

# Best Start: Strategic early learning and school age childcare plan for Scotland 2022-26

October 2022



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## ► Introduction

High quality childcare that is flexible, accessible and affordable plays a critical role in our society. It is vital to giving children the best possible start in life, to supporting families to thrive, and to ensuring that parents and carers can work, train or study.

We want Scotland to be the best place in the world to grow up in. Since 2014 we have therefore undertaken one of the most significant reforms to public services in a generation by almost doubling the entitlement to high quality, funded Early Learning and Childcare (ELC) from 600 to 1140 hours per year, for all eligible children.<sup>1</sup> This means families can access up to 30 hours of funded ELC each week in term time, or around 22 hours a week spread across the calendar year. Scotland is the only part of the UK to offer the equivalent of 1140 hours of funded ELC to all eligible children regardless of their parents' or carers' working status, putting children first.

The expansion of funded ELC has been a significant achievement, particularly in the face of a global pandemic. It could not have happened without the hard work and dedication of staff and our partners in the public, private, third and childminding sectors. The Scottish Government is very grateful to these partners for the role they have played in delivering this transformational change and for the support staff have provided to Scotland's children and families during an incredibly difficult time. Brexit and now the costs crisis are also placing significant pressures on providers, and we are committed to continuing to invest in the profession and support the sector in Scotland through this challenging time.<sup>2</sup>

Reflecting the importance of high quality childcare for children, parents, carers and families, as well as to Scotland's society and economy, we are committed to going further. In this plan, we set out how we will work to embed the benefits of the 1140 hours programme. This document also explains how we will start to build a system of school age childcare and an early learning and childcare offer for one and two year olds, starting with those who need it most<sup>3</sup>.

Delivering our vision of a high quality, affordable and accessible system of childcare is crucial to our national mission to tackle child poverty, to promote family wellbeing, drive greater gender equality and to #Keep The Promise to our care experienced children. This will also make a real difference to households, businesses and service providers across the country who are facing a costs crisis.

We recognise that an effective childcare system will look different in different communities across Scotland and we are committed to supporting the development of innovative solutions that put children and families at the heart of our services.

1 Scottish Government (2014) [One Scotland - Programme for Government 2014-15](#).

2 Scottish Government (2022) [The Contribution Of EU Workers In The Social Care Workforce In Scotland 2022](#).

3 Scottish Government (2021 + 2022) [Programme for Government](#).

We also recognise that the childcare landscape can be complex to navigate for families and we are committed to working with partners to simplify and stream-line this further, where it is within our powers to do so. The Scottish Government has an important role to play in setting the strategic direction and outlining the outcomes<sup>4</sup> we expect to see from our investment in early learning and school age childcare. It is our role to shape policy for the offers that we fund, put in place the right legislative and regulatory approaches, and develop clear policy and guidance to support delivery. Under existing legislation and guidance, local authorities have a number of important responsibilities relating to childcare and we will continue to work closely with local government to support delivery of our shared objectives.

We do not have powers over important components of the childcare system, including the Tax Free Childcare Scheme or the childcare component of Universal Credit. However, we will continue to engage with and seek to influence the UK Government to deliver better outcomes for children and families through childcare policy, as we have on data sharing to support implementation of our two year old offer.

This plan sets out our vision for early learning and school age childcare over the rest of this Parliament, the three outcomes we expect all our policies to deliver, our strategic priorities, and the principles that will guide our approach to working with our partners in the sector, and what families can expect from services.

It is not intended to be a list of everything that we will do over the next four years or a detailed delivery plan for each of our policies. Alongside this document we are publishing a strategy setting out how we will evaluate the impact of the expanded entitlement to 1140 hours of high quality funded ELC. We will also publish a delivery framework for school age childcare in Scotland and a strategic framework for Scotland's childcare profession later in 2022.

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4 Scottish Government (2022) [National Outcomes](#).

## ► Our Plan on a Page

**Childcare policy contributes to national outcomes focused on...**

Children and young people 

Health 

Education 

Poverty 

**Our policy vision – making Scotland the best place in the world to grow up**

Through access to rich and nurturing early learning and school age childcare experiences, children, families and their communities are enabled to reach their full potential and the poverty-related outcomes gap narrows.

### Our strategic priorities

Realising the benefits of the expansion to 1140 hours of funded Early Learning and Childcare for children and families.

Progressing the expansion of our childcare offer, including building a system of school age childcare and developing a new offer for one and two year olds.

Ensuring that the delivery of our priorities is supported by a sustainable, diverse and thriving sector and profession.

Ensuring that our ambitions are underpinned by fair funding and outcomes frameworks, robust data and organisations that work together to regulate services and support quality improvement.

### Our outcomes

Children's development improves and the poverty-related outcomes gap narrows.

Family wellbeing improves.

Parents' and carers' opportunities to take up or sustain work, training, and study increase.

### Delivery principles: what our childcare offer will look like

Quality, flexibility, accessibility, affordability  
(and other principles that may emerge from our engagement)

### Design principles: how we will design our policy offer

Co-design, innovation, partnership

## ▶ Our vision and priorities for the next four years

**Our vision is that, through access to rich and nurturing early learning and school age childcare experiences, children, families, and their communities are enabled to reach their full potential and the poverty-related outcomes gap narrows.**

To realise this vision we have developed **three outcomes** based on the best available evidence (summarised in [Annex A](#)) to describe the way in which we expect all of our early learning and school age childcare policies to make a difference for children, parents, carers and families in Scotland.

The diagram below summarises these, and how our outcomes will contribute to the relevant National Outcomes set out in the Scottish Government’s National Performance Framework.



These three outcomes are interlinked. For example, it is clear that parental or carer income affects both children’s outcomes and family wellbeing. But, taken together, they provide a helpful framework to guide how we will develop, implement, and evaluate the impact of our policies.

The contribution of early learning and school age childcare to delivering these outcomes will also vary depending on the individual circumstances and preferences of each family (including the ages and stages of their children) and the wider economic and social support available to them.

It is also important that we take account of what the evidence tells us about what delivers good outcomes for children at different ages. There is strong evidence that attending high quality ELC has important benefits for children aged from three to five. For children aged under three, how much they benefit from ELC is determined by crucial factors such as their family background, what age they start in ELC, the quality of services and the balance of hours they spend between care at home and in ELC settings.<sup>5</sup>

Co-designing our new policies with children and families will therefore be a critical part of our approach over the next four years, as set out on [page 25](#). We will take a person-centred, place-based approach, empowering and supporting people to become involved in the design of childcare services in their communities.

To realise these outcomes we have set out **four strategic priorities** from 2022 to 2026. These are:

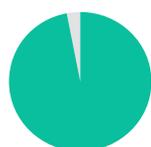
1. Realising the benefits of the expansion to 1140 hours of funded Early Learning and Childcare for children and families.
2. Progressing the expansion of our childcare offer, including building a future system of school age childcare and a new early learning and childcare offer for one and two year olds.
3. Ensuring that the delivery of our priorities is supported by a sustainable, diverse, and thriving sector and profession.
4. Ensuring that our ambitions are underpinned by fair funding and outcomes frameworks, robust data, and organisations that work together to regulate services and support quality improvement.

The following section sets out what action we will take over the rest of this Parliament to deliver these priorities.

<sup>5</sup> Cadmina, J. et al (2020) [Literature review on early childhood education and care for children under the age of 3](#); European Commission (2014) [Proposal for key principles of a Quality Framework for Early Childhood Education and Care](#); Mathers S. et al. (2014) [Sound Foundations: A Review of the Research Evidence on Quality of Early Childhood Education and Care for Children under Three - Implications for Policy and Practice](#); European Commission (2022) [Building a better understanding of the impact of Early Childhood Education and Care on medium- and long-term educational and labour market outcomes in Europe](#).

## ► Priority 1: Realising the benefits of the expansion to 1140 hours of funded Early Learning and Childcare for children and families

### Uptake of funded ELC



**97%** of eligible three and four year olds were registered for funded ELC in September 2021

The majority of children aged 3 and 4 are benefitting from up to 1140 hours of high quality ELC.

[Source: Scottish Government 2021 ELC Census<sup>6</sup>]

### Uptake of 1140 hours



**87%** of children accessing funded ELC were reported to be accessing the full 1140 hours funded entitlement in April 2022

Uptake of the full 1140 hours entitlement has been very encouraging in its first year.

[Source: Improvement Service<sup>7</sup>]

### Maximising uptake of Early Learning and Childcare among two year olds

From August 2021 all local authorities have made the expanded entitlement of 1140 hours of high quality funded ELC available to all three and four year olds, and eligible two year olds. As shown above, almost all three and four year olds take up their ELC entitlement<sup>6</sup>.

