare that Scotland's children deserve, regardless of the setting they attend.

Local authority settings tend to offer less flexible ELC opportunities than PVI colleagues, with many only taking the 3-5 age range. PVI providers are therefore often relied upon to look after younger children as well as 'topping up' the 1140 provision by being able to offer sessions which fully support working parents. This part of the sector is, however, struggling to recruit and retain staff nationally, who are understandably moving into LA provision because

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the current financial climate means individuals and families are having to maximise income opportunities where possible. As a result, highly trained, high-quality staff are even leaving the sector altogether because they can be paid the same or a higher amount working in a local supermarket with significantly less stress and pressure. That is a critical indictment of where we are at present and should be concerning for policy and decision makers.

There are real and valid concerns amongst PVI ELC providers as to how they can meet this increased RLW rate with the funding they receive at present. There are 32 separate councils making individual funding decisions despite the expansion to 1140 hours being a national policy governed by a range of national documents which all providers must adhere to. To date, we are unaware of any agreements regarding additional funding being made available to local authorities to honour the RLW commitment. Without this critical knowledge and support nationally, there remains profound stress and anxiety within the PVI sector as to how settings can continue to operate.

EYS Members have confirmed that many local authorities will not be reviewing funded rates until at least April 24, and even then, any relevant uplifts will not be applied until August 24 at the earliest. This creates an unsustainable gap from when the RLW requires to be introduced.

Members have also contacted EYS this week in desperation following the Living Wage Foundation announcement, which is seen as a *"yet another blow for the sector"*. It has created understandable anger and frustration within a sector that feels increasingly undervalued. ELC was an essential part of keeping the country moving during the pandemic, and what appears to be a consistent undervaluing of the vital role carried out by the early years workforce is devastating to the health of the sector overall.

EYS therefore calls for urgent action to support appropriate funding rates, based on relevant and up to date PVI cost data, so that the sector can have parity of pay alongside those afforded to ELC local authority staff. We should be promoting and supporting a thriving early years sector, which realises the ambition of the intention behind the Scottish Government's flagship 1140 hours expansion policy. Where the PVI sector is treated equally as local authority counterparts, promoting unity, and breaking down barriers of significant and polarising disparities between pay, and terms and conditions.

What is imperative in all of this is the recognition and value attached to the importance of the early years, supported by relevant and robust policy ambitions. Our youngest citizens, who were born into a world turned upside down in recent years, affected by a lack of engagement with their peers during periods of restrictions, cannot be guaranteed the positive early years' experience they both deserve and are entitled to. Given everything the sector has gone through in recent years, we fear, and already see evidence of, an ever-increasing national shortage of qualified ELC staff to provide these vital services.

Early Years Scotland would, therefore, appreciate the opportunity to meet with you to discuss these issues further. Our organisation is completely committed to supporting and driving forward the Scottish Government's anti-poverty agenda through the provision of high-quality, accessible, flexible early learning and childcare. However, unless the issues outlined within this correspondence are recognised and urgently addressed, it is difficult to see how this flagship policy can be fully realised in a way which benefits both those providing them, and, most importantly, Scotland's children nationally.

Yours Sincerely

Jane Brumpton

Jane Brumpton
CEO, EYS