

WELSH PARLIAMENT – EQUALITY AND SOCIAL JUSTICE COMMITTEE

INQUIRY ON CHILDCARE AND PARENTAL EMPLOYMENT

WRITTEN EVIDENCE FROM THE SCOTTISH GOVERNMENT

SCOTLAND'S EARLY LEARNING & CHILDCARE INVESTMENT

1. Introduction

All 3 and 4 year olds and eligible 2 year olds in Scotland are now entitled to 1140 hours of funded early learning and childcare (“ELC”) under the provisions of the Children and Young People (Scotland) Act 2014 (“the 2014 Act”), as amended.

The Scottish Government first committed to almost doubling the entitlement to funded ELC from 600 to 1140 hours per year from August 2020 in the *One Scotland Programme for Government 2014-15*¹. The Covid pandemic necessitated a one year delay to the full roll-out to 1140 hours to August 2021, although local authorities commenced phased implementation of the expansion from 2018 and so many families were able to benefit ahead of statutory roll-out.

The expansion to 1140 hours is intended to deliver three main benefits for children and families:

- children’s development improves and the poverty related attainment gap narrows;
- more parents will have the opportunity to be in work, training or study; and
- increased family wellbeing through improved health and wellbeing of parents and children.

The expansion required a significant joint effort of national and local government in Scotland. Underpinning legislation was passed by Parliament; total additional national investment of £2 billion over 5 years to 2021-22 is funding the required local capital programmes and expansion of the early years workforce; and policy frameworks are focussed on using the opportunity of the expansion to continually improve the quality of ELC experienced by children.

2. Expansion of Early Learning and Childcare in Scotland

2.1 Background

Early learning and childcare (ELC) was first defined in the 2014 Act as ‘a service, consisting of education and care, of a kind which is suitable in the ordinary case for children who are under school age, regard being had to the importance of interactions and other experiences which support learning and development in a caring and nurturing setting’.

¹ <https://www.gov.scot/Resource/0046/00464455.pdf> (webarchive.org.uk)

The 2014 Act expanded the statutory entitlement from 475 to 600 hours, and introduced eligibility for 2 year olds in a targeted offer that seeks to provide early access to funded ELC for those children that the evidence suggests stand to benefit most from the overall expanded entitlement.

Statutory eligibility criteria for the 2 year old offer includes looked after children and children who are subject to a kinship or guardianship order, as well as children whose families receive certain qualifying benefits², and children in families receiving support through an asylum claim. Local authorities have wide discretion to make the 2 year old offer available to families who they believe would benefit and we introduced a non-statutory eligibility for children with a parent who is care experienced alongside the 1140 hour statutory entitlement in August 2021.

Education authorities (local authorities) are under a statutory duty to ensure that funded places are available for all eligible children in their area. They can offer this through their own settings, and can commission providers in the private and third sectors, including childminders, to offer it (referred to as ‘funded providers’ or ‘partner providers’).

The 2014 Act also places duties on education authorities to consult with parents and carers on the delivery of funded ELC, and to have regard to the desirability of ensuring that ELC is made available in a way that is flexible and allows parents an appropriate degree of choice when deciding how to access the service.

2.2 Evidence base and rationale for investment

Accessing high quality ELC is associated with improved outcomes in language, cognitive and other essential skills and, importantly, these benefits have been found to be greater for children from disadvantaged backgrounds.

In summary, the evidence base on early learning finds:

- High quality early learning is associated with sustained improvement in children’s lifelong outcomes in education, employment, and health³;
- Children from disadvantaged backgrounds can benefit most from attending high quality ELC⁴;
- Increased time in ELC (number of years) is a predictor of level of attainment reached at later years⁵;
- Increased time in ELC (hours per week) is associated with higher levels of behavioural self-regulation and improved pro-social behaviour⁶;
- There is no social gradient in access to high quality ELC in Scotland⁷; and
- High quality ELC can address intergenerational poverty, with research finding second-generation effects on education, employment, crime, school suspensions and health⁸.

² <https://www.mygov.scot/childcare-costs-help/funded-early-learning-and-childcare/>

³ <https://www.oecd.org/education/starting-strong-2017-9789264276116-en.htm>

⁴ <https://www.oecd.org/education/starting-strong-2017-9789264276116-en.htm>

⁵ <https://www.oecd.org/education/starting-strong-2017-9789264276116-en.htm>

⁶ <https://www.gov.uk/government/publications/early-education-and-outcomes-to-age-4> (SEED study)

⁷ <https://www2.gov.scot/Resource/0052/00528287.pdf> (Growing up in Scotland Study)

⁸ <https://heckmanequation.org/resource/perry-preschool-midlife-toolkit/>

Consistent across the international research evidence on the impact of ELC is the finding that for positive outcomes on children’s development to be secured, the experience must be of high quality.