We estimate that the targeted component of 1140 is available to around a quarter of families. Eligible two year olds include children in households that receive low or no income benefits, children with care experience, and children whose parents or carers have care experience themselves.

Ensuring that families are aware of and able to take up an offer of ELC that meets their needs will contribute to supporting those that the Scottish Government's Tackling Child Poverty Delivery Plan, 'Best Start, Bright Futures'<sup>8</sup>, identifies as being at greatest risk of poverty<sup>9</sup>.

For a variety of reasons, some families will opt not to make use of the funded hours of ELC when their children turn two. However, we are committed to ensuring that all eligible families know the benefits of the offer and are able to access it if they wish to do so. To allow us to do this, we have been working with the UK Government to establish a data sharing agreement that will enable local authorities to target information about the ELC offer to households with an eligible two year old child, as has been the case in England for a number of years. Regulations were laid in the UK Parliament in July 2022, and we expect –

<sup>6</sup> Scottish Government (2021) [Summary Statistics For Schools In Scotland 2021](#).

<sup>7</sup> Improvement Service (2022) [Early Learning and Childcare Expansion Delivery Progress Report, May 2022](#).

<sup>8</sup> Scottish Government (2022) [Best Start, Bright Futures: Tackling Child Poverty Delivery Plan 2022-26](#).

<sup>9</sup> As set out in 'Best Start, Bright Futures', Priority family types include: Lone parent families, the large majority of which are headed by women; Families which include a disabled adult or child; Larger families; Minority ethnic families; Families with a child under one year old; Families where the mother is under 25 years of age.

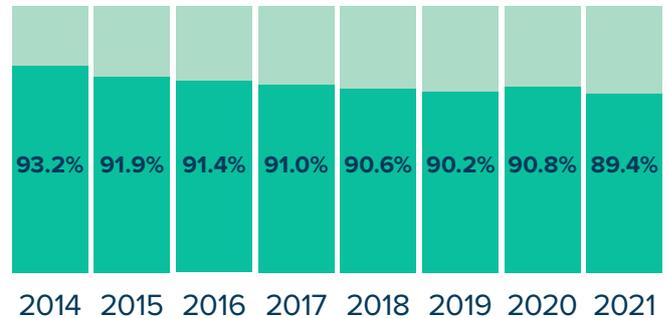
subject to UK Parliamentary processes – that this data will be made available to Scottish local authorities before the end of the 2022-23 financial year.

For the first time, we will also be able to have an accurate picture of the number of children who are eligible for this offer and how many families are opting to take it up in each area. Once this information becomes available to local authorities **we will work with them to maximise uptake of our existing two year old offer through an improvement programme that will be rolled out by summer 2023.**

In developing this work, we recognise that the provision of traditional models of funded ELC may not be the most appropriate form of support for some children and families. Where there are other approaches that enable children and families to realise the high level benefits of the expansion, local authorities will continue to be able to use ELC funding to deliver these directly or through working with funded providers, continuing to build new partnerships and develop new approaches where that is required.

## Embedding quality at the heart of Early Learning and Childcare services

### Quality within services providing funded ELC



**The percentage of funded ELC providers evaluated as good or better in all quality themes remains high (and is higher than in those services not offering funded hours) but declined between 2014 and 2021.**

[Source: Care Inspectorate<sup>10</sup>]

Quality is critical to early learning and school age childcare which makes a difference for children, particularly those experiencing disadvantage. That is why we have placed quality at the heart of the policy framework that has supported the delivery of funded ELC: ‘Funding Follows the Child’. This framework, jointly agreed by Scottish Government and local government, takes a provider neutral approach. It is underpinned by a National Standard<sup>11</sup> that all services have to meet in order to deliver funded ELC. The National Standard criteria include the elements of quality that all children and their families should expect from their ELC experience.

<sup>10</sup> Care Inspectorate (2022) [Publications and Statistics](#).

<sup>11</sup> Scottish Government (2018) [Funding follows the child and the national standard for early learning and childcare providers: Principles and practice](#).

In recognition of the impact of the COVID-19 pandemic, we have provided ELC services with some flexibility on meeting these criteria. As we **move towards full implementation of the National Standard, planned for August 2023, we will ensure that the right support is in place for services to meet the quality criteria set out in the National Standard.** This will include targeted support from the Care Inspectorate to give providers a fair chance to prepare and improve. We will gather further information from services on their progress and readiness before a final decision is taken on the timing of full implementation of the National Standard.

In ‘Realising the Ambition: Being Me’<sup>12</sup>, Scotland has world-leading early years practice guidance that supports quality through a strong focus on play pedagogy, which has been widely welcomed by the sector. It also provides guidance to support children to make a positive transition from their ELC setting to primary school.

‘Realising the Ambition: Being Me’ aligns with the Early Level of Curriculum for Excellence (CfE - Scotland’s curriculum that spans from ages three to 18). The early level of CfE reaches to the end of primary 1. CfE provides a coherent framework to ensure that children and young people have opportunities to develop the knowledge, skills and attributes they need to adapt, think critically and flourish in today’s world.

Education Scotland is working with partners to design and deliver intensive and targeted improvement support to the ELC sector, and across the early level of CfE at national, regional, and local level during the academic session 2022-23. This includes work explicitly intended to strengthen the implementation of ‘Realising the Ambition: Being Me,’ which is also embedded in all aspects of their improvement work with early years professionals and leaders in the ELC and primary sectors.

Whilst there is much good work happening across the Care Inspectorate, Education Scotland and local authorities, there is a need to go further to ensure that there is a clear and coherent approach to providing support for quality improvement across all funded ELC services that enables providers to meet the National Standard, deliver Curriculum for Excellence and implement ‘Realising the Ambition: Being Me’ effectively. **The Scottish Government will work with all relevant agencies to ensure that there is greater alignment and strategic direction for improvement work to deliver the best possible outcomes for children.** This will include working through the Equity and Excellence Leads network, supporting post-holders to share best practice and support improvement in the most deprived parts of Scotland.

The programme to develop the new national education agency that will replace Education Scotland will focus on improving the entire learner journey from early learning, through school and into tertiary and work-based learning. The Scottish Government will ensure the vital importance and value of ELC within our education system is fully recognised through these changes. The new agency will have a key role in providing leadership and support for curriculum, assessment, learning and teaching to professionals throughout the learner journey, including in ELC.

12 Education Scotland (2021) [Realising the ambition: Being me.](#)

Outdoor play and learning is already an integral, everyday part of ELC in Scotland. It is our vision that children in ELC will spend as much time outdoors as they do indoors, and that time outdoors will happen every day, in every setting. Evidence and research tells us that playing, learning and having fun outdoors improves children's physical health and promotes mental, social, and emotional wellbeing<sup>13</sup>, which is particularly important as we recover from the pandemic. **We will work with our partners to build on the range of outdoor learning support for providers that we put in place during the pandemic**, through initiatives like the Virtual Nature School.<sup>14</sup> Participants in the [Out to Play Improve](#) Programme found that by using Quality Improvement methods to make changes to their ways of working they could increase time spent outdoors.

We will also ensure that all children benefit from a healthy and nutritious meal as part of their funded entitlement. To support settings **we will update 'Setting the Table', our guidance on nutrition within ELC services**. This guidance will support ELC services to take advantage of our Scottish Milk and Healthy Snack Scheme (SMHSS). The Scheme provides funding to eligible settings to offer a serving of milk or a non-dairy alternative, and a healthy snack, to all children who attend for two hours or more per day. It supports improvement in children's health in the earliest years, which is crucial in tackling health inequalities and reducing obesity. We will continue to work with stakeholders through the SMHSS Implementation and Operations Group to ensure the Scheme continues to meet the needs of children and childcare settings.

We will take forward work on Additional Support for Learning in ELC, building on the ELC Inclusion Fund and reflecting the impact of the COVID-19 pandemic on young children's development, particularly in the area of speech

and language. Over the next three years we will **invest in a new programme of work to support early intervention in speech and language** for children and their families, helping to build confidence and capacity for staff working in ELC settings and joining up efforts across other key public services, such as health visiting.

We will also work to embed the best evidence-based practice on supporting the mental health of children and families within ELC settings, drawing on the recommendations of the Three to Five Year Olds Task and Finish Group of the Children and Young People's Mental Health and Wellbeing Joint Delivery Board<sup>15</sup>.

