

A BLUEPRINT FOR 2020: THE EXPANSION OF EARLY LEARNING AND CHILDCARE IN SCOTLAND

A SCOTTISH GOVERNMENT CONSULTATION



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MINISTERIAL FOREWORD



We know the early years are a crucial time in every child's life, and evidence shows that access to high quality early learning and childcare is crucial to improving children's outcomes. By giving Scotland's young people the best possible start in life we can ensure they develop the skills and confidence they need to reach their full potential.

We have already substantially increased the offer of free early learning and childcare (ELC) entitlement in Scotland.

In 2007 we increased this offer from 412.5 hours to 475 hours per year.

Through the Children & Young People (Scotland) Act 2014 (the Act) we further increased the annual entitlement to free ELC to 600 hours for all three and four year olds, and eligible two year olds.

We also, through the Act, made it a legal requirement for local authorities to consult parents in order to increase flexibility and choice over how funded hours are accessed.

This was a significant milestone – it marked the first time the right to more flexible options for childcare had been put on a statutory footing in Scotland.

We know that there is potential for the ELC system to do more to support our ambitions to close attainment and inequality gaps, and help to transform children's lives.

That is why we will almost double entitlement to free ELC to 1140 hours per year by 2020 for all three and four year olds and eligible two year olds.

The expansion provides an historic opportunity. No other policy has such potential to transform the lives of children and their families while improving the prospects of Scotland's economy in the short and long term.

Our vision is for this expansion to deliver high quality, flexible ELC which is affordable and accessible for all.

Achieving this vision and reshaping how we care for our children will not happen overnight. It will require substantial increases in the workforce and investment in infrastructure, as well as new, innovative and flexible models of delivery.

We are at a pivotal moment in developing the policy approach which will shape how this vision is delivered.

We published the *Financial review of early learning and childcare in Scotland: the current landscape* on 27th September. As a result we have a better understanding of what is working well with regard to existing provision, and where we need to think more carefully about how we take forward the expansion.

As part of *Empowering teachers, parents and communities to achieve Excellence and Equity in Education – A Governance Review* we are reviewing the system of early learning and childcare and school education.

Alongside the Governance Review we are now using this *Blueprint for 2020* consultation to seek views on the range of policy choices that we face as we take forward this commitment.

These choices will ultimately shape the future direction and structure of the ELC sector, and we want to hear a diverse range of views on these choices – from providers, delivery partners, stakeholders, and, importantly, from families.

It is no exaggeration to say that the expansion of ELC in Scotland is a transformative policy development.

I look forward to hearing your views as we shape the key policy decisions around this transformative project which will give all of our children the best possible start in life.



Mark McDonald

Minister for Childcare and Early Years

October 2016

RESPONDING TO THE CONSULTATION

We are inviting responses to this consultation by 9 January 2017.

Please respond to this consultation using the Scottish Government's consultation platform, Citizen Space. You view and respond to this consultation online at <https://consult.scotland.gov.uk/creating-positive-futures/expansion-of-early-learning-and-childcare>. You can save and return to your responses while the consultation is still open. Please ensure that consultation responses are submitted before the closing date of 9 January 2017.

If you are unable to respond online, please complete the Respondent Information Form (see "Handling your Response" below) and send to:

Early Learning & Childcare Team
Scottish Government
Area 2C North
Victoria Quay
Edinburgh
EH6 6QQ

Handling Your Response

If you respond using Citizen Space (<http://consult.scotland.gov.uk/>), you will be directed to the Respondent Information Form. Please indicate how you wish your response to be handled and, in particular, whether you are happy for your response to be published.

If you are unable to respond via Citizen Space, please complete and return the Respondent Information Form included in this document. If you ask for your response not to be published, we will regard it as confidential, and we will treat it accordingly.

All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

Next Steps in the Process

Where respondents have given permission for their response to be made public, and after we have checked that they contain no potentially defamatory material, responses will be made available to the public at <http://consult.scotland.gov.uk>. If you use Citizen Space to respond, you will receive a copy of your response via email.

Following the closing date, all responses will be analysed and considered along with any other available evidence to help us. Responses will be published where we have been given permission to do so.

Comments and Complaints

If you have any comments about how this consultation exercise has been conducted, please send them to ELCexpansionconsultation@gov.scot.

Scottish Government Consultation Process

Consultation is an essential part of the policy-making process. It gives us the opportunity to consider your opinion and expertise on a proposed area of work.

You can find all our consultations online: <http://consult.scotland.gov.uk>. Each consultation details the issues under consideration, as well as a way for you to give us your views, either online, by email or by post.

Consultations may involve seeking views in a number of different ways, such as public meetings, focus groups, or other online methods such as Dialogue (<https://www.ideas.gov.scot>)

Responses will be analysed and used as part of the decision making process, along with a range of other available information and evidence. We will publish a report of this analysis for every consultation. Depending on the nature of the consultation exercise the responses received may:

- indicate the need for policy development or review
- inform the development of a particular policy
- help decisions to be made between alternative policy proposals
- be used to finalise legislation before it is implemented

While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments, which should be directed to the relevant public body.