2.3 Securing high quality ELC experiences

The Scottish Government has introduced a new National Standard⁹ that all providers of publically funded ELC (across local authority and private and third sector settings) are required to meet in order to deliver the funded entitlement. Some flexibilities are currently being applied under interim guidance¹⁰, last updated in March 2021, to reflect the impact of the Covid pandemic on the ability of ELC settings or local authorities to demonstrate delivery against aspects of the National Standard.

The criteria of the National Standard focus on what children and their families should expect from their ELC experience, regardless of where they access their funded entitlement. It is one of the key mechanisms for ensuring the overall quality of ELC in Scotland continuously improves as the publically funded service expands.

The National Standard is at the heart of the “Funding Follows the Child” approach to implementing the 1140 hours expansion. Funding Follows the Child is focused on delivering high quality ELC and enabling choice for parents. It is ‘provider neutral’ with all providers who wish to deliver funded ELC required to meet the same National Standard, regardless of whether they operate in the public, private or third sectors. The National Standard also applies to childminding services, with some modifications to reflect the nature of those services.

Funding Follows the Child means that a family can access their child’s funded ELC entitlement from any setting which meets the National Standard, has a place available and is willing to enter a contract with their local authority. As at August 2021, around 32% of funded places were provided by the private and third sectors and childminding services, compared to a projection of 26% at the start of the expansion.¹¹

Funding Follows the Child also creates new responsibilities for local authorities to set sustainable funding rates for partners and provide them with the same improvement support as their own settings.

In addition, Scottish Government and partners have delivered the actions set out in the 2017 *Quality Action Plan*¹². These actions are broadly grouped around three areas: workforce development; pedagogical development; and parental and family learning and engagement.

⁹ [Funding follows the child and the national standard for early learning and childcare providers: principles and practice - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/blueprint-2020-expansion-early-learning-childcare-scotland-quality-action-plan/)

¹⁰ [Funding follows the child and the national standard for early learning and childcare providers: interim guidance - update March 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/blueprint-2020-expansion-early-learning-childcare-scotland-quality-action-plan/)

¹¹ [Early Learning and Childcare Expansion Delivery Progress Report, September 2021 \(improvementservice.org.uk\)](https://www.improvementservice.org.uk/)

¹² <https://www.gov.scot/publications/blueprint-2020-expansion-early-learning-childcare-scotland-quality-action-plan/>

2.4 Parental and family outcomes

Reducing child poverty itself is also a critical part of closing the poverty related attainment gap. The policy of expanding publically funded ELC is multi-faceted: intended to impact on parental and wider family outcomes, as well as directly on child outcomes. Expanding ELC supports parents to take up opportunities to train, study, or work – making a key contribution to wider Scottish Government commitment to significantly reduce child poverty by 2030.

*Every Child, Every Chance*¹³ – the Scottish Government’s strategy on tackling child poverty – identifies three key drivers of the child poverty reduction targets: income from work; costs of living; and income from social security. The expansion of funded ELC contributes to two of these by increasing opportunities to increase income from work, and by reducing household costs. The 1140 hours offer saves families up to £4,900 per year for each eligible child taking up their full funded entitlement.

The Scottish Government has created a Parental Employability Support Fund (“PESF”) to provide support to low income families to increase their earnings through employment, by gaining and progressing in Fair Work, providing intensive, person-centred key worker employability support. Over £8.65 million will be invested in the PESF in 2021-12 and the Scottish Government has committed to invest at least a further £15 million across 2022-24.¹⁴

2.5 Delivery and funding

As of August, all 32 local authorities in Scotland are offering 1140 hours of funded ELC to all eligible children, making high quality early learning and childcare available to families. Up to 130,000 children are expected to benefit this academic year as new children become eligible and are enrolled.

Delivery progress data, collated by the Improvement Service and published in September 2021¹⁵, shows that 91,000 children were accessing funded ELC by the end of August 2021. Of these, 97% (88,122 children) were accessing more than 600 hours, and 87% (79,262 children) were accessing the full 1140 hours funded ELC.

The same publication shows that local authorities reported that 17,516 FTE are in place as at August 2021 to deliver the 1140 hours expansion. This is an increase of around 8,000 FTE (83%) from 9,576 FTE in academic year 2016/17. The Scottish Government supported the expansion of the workforce through:

- Working with colleges, skills bodies and training providers to increase enrolments on childcare courses by over 25% between 2017 and 2020, including a 41% increase in Modern Apprenticeship Starts;
- Investing over £11 million to create over 1,400 additional places on degree-level qualifications since 2017-18; and
- Securing fair work practices for all staff delivering the funded ELC entitlement through the National Standard, including a commitment to pay the Real Living Wage.

¹³ <https://www.gov.scot/publications/child-chance-tackling-child-poverty-delivery-plan-2018-22/>

¹⁴ [A Fairer, Greener Scotland: Programme for Government 2021-22 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/a-fairer-greener-scotland-programme-for-government-2021-22/)

¹⁵ [Early Learning and Childcare Expansion Delivery Progress Report, September 2021 \(improvementservice.org.uk\)](https://www.improvementservice.org.uk/publications/early-learning-and-childcare-expansion-delivery-progress-report-september-2021/)

The 1140 expansion programme is supported by a multi-year funding agreement between Scottish Government and Local Government. Under this agreement, £476 million is being invested in capital projects to deliver new, expanded and refurbished ELC facilities, creating around 22,000 additional physical spaces across over 900 projects. Additional annual revenue funding of £567 million was provided to local authorities in 2021-22 to deliver the expansion.