### **Supporting parents and carers to make the right decision for their child about starting school**

All parents and carers in Scotland can defer their child's entry to primary school if they are not yet five years old at the beginning of the school year. However, not all children can currently access funded ELC in their deferred year. **From August 2023, we will implement new legislation which means that all families with eligible children who choose to defer their start date for primary one will automatically be entitled to access funded ELC for a further year**. Building on the 10 existing pilots across Scotland, we will continue to work with local authorities and the sector to ensure that this is fully implemented, based on the Joint Implementation Plan agreed with COSLA and local authorities. This new legislation will support families to make decisions based on the best interests of their child, without the financial barrier of ELC costs.

<sup>13</sup> Scottish Government (2019) [Nature-based early learning and childcare - influence on children's health, wellbeing and development: literature review](#).

<sup>14</sup> [www.virtualnatureschool.org](http://www.virtualnatureschool.org)

<sup>15</sup> Scottish Government (2022) [Children and Young People's Mental Health and Wellbeing Joint Delivery Board](#).

## Supporting family wellbeing

Since 2018, we have provided funding to local authorities to employ graduate-level Equity and Excellence leads in ELC settings in the most deprived areas of Scotland. Equity and Excellence leads work flexibly with children and families who need extra support and local authorities have freedom to shape the role depending on local needs and priorities.

Between 2019 and 2021 we funded [People](#) to deliver the Family Learning Scotland Programme, offering training and support to 432 childcare professionals across all 32 local authorities. Childcare professionals were trained to deliver the Peep Learning Together Programme and the Peep Progression Pathway to help parents learn about early childhood development, how to support children's learning, and also to support parents' or carers' own capacity for learning to enable them to take up training and employment opportunities. Many of those trained were Equity and Excellence leads, embedding capacity across Scotland for skilled professionals to develop close relationships with children and families together.

Building on evaluation of these programmes, feedback from the sector and the wider evidence base from the work of The Promise and on holistic whole family wellbeing, we will develop a programme of work to support local areas and services to embed family wellbeing within ELC services.

## Evaluating the expansion of funded Early Learning and Childcare

It is critical that we properly evaluate a major new policy like the expansion of funded ELC to understand what is working, whether the policy is making a difference and where any challenges remain. We have published an evaluation strategy<sup>16</sup> alongside this plan setting out our approach to assessing how the ELC expansion is making a difference for the sector and the quality of provision, and for children, their parents, carers and families. This sets out our overall approach to gathering the evidence we need through existing and new data sources, including reflecting the views of the sector in Scotland. We will continue to collect and publish the evidence set out in the strategy as it becomes available, with a final report currently planned for 2025. The evaluation will also strengthen the existing evidence base and plug some of the key gaps set out in [Annex A](#) below, including assessing how funded ELC can help parents and carers to move closer to the labour market.

16 Scottish Government (2022) [Early Learning and Childcare Expansion Programme: Evaluation Strategy](#)

## ► Priority 2: Progressing the expansion of our childcare offer, including building a future system of school age childcare and a new early learning and childcare offer for one and two year olds

Since the 2021 Programme for Government<sup>17</sup> we have committed to:

- expanding free early learning and childcare to one and two year olds, starting in this Parliament with children who will benefit most; and
- building a system of school age childcare by the end of this Parliament, providing care before and after school, all year round, supporting parents and carers – particularly on low incomes – to have secure and stable employment. Those on the lowest incomes will pay nothing.

During the previous Parliament we worked to engage children and families, build the evidence, and create a clear vision for a future childcare offer for school age children. Work on expanding funded early learning and childcare to one and two year olds is at an earlier stage of development.

Over the next four years we will work with our partners to begin to realise these commitments in a way which meets the needs of children, parents, carers, and families. Although we may take a different approach to delivery we will consider carefully how new services align with and build on existing models of provision, and take account of the lessons we have learned from the successful implementation of the 1140 expansion to date.

As we set out in the Tackling Child Poverty Delivery Plan, **we will also be undertaking an eligibility review** that will set out the best approach to expanding access to funded childcare for more of the child poverty priority families over the course of this Parliament. The process will take into account the views and experiences of partners in the public, private, third and childminding sectors. As part of this process we will consider consistent approaches to eligibility for all our childcare offers that will ensure a simple, joined up approach for families, and maximise the opportunities to support children and families out of poverty.

### Developing a new offer of early learning and childcare for one and two year olds

The first phase of this programme commenced in 2022-23 and focuses on research, insights, and engagement. **We will work collaboratively with families to understand what they want and need from an offer for younger children**, particularly those in the most disadvantaged communities. Our approach will build on the learning from the school age childcare programme about how to apply the Scottish Approach to Service Design<sup>18</sup>.

We will **map current provision for one and two year olds** (both in terms of different service models and geographical coverage) across Scotland, and work with experts, local authorities and service providers to build our evidence base and learn from existing

<sup>17</sup> Scottish Government (2021) [A fairer, greener Scotland: Programme for government 2021-22](#).

<sup>18</sup> Scottish Government (2019) [The Scottish Approach to Service Design](#).

provision across the UK and other countries. We recognise and value the unique insights and experience that professionals in the public, private, third and childminding sectors can bring to the programme, many of whom already care for younger children, as well as what we can learn from local authorities who currently offer targeted support.

The importance of preventative and supportive investment in families has been clearly established through the work of the Independent Care Review<sup>19</sup> and articulated throughout the narrative in *The Promise*. We will develop our evidence base around the three outcomes set out above, and recognise the particular importance of assessing how family wellbeing (as an outcome) and family support (as a delivery model) can be supported through an expanded one and two year old programme. In 2022-23 we will be working with some of our partners in the sector to identify innovative ways of delivering services that will help support the objectives of the Whole Family Wellbeing Fund.

From 2023-24 onwards, we will publish the findings from the first phase of the programme and start to develop, trial and evaluate models of provision. We will also take the opportunity to learn from the community early adopter work that will be undertaken to design a system of school age childcare, which is set out in more detail below.

## Building a system of school age childcare

Following the Scottish Approach to Service Design, we will ensure we take a person-centred approach, empowering and supporting people to become involved in the design of school age childcare services in their communities.

We will work collaboratively with families, childcare providers, and the wider public sector to build a system that meets individual needs. We will ensure that future services are accessible and affordable for families, and that they are funded for those from the lowest income households.

We will also take a place-based approach, recognising that there is no one-size-fits-all solution to providing childcare within communities. Once we understand families' needs, we will ensure that we fully utilise existing services and infrastructure and only develop new services and infrastructure where that is needed. We will also integrate food and childcare provision, wherever possible, understanding the importance of access to healthy and nutritious food as part of any childcare offer.

We have worked closely with the regulated school age childcare and wider activities sector to develop a good understanding of the existing system of school age childcare in Scotland. We have also engaged children and young people, parents, and carers to understand the challenges they face in accessing childcare for their school age children. This was reported in our Draft Framework for Out of School Care<sup>20</sup> and our Progress Report<sup>21</sup>.

<sup>19</sup> [www.carereview.scot](http://www.carereview.scot)

<sup>20</sup> Scottish Government (2019) [Out of School Care in Scotland: A Draft Framework](#).

<sup>21</sup> Scottish Government (2021) [School age childcare: Progress Report](#).

We have begun to test the change needed to develop and deliver future services through our Access to Childcare Fund projects and pilots, and our Summer 2022 programme. This work has been focused on those families most at risk of poverty. The Access to Childcare Fund supported 18 pilot projects worth £3 million across 2020-2022 and is continuing to financially support 10 projects this year. In addition, we have invested £10 million across all 32 local authorities to deliver summer holiday food, activities, and childcare. The learning from both the Access to Childcare and Summer 22 programmes will be crucial in the design of a year-round school age childcare offer for low income families. The Access to Childcare Fund 2020-2022 evaluation has now been published<sup>22</sup>, while a full evaluation into the Summer 22 programme will be published early in 2023.

Our **initial work will begin by identifying and supporting targeted early adopter communities across Scotland** where we can test what a local system of school age childcare might look like. This will involve partnership working with a range of existing and new services, and co-designing with the children and families living in those communities. We know that funding childcare alone won't enable families to improve their situations and so we will work to ensure that childcare provision is aligned, wherever that is possible, with wider support for families most at risk of poverty. That includes through local plans to tackle poverty, employability support, fair work practices, accessible transport, and wider family support.

We are developing a **delivery framework for school age childcare** which will set out the approach and principles that we will apply to designing a future system of school age childcare, as well as timescales for progressing this work, later this year.

<sup>22</sup> Children in Scotland (2022). [Access to Childcare Fund 2020-2022 - Final evaluation report](#).

