

GUIDE TO THE CHILDCARE PROVIDER DEPOSIT GUARANTEE SCHEME

For Parents and Childcare Providers

As part of the arrangements for the Childcare Provider Deposit Guarantee Scheme (the “**Scheme**”), there is a contract between the Scottish Government and Early Years Scotland (“**EYS**”). This contract is a Guarantee and Indemnity (the “**Guarantee**”).

When childcare providers and parents take part in the scheme, they have to sign other contractual documents and these refer back to the Guarantee. This is because the Guarantee contains some obligations which sometimes could apply to childcare providers and parents.

It is important for childcare providers and parents to read the Guarantee, so that they understand these obligations. To help childcare providers and parents understand it, this simple guide explains the legal obligations and when they might apply.

When can a childcare provider ask EYS to pay a deposit?

Paragraph 3.1 (a) to (c) of the Guarantee explains when a childcare provider can ask EYS to pay a deposit. Childcare providers can ask EYS if any one of the following happens:

- (a) a child does not attend the childcare provider’s premises on the date when the child was expected to attend; or
- (b) the parents of the child remove the child from the childcare provider without giving the required amount of notice under the nursery contract between the parent and the childcare provider; or
- (c) the parents do not pay the monthly fees to the childcare provider when they are due to be paid under the nursery contract.

The childcare provider can ask EYS for payment of the deposit if any one of these situations arises.

Evidence that the childcare provider must give to EYS

Before the deposit is paid to the childcare provider by EYS, the childcare provider must show EYS that it has tried to get the parents to pay the childcare provider what is due.

Paragraph 3.2 of the Guarantee explains what the childcare provider must give to EYS, as follows:

- Evidence that the childcare provider has made a minimum of two telephone calls to the parents, and has also sent two letters to the parents, asking them to pay the childcare provider what is due. The wording of the letters must be agreed between EYS and the childcare provider.

- EYS (as well as the childcare provider), also has to make a minimum of two telephone calls to the parents, and has also sent two letters to the parents, asking them to pay the childcare provider what is due.
- Evidence that the parents were eligible to take part in the Scheme, showing that:
 - the parents live in the local authority area of the City of Glasgow, City of Edinburgh or Dumfries and Galloway Councils;
 - the parents had applied for childcare services from the childcare provider before 31 December 2018; and
 - the parents were receiving Support* on the date that they signed the nursery contract with the childcare provider.

Payment of the deposit by EYS to the childcare provider

After the childcare provider has provided EYS with evidence as outlined above, EYS can ask the Scottish Government to pay the deposit. Scottish Government will pay the deposit to EYS and EYS will pay it to the childcare provider. After that, the childcare provider won't ask the parent to pay the deposit but the Scottish Government might do.

Data Protection

The Scheme's contractual documents also include a contract between EYS and childcare providers. This contract is an agency agreement (the "**Agency Agreement**").

Paragraph 5 of the Agency Agreement explains that childcare providers must comply with data protection laws when taking part in the Scheme. When parents join the Scheme, childcare providers must give parents a privacy notice. The privacy notice needs to explain to parents how their personal data will be used during the Scheme.

Further Information

For more information about the Scheme, please go to the website at dgs.earlyyearsscotland.org for more details about how the Scheme works.

*Support means Tax Credit, Universal Credit, Income Support, any income related element of Employment and Support Allowance, Income-based Jobseeker's Allowance, Incapacity or Severe Disablement Allowance, State Pension Credit, support under part VI of the Immigration and Asylum Act 1999 or, where the child is looked after by a local council, the child is the subject of a kinship care order or is the subject of a guardianship order.