INTRODUCTION

The Scottish Government's aim is to make Scotland the best place in the world to grow up, and to give all of our children the best possible start in life.

It is widely acknowledged that the provision of universally accessible and high quality ELC enriches children with skills and confidence to carry into, and multiply, throughout their schooling, and is a cornerstone for closing attainment and inequality gaps.

That is why we will deliver a transformative change in the ELC provision by almost doubling the free entitlement to 1140 hours per year by 2020.

Through this *Blueprint for 2020* consultation we have set out the Scottish Government's high level vision for the expansion in ELC provision in Scotland. A vision underpinned by the principles of Quality, Flexibility, Accessibility and Affordability.

We are at a pivotal moment in developing the policy approach which will shape how this vision is delivered. As part of *Empowering teachers, parents and communities to achieve Excellence and Equity in Education - A Governance Review*, which was published on 13th September 2016, we are reviewing the way ELC and school education is organised¹. That is predicated upon a strong and shared commitment to the vision of excellence and equity for all children and young people across Scottish education.

Alongside the *Governance Review* we are now using the *Blueprint for 2020* consultation to seek views on the range of policy choices that we face as we take forward this commitment.

We want to hear a diverse range of views on these choice - from providers, delivery partners, stakeholders, and, importantly, families.

Giving All of Our Children the Best Possible Start in Life

We know that poverty and inequality act to limit the opportunities for some children in Scotland.

Disadvantages experienced from birth onwards can impact adversely on the life chances of our children, and result in poor health, employment, educational and social outcomes. For example, estimates suggest that by age 5, children in more advantaged circumstances are between 11-18 months ahead in their vocabulary skills and between 6-13 months ahead in their problem solving ability².

We are determined to close this attainment gap, and to open the doors of opportunity to all our young people no matter their family background.

This is why we are focussed on supporting children and families.

1 <http://www.gov.scot/EducationGovernanceReviewConsultation>

2 Bradshaw, P (2011) Changes in Child Cognitive Ability in the Pre-school Years, Edinburgh, Scottish Government <http://www.scotland.gov.uk/Resource/Doc/350161/0117210.pdf>

Box 1: Getting It Right For Every Child

GIRFEC is the Government's national approach that aims to improve outcomes for all children and young people in Scotland. Our approach underpins all our work with children and young people and means working across organisational boundaries and putting children and their families at the heart of decision making. It plays a fundamental part in realising the Scottish Government's goal of giving all our children and young people the best possible start in life.

Our approach is about everyone working together to support every child and young person's wellbeing – by spotting and dealing with issues as early as possible, and working with parents and services before they escalate into potential crisis.

A key part of this approach is the Named Person service. This will be a point of contact available to parents, children and young people to make getting help and advice more straightforward. Delivered by health and education services, the Named Person service is an entitlement which will support children and families. A Named Person does not replace, change or undermine the role of a parent and nothing in the Named Person provisions in the Act changes the rights and responsibilities of parents to raise their children and provide for their wellbeing needs.

This support begins at pre-birth, with appropriate pre-natal care and advice for mothers, including, from 2017, the delivery of a baby box offering essential items for a child's first weeks to the families of all newborn babies in Scotland, and continues throughout the child's journey. Health visitors also play a pivotal role in early intervention, promoting social inclusion, reducing health inequalities and supporting the ability of families to parent within local communities through the provision of universal services. The Scottish Government is continuing to invest in delivering 500 additional Health Visitors and will also provide continuing professional development to the existing Health Visitor workforce.

We recognise that parents are the primary caregivers and influence in a child's life, and that a high quality home learning environment is important for the child.

This range of support can help support parents and primary caregivers to deliver an enriched home learning environment, and to ensure a successful transition for children into ELC.

Where this is then supported by high quality ELC, it has the potential to enhance a child's all-round development and have a long lasting impact on their attainment.

The delivery of an overall system of ELC that is built upon ensuring high quality and providing provision that is flexible, accessible and affordable will provide a key contribution to our ambition to eradicate child poverty, as will be set out in a new Child Poverty Bill.

Expanding entitlement to ELC is also one of the most important tools to support long-term inclusive growth in Scotland's economy (see Box 2).

Parents and carers benefit from a high quality, flexible system as it helps to support people into work, training or further study which may not have previously been accessible.

Box 2: Economic Impact of the ELC Expansion

There will be a range of economic impacts associated with the expansion in ELC entitlement, in particular on the labour market, which will help support inclusive growth.

The expansion, with an increased focus on flexibility, will help to provide more opportunities for some parents to move into employment, increase their hours of work, or to study. An increase in the supply of labour is a key driver of long-term economic growth performance.