## ► Priority 3: Ensuring that the delivery of our priorities is supported by a sustainable, diverse and thriving sector and profession

### Supporting the sustainability of the childcare sector

We cannot deliver good outcomes for children and families without a sustainable, diverse and thriving childcare sector. Childcare services and professionals across the public, private, third and childminding sectors have provided vital support to families and children during the COVID-19 pandemic. We know that businesses and individuals are still experiencing real challenges as a result, and that these pressures are being compounded by economic upheaval not seen for a generation that is already impacting people, businesses, public services and the third sector across Scotland.

Demand for childcare has also changed throughout the pandemic, creating particular challenges for small businesses. The number of cancellations of daycare of children services increased in the year to June 2021. Although this followed declines in the number of cancellations in each year between June 2018 and June 2020, we will continue to monitor trends closely. The cancellation rate for childminding services is much higher than for daycare of children services,<sup>23</sup> and the pandemic has also had a significant impact on professionals working in the childcare sector.

Overall, the Scottish Government has already directed £900 million to support businesses in Scotland this year, including making up to £9.8 million available through the Childcare Sector Omicron Impacts Fund. **We will work to ensure that the specific needs of the early learning and school age childcare sector are reflected in any future measures to support businesses and public services that may be required.**

**As part of our support for the sector, we will legislate to continue the Nursery Rates Relief Scheme, which provides 100 per cent relief on Non-Domestic Rates to eligible day nurseries** (subject to subsidy control rules), beyond the currently legislated end date of 30 June 2023. The Scottish Government has now completed an evaluation of the relief, which has demonstrated the benefits of this support, worth an estimated £9.6 million, to eligible nurseries, and the children and families who use these services.

23 Scottish Government (2021) [Financial Sustainability Health Check of the Childcare Sector in Scotland: Analysis and Evidence](#).

We will **develop a business support offer for all parts of the childcare sector** through which providers can access tailored, specialist advice on strengthening and diversifying their businesses. We will maintain a robust but proportionate means of monitoring the financial sustainability of the public, private, third and childminding sectors to ensure that both national and local policy is informed by up to date evidence about the health of the sector through this uniquely challenging period.

In 2018 we reached a multi-year funding agreement with COSLA to support the expansion to 1140 hours, and subsequently reached a one-year settlement in 2022-23. This made provision for implementing a number of joint priorities, including measures to mitigate the impact of the COVID-19 pandemic, ensure the provision of sustainable rates and maximise uptake of targeted ELC.

Funding Follows the Child and the National Standard – which we agreed jointly with COSLA – require local authorities to set sustainable funding rates and encourage payment of the real Living Wage to all workers delivering funded ELC. Since then, we have seen real progress in both sustainable rates and the payment of the real Living Wage.

Prior to the expansion, our research showed that over 80 per cent of childcare professionals delivering funded ELC were paid below the real Living Wage at the time<sup>24</sup>. Our 2021 research found that over 88 per cent of private and third sector providers delivering funded ELC planned to pay all staff in their setting (not just staff whose pay is covered through 1140 funding) the real Living Wage from August 2021. Average rates paid by local authorities to providers of funded ELC have increased by 48 per cent between 2017 and 2021<sup>25</sup> to £5.44 an hour (for three to five year olds), and Scotland now has the highest average rate within the UK.

### Sustainable rates



**As a result of the ELC expansion, average rates paid to providers for three to five year olds receiving funded ELC have increased by 48 per cent between 2017 and 2021, from £3.68 per hour in 2017-18 to £5.44 per hour in 2021-22.**

[Source: Scottish Government analysis of local authority rates - 2019 and 2021<sup>25</sup>]

In our 2021 Financial Sustainability Health Check we committed to working with COSLA to strengthen rate-setting processes. COSLA have since worked with partners to run a national cost collection exercise to ensure better quality and comparable cost data from providers. New guidance on rate-setting was published jointly by the Scottish Government and COSLA in May 2022. In light of this we expect further progress to be made in 2022-23, and **will publish an update in the autumn on the sustainable rates that have been set by local authorities.**

**We will also work with local government to review the approach to setting rates in 2022-23 to identify where this can be improved further to ensure that rates reflect the costs of delivering funded ELC and payment of the real Living Wage to staff.** This review will inform what further action may need to be taken ahead of the next financial year, within available resources, and the wider approach to rate setting over the rest of this Parliament. This will include consideration of any required updates to the supporting sustainable rates guidance.

We remain committed to fully embedding the real Living Wage across the sector and to ensuring that future funded early learning and school age childcare offers support further improvements to pay and conditions for childcare professionals.

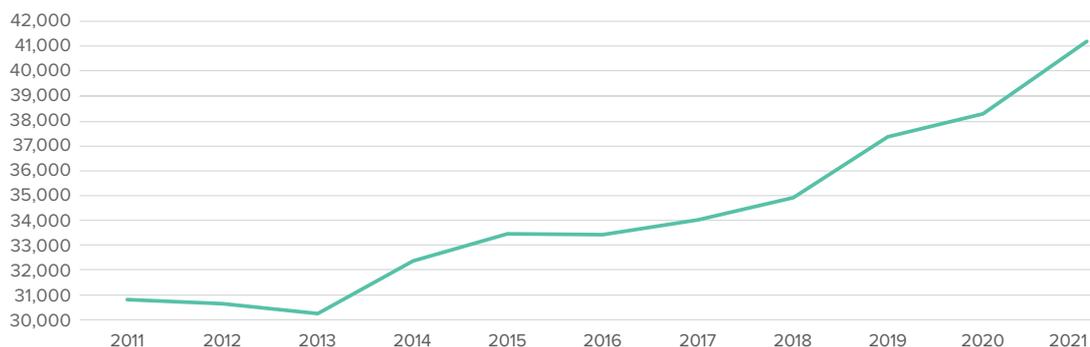
<sup>24</sup> Scottish Government (2016) [Financial Review of Early Learning and Childcare in Scotland: The Current Landscape](#).

<sup>25</sup> Scottish Government (2019) [Overview of local authority support and funding for Early Learning and Childcare providers](#).  
Scottish Government (2021) [Summary of the Returns - Early Learning and Childcare providers - local authority funding and support: overview](#).

## Supporting the diversity of the childcare sector

Through the 1140 expansion, the childcare workforce has grown significantly and now sits at an unprecedented 46,260 professionals (including childminders and teachers) registered to work in the sector<sup>26</sup>. We are proud that there has been a 52 per cent increase in the number of graduates with degrees relevant to early years working in ELC between 2017<sup>27</sup> and 2021<sup>28</sup>, and of the wide range of providers and professionals who deliver childcare services in Scotland.

### Daycare of children workforce



The daycare of children workforce has grown by 34 per cent since 2011 - reflecting the ELC expansion over this period.

[Source: SSSC workforce data reports<sup>29</sup>]



### Number of staff with degree level qualifications

Staff with degree level qualifications (FTE)	2017	2018	2019	2020	2021
Graduates	2,074	2,302	2,535	2,721	3,150
Teachers	921	821	798	729	704
<b>Total</b>	<b>2,994</b>	<b>3,124</b>	<b>3,333</b>	<b>3,449</b>	<b>3,854</b>

- 2017 was the first year we collected data on graduates in the ELC census
- Includes centrally employed ELC home visiting teachers

The number of staff (FTE) with degree level qualifications has increased by almost 29 per cent between 2017 and 2021.

[Source: Scottish Government ELC Census<sup>30</sup>]

26 Scottish Social Services Council (2022) [Scottish Social Service Sector: Report on 2021 Workforce Data](#)

27 Scottish Government (2017) [Early learning and childcare statistics 2017](#).

28 Scottish Government (2021) [Early learning and childcare statistics 2021](#).

29 Scottish Social Services Council (2022) [Workforce data reports](#).

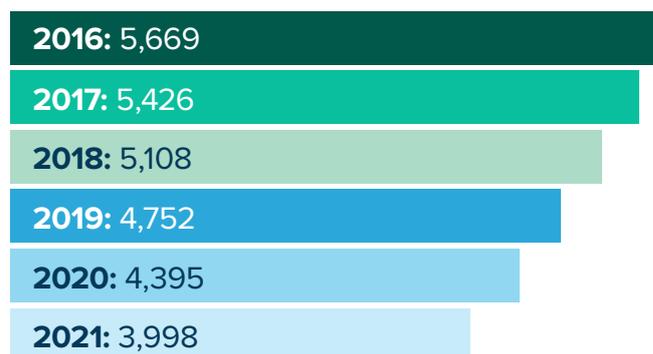
30 Scottish Government (2021) [Summary Statistics For Schools In Scotland 2021](#).