2.6 Monitoring and evaluation

A monitoring and evaluation strategy has been developed to measure progress on intended outcomes of the expansion of ELC, the centrepiece of which is a new study - The Scottish Study of Early Learning and Childcare (SSELC)¹⁶. SSELC is a cross-sectional and longitudinal study which collects information on child outcomes, family outcomes, and parent outcomes to evaluate the extent to which the expansion programme benefits have been achieved.

Data collection has been divided into a number of phases. In 2018 and 2019, baseline data was collected from children and parents accessing 600 hours of funded ELC. Over the next few years, data will be collected from those accessing 1140 hours of funded ELC. Measuring before and after the expansion allows for an evaluation of the extent to which the expansion's intended benefits have been achieved. Full findings will be published in due course.

3. **Covid 19 response**

At the beginning of the pandemic, in March 2020, the Scottish Government took the difficult decision to restrict access to ELC and childcare services, due to high levels of community transmission of COVID-19 and the need to reduce pressure on the NHS. Due to the emergence of the new variant of COVID-19 in late 2020, these restrictions were unfortunately needed again in January and February 2021.

When access to ELC and childcare has been restricted, we have worked with the sector to ensure access to childcare for key workers and vulnerable families and have always prioritised a return to ELC and childcare for all children, as soon as it is safe to do so, recognising that access to ELC and childcare is fundamental to our children's development and to family wellbeing, as well as parents' ability to work, train or study.

To support ELC and childcare services to operate safely during the pandemic, we have developed operating guidance, based on expert scientific advice, that reduces risk but maintains good experiences for children.

The Scottish Government has provided financial support to the childcare sector to mitigate the financial impacts of Covid. More than £22 million of dedicated support was made available to private and third sector nurseries and school age childcare services over the course of the 2020-21 financial year – through the Transitional Support Fund and the Temporary Restrictions Fund – and £3.2 million worth of business support for Childminding Services.¹⁷

¹⁶ [Scottish Study of Early Learning and Childcare: Three-year-olds \(Phase 3\) Report - Updated 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/scottish-study-of-early-learning-and-childcare-three-year-olds-phase-3-report-updated-2021-2022/pages/1140-expansion-programme)

¹⁷ [Financial sustainability health check of the childcare sector in Scotland - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/financial-sustainability-health-check-of-the-childcare-sector-in-scotland/pages/financial-sustainability-health-check-of-the-childcare-sector-in-scotland)

4. Further policy commitments

4.1 ELC for 1 & 2 year olds

The *2021-22 Programme for Government*¹⁸ sets out the Scottish Government's ambition to provide funded early learning to all 1 and 2 year olds, starting in the course of this Parliament with low-income households. Work is underway to engage with families, the early learning sector and academic experts to design how the new offer will work in practice, focused on developing an offer that will contribute to supporting the wellbeing of the whole family.

4.2 Wraparound childcare for school age children

Parents have told us that the costs of childcare for their school age children presents a major barrier to them taking up or staying in good quality employment, or increasing their hours. Providing childcare for free to those on lowest incomes will help them enter or sustain employment, and help them lift their families out of poverty.

In 2019 the Scottish Government published a *Draft Framework for Out of School Care in Scotland*¹⁹ for consultation to provide the foundation and structure for the creation of new policies around school age childcare. This was followed by a *Progress Report on School Age Childcare*²⁰ in March 2021.

The Scottish Government has now committed to expand access to childcare further, by building a system of wraparound school age childcare, providing care before and after school and in the holidays, over the life of this Parliament. Those on the lowest incomes will pay nothing.

In the next year we will publish a 5-year delivery plan setting out the phasing and timescales for delivering this to the end of the parliament.²¹ We have also made commitments in our *Covid Recovery Strategy: For a fairer future*²², published in October 2021, to begin the early phasing in of community level systems of school age childcare in 2022-23, targeted to support the families most likely to be experiencing poverty.

**Scottish Government
November 2021**

¹⁸ [A Fairer, Greener Scotland: Programme for Government 2021-22 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/programme-for-government-2021-22/pages/introduction.aspx)

¹⁹ [Out of school care in Scotland - draft framework: consultation - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/out-of-school-care-in-scotland-draft-framework-consultation/pages/introduction.aspx)

²⁰ [School age childcare: progress report - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/school-age-childcare-progress-report/pages/introduction.aspx)

²¹ [A Fairer, Greener Scotland: Programme for Government 2021-22 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/programme-for-government-2021-22/pages/introduction.aspx)

²² [Covid Recovery Strategy: for a fairer future - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/covid-recovery-strategy-for-a-fairer-future/pages/introduction.aspx)