This diversity provides families with choice and flexibility, and offers different opportunities and experiences for children. By fully implementing the Funding Follows the Child and National Standard, families can access their child's funded ELC entitlement at any provider that has a place available, meets the National Standard, and is willing to enter into a contract with the local authorities.

Ahead of the expansion of funded ELC, we projected that around a quarter of funded hours would be delivered by providers in the private, third and childminding sectors. We are pleased that the latest information from local authorities shows that around 30 per cent of hours are delivered by these types of providers.

However, in recent years we have seen a decline in the number of childminding services. We recognise the valuable role that childminders play in supporting children's learning and development, and families' childcare choices. **We will continue to work with local authorities and partners to implement the Our Commitment to Childminding Action Plan<sup>31</sup>**, and raise awareness of childminding as an option for funded ELC provision, alongside public, private and third sector run services. We will also consider how we can support enhanced approaches to workforce development. For example, by improving awareness of, and access to, high quality mentoring and coaching.

### Number of childminding services



**We have seen a decline of over 29 per cent in the number of childminding services between 2016 and 2021. However, over this period an increasing proportion of childminding services have been approved to deliver funded ELC.**

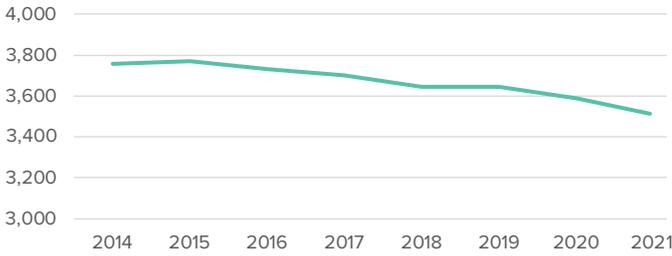
[Source: Care Inspectorate<sup>32</sup>]

Through our **forthcoming Strategic Framework for Scotland's Childcare Profession**, we will work with partners and the sector to develop a range of actions that will support a sustainable, diverse, highly skilled workforce to serve the whole childcare sector. We will strive for professionals to be valued and recognised for their crucial role in providing the highest quality learning and care to enable our children to realise their full potential and improve their, and their families', outcomes.

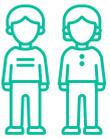
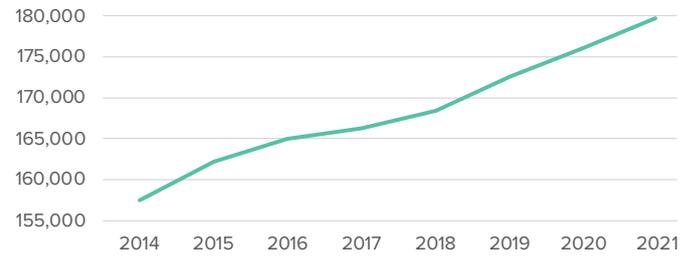
31 Scottish Government (2021) [Our Commitment to Childminding: Report](#).

32 Care Inspectorate (2022) [Publications and Statistics](#).

### Number of daycare of children services registered with the Care Inspectorate



### Capacity of daycare of children services registered with the Care Inspectorate



The number of daycare of children services registered with the Care Inspectorate has decreased slightly since 2015. However, the total capacity of these services has increased by 14 per cent between 2014 and 2021.

Over the same period, we have seen an increase in the proportion of services run by local authorities, and a small decrease in the proportion run by voluntary or not-for-profit providers.

[Source: Care Inspectorate<sup>33</sup>]

We want to ensure all childcare professionals are able to develop fulfilling careers and enhance their own wellbeing and resilience. We will consider the demand for staff as we make progress in building and designing our new childcare commitments, ensure sufficient provision within the skills system to meet that demand, and enhance engagement across the sector with regard to demand and skills planning.<sup>33</sup>

We will continue to support recruitment across the childcare sector and to develop a diverse profession that represents wider Scottish society. We will ensure that the design of new funded childcare offers embraces the diversity of provision already available and creates further opportunities to develop new, creative types of provision that are responsive to the needs of children and families.

<sup>33</sup> Care Inspectorate (2022) [Publications and Statistics](#).

## ► **Priority 4: Ensuring that our ambitions are underpinned by fair funding and outcomes frameworks, robust data and organisations that work together to support good outcomes for children and families**

### **Fair funding, outcomes frameworks, and robust data**

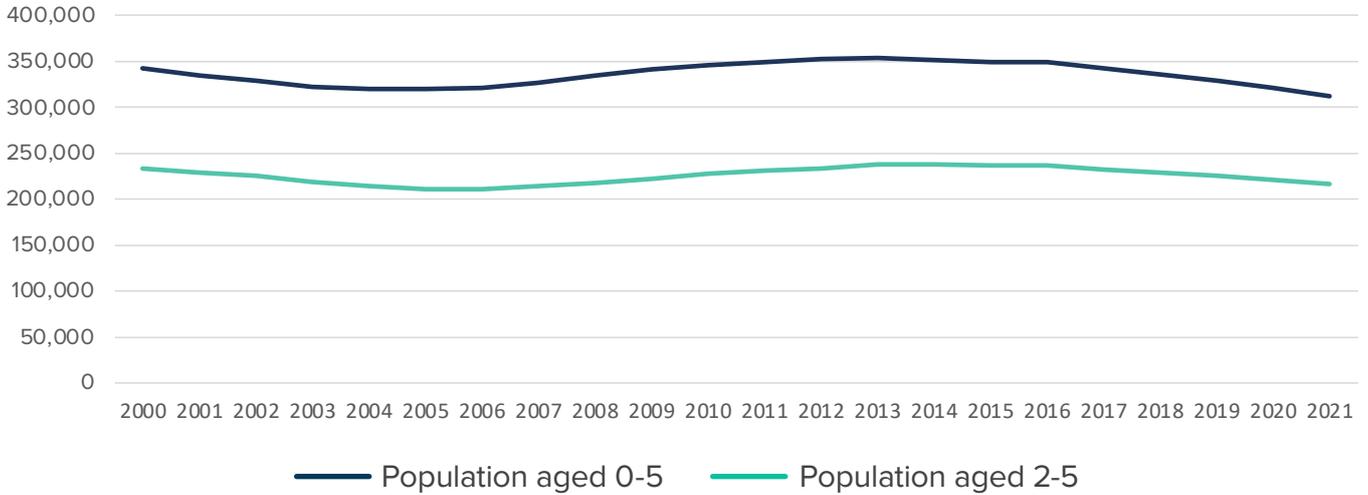
As we move beyond the first full year of implementation of 1140 hours of high quality ELC, and into a steadier state of embedding and improving services, it is important that this is underpinned by a sustainable, long-term approach to funding with local government and for providers. This should support the full implementation of 1140 across the sector, taking account of changes in demand, changing costs of delivery, and demographic changes since 2018. The number of ELC age children (children aged between two and five years) in Scotland is seven per cent lower in 2022 than was projected at the beginning of ELC expansion<sup>34</sup>, and is expected to continue to fall over the next 10 years.<sup>35</sup>

<sup>34</sup> In the 2016-based NRS population projections, there were expected to be 225,271 children aged 2-5 in Scotland in 2022. In the most recent (2020-based) population projections, this number has fallen to 208,844. NRS projection figures are available at: [Projected Population of Scotland | National Records of Scotland](#).

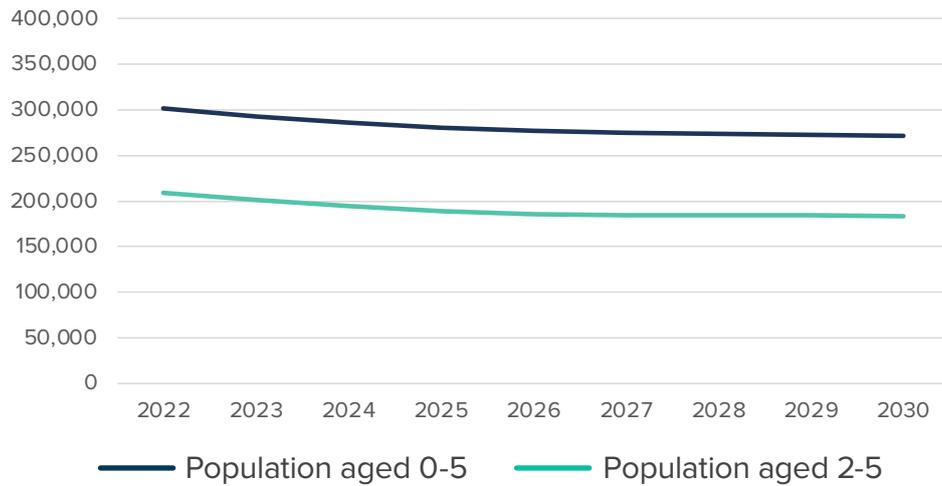
<sup>35</sup> Scottish Government (2022) [A Scotland for the future: Opportunities and challenges of Scotland's changing population](#).



### Child Population



### Child Population (projections)



The estimated number of children aged 0 to 5 has fallen each year since 2013, and the estimate for 2 to 5 year olds has fallen since 2014. Looking at the period up to 2030, the National Records of Scotland projects that we will see further falls in the child population. This trend would have implications for the number of children who are eligible for childcare services.

[Source: National Records of Scotland<sup>36</sup>]

36 In the 2016-based NRS population projections, there were expected to be 225,271 children aged 2-5 in Scotland in 2022. In the most recent (2020-based) population projections, this number has fallen to 208,844. NRS projection figures are available at: [Projected Population of Scotland | National Records of Scotland](#).

The 2022 Resource Spending Review<sup>37</sup> confirms our intention to work with COSLA and SOLACE to agree a New Deal for local government in Scotland. This reflects a desire on both sides to reset the relationship between the Scottish Government and local government, to balance greater flexibility over local financial arrangements with clearer accountability for delivering national priorities. **We will continue to work in close partnership with COSLA and local government colleagues to develop proposals for a long-term financial agreement that covers all funded ELC services** and is focused on delivering shared priorities and outcomes.

Ahead of 2025 we are committed to working with our partners in the sector **to develop an outcomes and measurement framework for funded ELC** – jointly owned by Scottish Government and local government – which will provide evidence to support service delivery both nationally and locally, offer greater transparency and assurance, and help ensure value for money. In developing this framework we will build on existing work to develop a Children and Young People’s Wellbeing Outcomes framework, and draw on the emerging evidence from our evaluation of the expansion of funded ELC.

### **Streamlining and simplifying the approach to the inspection of Early Learning and Childcare and school age childcare services**

During the development of his report ‘Putting Children at the Centre: A Vision for Scottish Education’<sup>38</sup>, Professor Ken Muir regularly heard of the challenges faced by ELC providers as a result of the current approach to inspection, whereby some settings providing funded ELC hours are inspected by both Her Majesty’s Inspectorate of Education (HMIE) and the Care Inspectorate.

In response to concerns raised that this approach results in duplication of effort, complexity and unnecessary burdens on ELC providers, Professor Muir recommended that a shared inspection framework for ELC be developed between the Care Inspectorate and the new education inspectorate.

This has created an important opportunity for a wider debate about the role of inspection in supporting the delivery of high quality provision across all early learning and school age childcare services, and inspection of these services will form part of the national discussion on the future of education in Scotland and the vision that will follow. Our starting point is the holistic approach set out in ‘Realising the Ambition: Being Me’, acknowledging that agencies should be working together to support children’s care, development and learning through play in the early years across their improvement and inspection work.

In response to Professor Muir’s report we published a consultation on 11 July 2022 setting out our vision for the inspection of early learning and school age childcare services and the guiding principles that underpin our approach. It seeks to gather views on specific proposals to streamline and improve the inspection of early learning and school age childcare services through the introduction of a shared inspection framework. **We will publish the findings of the consultation by early 2023 and set out what steps we will take to ensure that a new national framework for inspection of early learning and school age childcare services is fit for purpose.**

37 Scottish Government (2022) [Investing in Scotland’s Future: Resource Spending Review 2022](#).

38 Muir, K. (2022) [Putting Learners at the Centre: Towards a Future Vision for Scottish Education](#).

While the consultation takes place and proposals for improvement are developed and agreed, Education Scotland and the Care Inspectorate are committed to collaborative working to ensure that arrangements for inspection are as joined up, clear and effective as possible. This includes undertaking shared inspections of settings over the next academic year, where that is appropriate.

### **Ensuring Early Learning and Childcare and school age childcare services are part of joint work to tackle child poverty within communities**

We are working to ensure that **investment in the development of a strengthened, integrated employment offer for parents and carers** from the priority families identified in ‘Best Start, Bright Futures’ is responsive to individual needs and circumstances. As part of this policy we will provide access to dedicated keyworker support to parents and carers, and access to the training and skills they need to enter, sustain and progress in work. This will operate as part of a ‘no-wrong door’ approach that links families into ELC, school age childcare, transport, whole family wellbeing and financial advice services.

Closely aligned to this is our commitment to work with our partners, including local authorities, to develop and implement **a new Parental Transition Fund to tackle the financial insecurity parents and carers face in entering the labour market.**

Our Social Innovation Partnership will deliver a Flourishing Lives model of holistic support for people that improves their wellbeing, addresses their short-term needs, and supports their long-term goals, including access to employment and improved family relations. We will also seek to address barriers and work with partners to promote access to funded childcare options, flexible working options and wellbeing in the workplace.

We will test and learn through local pathfinders, working closely with local partners, and parents and carers, to design integrated support offers for families experiencing poverty. Initial programmes in both Dundee and Glasgow will draw on the experience of local partners and grassroots organisations to understand specific local needs and help create an approach built around lived experience.

## ► Our approach to policy design and delivery

The expansion to 1140 hours of funded ELC has provided the Scottish Government and our partners with a wealth of learning about delivering a national programme of this scale at pace. The principles we set out in 2016 – quality, flexibility, accessibility, and affordability – still describe what we want to see from funded ELC services in future years.

Although, as with any programme of this size, there have been challenges to work through and work is in hand to fully realise the benefits of the 1140 expansion programme, it has demonstrated how much can be achieved through collective working. The culture and values adopted through a collaborative approach, a clear benefits framework and joint governance by national and local government – drawing on independent assurance and robust delivery data – have all helped to ensure the successful delivery of the expanded hours from August 2021.

Based on this learning, we will be taking the time to get policy design and engagement on our future childcare offers right, recognising that they must be appropriate to parents', carers' and families' needs and that these will differ depending on children's ages and stages, and families' circumstances. We will also work closely with providers in the public, private, third and childminding sectors throughout our design process.

For children and families in remote and rural parts of Scotland, that means working innovatively to take advantage of the unique opportunities – and to address the specific challenges – for communities living in these areas. For example, it will be important to think creatively about how we fund and deliver services for children of different ages together,

take advantage of existing community assets, and consider service models that work across large geographical areas.

In designing new policy, we must always bear in mind the fundamental importance of children's rights and voices, and we remain committed to consulting children on matters which affect them.

Our design principles capture our commitment to evidence-based, people-centred policy design, working with families, stakeholders, services and professionals across the whole sector between now and 2026 as we build capacity for our future childcare commitments:

- **Co-design:** we will design our future childcare offers with people and their communities.
- **Innovation:** we will not be constrained by existing delivery models but will focus on designing systems that make sense to people and their communities, and which build on assets that already exist across the early learning and school age childcare sectors.
- **Partnership:** we will work across the wider public sector and provider landscape to design systems which join up services and solve whole problems for them.

We will ensure that our policy design takes account of the Family Support Advisory Group's<sup>39</sup> key principles of holistic family support that can be applied to any service or interaction that is supporting families. Such services should: be non-stigmatising; address the family as a whole; be needs-based; be assets- and community-based; be timely and sustainable; be promoted; take account of families' voices; be collaborative and seamless; have a skilled and supported workforce; and be underpinned by children's rights. We will ensure that the needs of care experienced children are at the heart of our policy design work, contributing to our overall commitment to #Keep The Promise.

We will also develop and refine these over the course of this Parliament as new evidence comes to light, and as we engage with partners and service users.

Our delivery principles set out what parents, carers and children can expect from services:

- **Quality:** this is fundamental to children's outcomes and the provision of funded services.
- **Flexibility:** services need to reflect the way that people live their lives, acknowledging that families have different needs.
- **Accessibility:** people across different parts of the country need to access services that reflect the needs and characteristics of their own lives, and that are rooted in their communities.
- **Affordability:** we want the widest range of people possible to be able to access our services, so cost must reflect ability to pay and recognise the wider economic benefits of access to early learning and school-age childcare.

39 Scottish Government (2022) [Holistic whole family support: Routemap and national principles](#).

## ▶ Next steps

This plan is a living document and we will provide updates on our progress towards delivering these priorities over the course of this Parliament. These will reflect new evidence, and what we have learned from communities, stakeholders and experts about how to put our policies into action to deliver the best possible outcomes for children and families.

## ► Annex A – Evidence summary: how childcare helps to make a difference for children, parents and carers, and families

To deliver the best possible outcomes for children and families, and value for money for the public purse, it is critical that the Scottish Government draws on the latest evidence to inform policy development and decision-making. This section provides an overview of some of the latest evidence and acknowledges where further work is needed to inform or evaluate our policies.

### Benefits for children

There is strong evidence that the early years of a child's life are crucial for their social and emotional development, as well as their language and numeracy skills<sup>40</sup>. International research shows that Early Learning and Childcare (ELC) provision is associated with sustained improvements in children's later education, employment and health<sup>41</sup>. There is good evidence that children from disadvantaged backgrounds benefit most from ELC programmes<sup>42</sup>. Research also shows that ELC can help mitigate the impacts of

developmental risks, acting as a form of early intervention for children who are at high risk of developing Additional Support Needs<sup>43</sup>.

Consistent across the international research evidence – including evidence from our own Growing Up in Scotland Study – is the finding that for children to benefit, their ELC experience must be of high quality.<sup>44</sup> Quality of provision is influenced by a wide range of factors, including: staffing levels and aspects of their working conditions; staff qualifications and development; the relationships and interactions between staff and children; the physical environment; and the curriculum.

There is less evidence at population level about the impacts of ELC provision on children aged two and under, and what evidence there is tends to be more mixed<sup>45</sup>. Some UK studies have pointed to benefits for these younger children, while others highlight less positive effects on their development<sup>46</sup>. However, consistent with findings for older children, there

40 OECD (2017) [Starting Strong 2017: Key OECD Indicators on Early Childhood Education and Care](#).

41 European Commission (2022) [Building a better understanding of the impact of Early Childhood Education and Care on medium- and long-term educational and labour market outcomes in Europe](#); OECD (2017) [Starting Strong 2017: Key OECD Indicators on Early Childhood Education and Care](#); Melhuish, E. et al (2015) [A review of research on the effects of Early Childhood Education and Care \(ECEC\) upon child development](#).

42 OECD (2017) [Starting Strong 2017: Key OECD Indicators on Early Childhood Education and Care](#); Passaretta, G. et al (2019) Inclusive Education and Social Support to Tackle Inequalities in Society (ISOTIS); [Integrative Report \(WP 1\) Lessons and Policy Implications](#)

43 There is strong evidence in relation to intensive and explicit programs of early intervention, and some evidence to suggest that programs of universal preschool have the potential to reduce risks within normal populations e.g. Hall, J. et al. (2013) Can preschool protect young children's cognitive and social development? Variation by center quality and duration of attendance, School Effectiveness and School Improvement, 24:2, 155-176, DOI: [10.1080/09243453.2012.749793](#); Melhuish, E. (2004) [A literature review of the impact of early years provision on young children, with emphasis given to children from disadvantaged backgrounds](#).

44 Scottish Government (2015) [Tackling inequalities in the early years: key messages from 10 years of the Growing Up in Scotland study](#); Knudsen, L. et al (2017) [Changes in early learning and childcare use at age 5: comparing two Growing Up in Scotland cohorts](#).

45 Cadmina, J. et al (2020) [Literature review on early childhood education and care for children under the age of 3](#); European Commission (2014) [Proposal for key principles of a Quality Framework for Early Childhood Education and Care](#).

46 Melhuish, E. (2004) [A literature review of the impact of early years provision on young children, with emphasis given to children from disadvantaged backgrounds](#).

is agreement across the literature that the quality of the care and learning provided is vital in making a difference for younger children.

There is also some evidence that the overall length of time that children spend in ELC is associated with positive longer-term benefits, although other studies have found no impact. The OECD suggests that at least two years of ELC before starting school is associated with children performing better at age 15 in its Programme for International Student Achievement (PISA)<sup>47</sup>.

The literature is also inconclusive in relation to the optimal number of hours for children to spend in ELC per day or week. Some older studies have suggested there are limited additional benefits for children in attending full day as opposed to half day sessions. However, recent UK research indicates that, particularly for the most disadvantaged children, an average of over 20 hours per week of formal ELC is beneficial.<sup>48</sup> The research also suggested that, in terms of positive impacts on children's outcomes, beyond 20 hours of ELC the quality of childcare is more important than the length of time children spend in a setting.<sup>49</sup>

In summary, there is strong evidence that attending high quality ELC has important benefits for children aged from three to five. This has underpinned the expansion of 1140 and is why quality remains firmly at the heart of our approach. The evidence about the particular benefits of high quality ELC for children from disadvantaged circumstances was also central to our decision to target early access to those two year olds who need it most. For children aged under three, evidence suggests that how much they benefit from ELC is determined by crucial factors such as their family background, what age they start in ELC, the quality of services, and the balance of hours they spend between care at home and in ELC settings.<sup>50</sup>

Providing high-quality ELC services also plays an important role in mitigating some of the negative impacts of the COVID-19 pandemic for children. A complete picture of the impact of the pandemic on young children, including how long any impacts may last, is not yet clear. However, emerging evidence shows early signs of how young children have been negatively affected, with a disproportionate impact on children from disadvantaged backgrounds<sup>51</sup>. Children's speech, language and communication has been an area that has been particularly affected, and we have set out under Priority 1 above ([page 11](#)) work in train to address this.

47 OECD (2017) [Starting Strong 2017: Key OECD Indicators on Early Childhood Education and Care](#)

48 Melhuish, E. & Gardiner, J. (2018) [SEED: Impact study on early education use and child outcomes up to age four years](#); Melhuish, E. & Gardiner, J. (2020) [Study of Early Education and Development \(SEED\): Impact Study on Early Education Use and Child Outcomes up to age five years](#); Melhuish et al. (2014) [A review of research on the effects of Early Childhood Education and Care \(ECEC\) upon child development](#).

49 Melhuish, E. & Gardiner, J. (2020) [Study of Early Education and Development \(SEED\): Impact Study on Early Education Use and Child Outcomes up to age five years](#); Melhuish et al. (2014) [A review of research on the effects of Early Childhood Education and Care \(ECEC\) upon child development](#).

50 Cadmina, J. et al (2020) [Literature review on early childhood education and care for children under the age of 3](#); European Commission (2014) [Proposal for key principles of a Quality Framework for Early Childhood Education and Care](#); Mathers S. et al. (2014) [Sound Foundations: A Review of the Research Evidence on Quality of Early Childhood Education and Care for Children under Three - Implications for Policy and Practice](#); European Commission (2022) [Building a better understanding of the impact of Early Childhood Education and Care on medium- and long-term educational and labour market outcomes in Europe](#).

51 Public Health Scotland (2022) [COVID-19 Early Years Resilience and Impact Survey \(CEYRIS\)](#). La Valle, I. et al (2022) [Implications of COVID for Early Childhood Education and Care in England](#); Education Endowment Foundation (2022) [The Impact of COVID-19 on Learning: A review of the evidence](#); Tracey, L. et al (2022) [The impact of the Covid-19 pandemic on children's socio-emotional wellbeing and attainment during the Reception Year](#).

It is also important to recognise that the literature we have considered here relates to ELC provision where parents or carers leave their children in the care of qualified staff rather than the wider forms of family support that are available in children's centres or play groups, for example. We are committed to building an evidence base about what kinds of provision will benefit children most as we progress our ambition to expand funded early learning and childcare to one and two year olds, starting with those who need it most. We know, for example, that there is good evidence about the benefits of various types of family support for children, parents and carers<sup>52</sup>.

There is currently less available evidence about how school age childcare makes a difference for children. This is partly because of a lack of research and partly because of difficulty in disentangling the effect of school age childcare from other policies and child experiences at these ages, like attending primary school<sup>53</sup>. However, the research available suggests that high quality school age childcare can promote positive social interactions and relationships, build social skills and confidence, and provide the opportunity for play in a safe environment. These benefits can be particularly important for younger children and those from the most socioeconomically disadvantaged backgrounds.

As part of our ambition to build a system of school age childcare, we are also committed to taking a user-centred service design approach that will help us to build an evidence base about which kinds of services best meet the needs of children and their families, particularly those on the lowest incomes.

## Benefits for parents and carers

For parents and carers, international research suggests that affordable and flexible ELC can improve standards of living and address child poverty through reducing pressures on family income and enabling parents and carers, particularly women, to participate in work, education or training<sup>54</sup>. It is important for equal opportunities in employment between women and men. This also has important benefits for a child's own wellbeing, which is negatively impacted by living in poverty<sup>55</sup>. That is why expanding access to high quality, funded ELC remains a Scottish Government priority, particularly in the context of the current cost of living crisis.

The Scottish Government's National Strategy for Economic Transformation<sup>56</sup> emphasises that childcare is a vital element of Scotland's economic infrastructure. The Strategy makes clear the importance of childcare offers in enabling parents and carers to return to work, or increase their working hours. The international evidence indicates that ELC provision can help to address gender inequality in pay, as well as supporting parents and carers to combine caring for their children with seeking or returning to work, or taking part in education or training.<sup>57</sup> The literature has focused on the links between maternal employment and children taking part in ELC, suggesting that the existence of ELC provision helps to support mothers to work<sup>58</sup>.

52 Edwards, A., Gharbi, R., Berry, A. & Duschinsky, R. (2021) [Supporting and strengthening families through provision of early help: A Rapid Review of Evidence](#).

53 Scottish Government (2019) [Annex B: Discussion paper - Out of school care in Scotland - draft framework: consultation](#); Scott, E. and Scobie, G. (2015) [Evidence briefing on the impact of out of school care](#).

54 Scobie G. et al (2017) [Provision of early learning and childcare and parents' outcomes](#); Thompson S & Ben-Galim D. (2014) [Childmind the Gap: Reforming childcare to support mothers into work](#).

55 Cooper, K. and Stewart, K. (2020) [Does Household Income Affect children's Outcomes? A Systematic Review of the Evidence](#); NHS Health Scotland (2018) [Child Poverty in Scotland: health impact and health inequalities](#); Joseph Rowntree Foundation (2014) [Reducing poverty in the UK: A collection of evidence reviews](#).

56 Scottish Government (2022) [Scotland's National Strategy for Economic Transformation](#).

57 Scobie G. et al (2017) [Provision of early learning and childcare and parents' outcomes](#); Thompson S & Ben-Galim D. (2014) [Childmind the Gap: Reforming childcare to support mothers into work](#).

58 OECD (2017) [Starting Strong 2017: Key OECD Indicators on Early Childhood Education and Care](#).

However, it is important to note that ELC provision alone cannot support parents and carers to work. Other important enablers include parental leave and social security policies (powers that largely sit with the UK Government), individuals' existing skills and experience, supportive employers, what kind of work opportunities are available locally, and the wider economic context.<sup>59</sup> The Scottish Government's recent plan to tackle child poverty recognises the interplay of these different enablers of parental employability<sup>60</sup>.

The research literature also suggests that affordable and accessible school age childcare allows some parents or carers, especially single parents and those who are not currently in work, to find or remain in good jobs, increase their working hours or undertake further education or training.<sup>61</sup> As we develop our ambition to build a system of school age childcare, we will also work to assemble more evidence about the ways in which it can support parents and carers with their aspirations to enter and sustain employment, training or studying and to ultimately increase their household income.

By providing children with access to a range of activities and positive life experiences, early learning and school age childcare can help to mitigate the negative effects of poverty, improving their long-term development and employment opportunities<sup>62</sup>. The 1140 hours of high-quality funded ELC also make an important direct contribution to reducing household costs. If eligible families were to purchase the funded childcare provided by the Scottish Government themselves, it would cost them around £5,000 per eligible child per year.

## Benefits for families

The role of regulated childcare in supporting family wellbeing is a relatively under-explored area in the research literature, although there is evidence that ELC can support mothers' emotional health and wellbeing<sup>63</sup>. Our recent qualitative research with parents and carers also highlighted some of the ways in which ELC can support family wellbeing. These included providing support for:

- addressing developmental issues children may have, particularly in relation to the impact of the pandemic;
- supporting parents and carers to have some time to themselves;
- creating more time for other family members (e.g. older children);
- reducing the burden on grandparents; and
- reducing stress.<sup>64</sup>

We are committed to developing this evidence to gain a clearer understanding of the specific contribution that funded ELC can make to family wellbeing, including when children are with their parents or carers and when they are in the care of trained professionals. We will also explore further what role ELC can contribute as part of wider services that support families into education, employment and training, or that are targeted at poverty reduction. This will form an important element of our evaluation strategy exploring the impact of the recent 1140 expansion<sup>65</sup>.

59 Scobie G. et al (2017) [Provision of early learning and childcare and parents' outcomes](#).

60 Scottish Government (2022) [Best Start, Bright Futures: Tackling Child Poverty Delivery Plan 2022-26](#).

61 Scottish Government (2019) [Annex B: Discussion paper - Out of school care in Scotland - draft framework: consultation](#).

62 Scott, E. and Scobie, G. (2015) [Evidence briefing on the impact of out of school care](#).

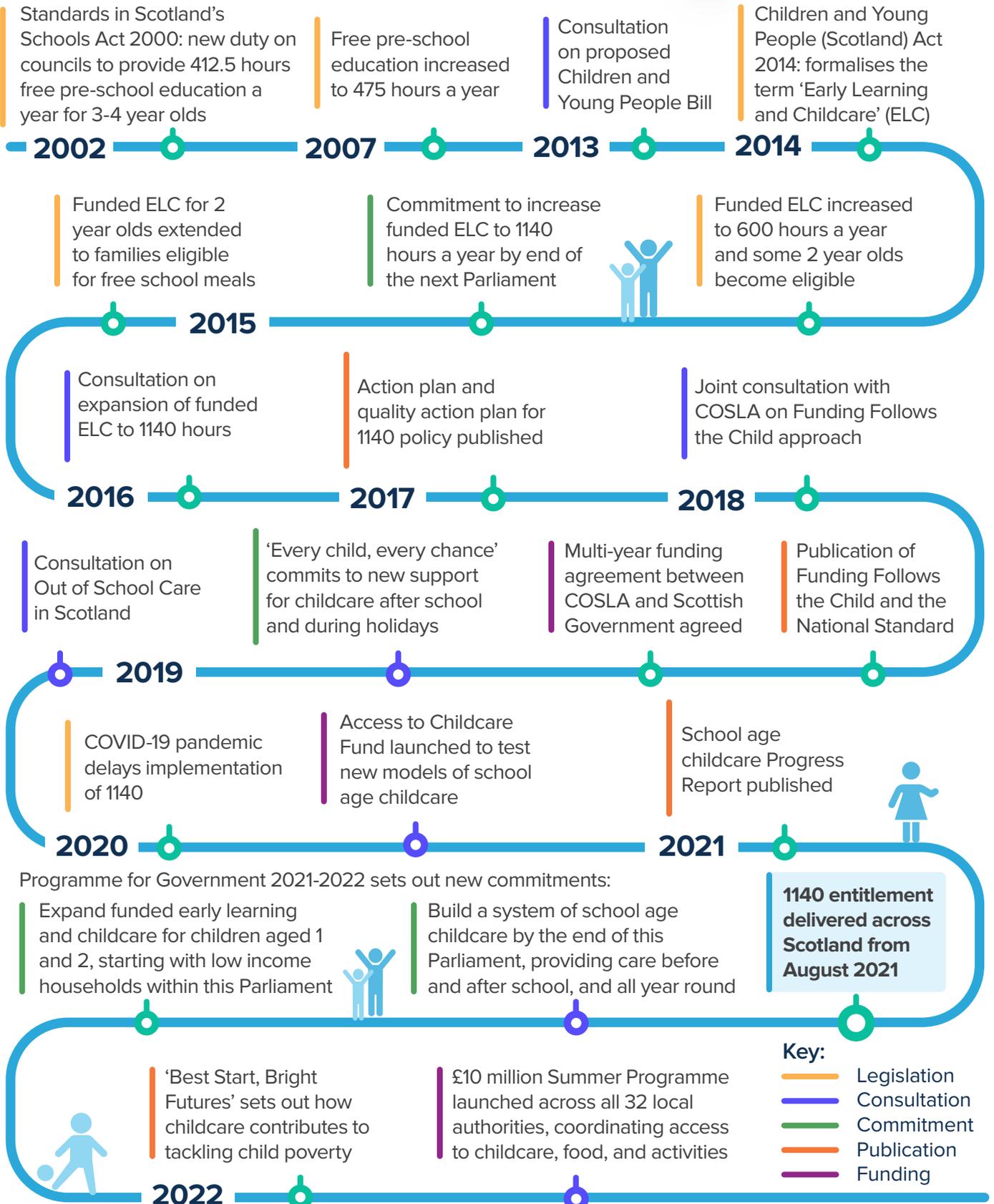
63 Scobie G. et al (2017) [Provision of early learning and childcare and parents' outcomes](#).

64 Scottish Government (2022) [Decisions influencing early learning and childcare use: Understanding social policies and social contexts](#).

65 Scottish Government (2022) [Early Learning and Childcare Expansion Programme: Evaluation Strategy](#)

# Annex B - Scottish Government childcare policy: the story so far

● Early Learning and Childcare
 ● school age childcare





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