By helping to close the attainment gap and contributing to our preventative actions to reduce Child Poverty, the expansion has the potential to generate longer-term benefits to the public finances.

In order to deliver the expanded entitlement there will need to be a considerable scaling up of the workforce in the ELC sector.

These employment opportunities will be spread across all local authority areas, and within many of our most disadvantaged communities, with a range of roles across different qualification levels. This presents a considerable opportunity to further support our ambitions around inclusive growth.

The creation of these new opportunities may help to support, and potentially create, wider employment opportunities across local economies in other sectors (e.g. some of the increased income levels amongst new ELC workers would be expected to be spent within the local economy).

The expansion will also be underpinned by a substantial programme of infrastructure development, which will help to support employment across the construction sector.

Progress to Date

We have already substantially increased the offer of free ELC entitlement.

In 2007 we increased the offer from 412.5 hours to 475 hours per year, and then through the 2014 Act we further increased the annual entitlement to free ELC to 600 hours for all three and four year olds, and to eligible two year olds.

The Scottish Government has committed £969.2 million over 6 years (from 2014/15) to local authorities to support implementation of the ELC elements of the Act.

The Act **introduced the new term of 'early learning and childcare'** to capture the learning journey that takes place from birth, and reflects EU and OECD recommended models of integrated education and care.

But we know it's not just about the number of hours provided, and that provision must be of a high quality. We are aware that access to free provision can be problematic for some families. That is why, crucially, the Act made it a legal requirement for local authorities to increase flexibility and choice in how funded hours are offered, informed by ongoing consultation with parents.

This was a significant milestone – putting the right to more flexible options for early learning and childcare on a statutory footing in Scotland for the first time, with local authorities required to consult at least once every two years with representative groups of local parents on patterns of ELC and Out of School Care (OSC) provision which will best meet their needs.

Implementing Early Learning and Childcare under the Children and Young People (Scotland) Act 2014: Progress Update highlights that the majority of local authorities have improved flexibility since 2014 by increasing the number of options available to parents and carers to take up ELC³.

The Scottish Government has developed statutory guidance to support local authorities with implementation, and published *Building the Ambition*, practical guidance for practitioners to complement the statutory guidance. *Building the Ambition* supports practitioners to deliver high quality ELC experiences for children from 0-5 years old.

Transformation in ELC Entitlement

However, we know that there is potential for the ELC system to do more to support our ambitions to close the attainment gap, and ensure that every child is ready for learning and able to succeed throughout their education.

That is why we are now working towards almost doubling entitlement to free ELC to 1140 hours per year by 2020 for all three and four year olds and eligible two year olds. The expansion will provide greater flexibility as to how such an entitlement can be accessed throughout the year, whilst ensuring that provision meets the needs of all children, including those with additional support needs.

Expanded ELC has huge potential to improve outcomes for all our children. It is a gateway to children getting the right start and will help to ensure that our children develop as successful learners, confident individuals, responsible citizens and effective contributors.

It will require not just substantial increases in the workforce and investment in infrastructure, but also new, innovative and flexible models of delivery.

We are also committed to further empowerment of ELC settings and exploring the most effective means of delivery⁴. For example, the expansion in ELC entitlement offers the potential for innovative delivery approaches where they can add value, in particular for community-led ELC provision.

3 *Implementing Early Learning and Childcare under the Children and Young People (Scotland) Act 2014: Progress Update*, Scottish Government, October 2016 <http://www.gov.scot/Publications/2016/10/2788>

4 *Empowering Teachers, Parents and Communities to Achieve Excellence and Equity in Education: A Governance Review*, Scottish Government, September 2016 <http://www.gov.scot/Publications/2016/09/1251>

NEXT STEPS

A substantial amount of planning and research work is currently being undertaken to inform the expansion including: the commencement in January 2017 of a programme of trials to test new and innovative ELC delivery models across Scotland; development of new, leading, good-design guidance for ELC settings to be published in summer 2017; a substantial recruitment drive across the ELC sector and the development of an associated Skills Investment Plan for the ELC sector; and strategic planning with partners for an intensive programme of infrastructure investment.

We are committed to continuing to work with stakeholders on the development of the expanded ELC policy, and are grateful for the input from the ELC Strategic Forum⁵ and others in helping to shape the vision and high level objectives for the expansion as set out in this document.

We now invite, as part of this consultation, a diverse range of views on the key policy choices for delivering this vision.

The Expansion to 1140 Hours

Vision

“Make Scotland the best place in the world to grow up in by improving outcomes and reducing inequalities for all babies, children, mothers, fathers and families across Scotland to ensure that all children have the best start in life and are ready to succeed”

(Children and Young People (Scotland) Act (2014))

Our vision is for high quality, flexible ELC which is affordable and accessible for all.

High quality ELC can contribute to our wider actions to close the attainment gap, delivering opportunities to our young people no matter their family background⁶.

By 2020 all three and four year olds, and eligible two year olds, will be entitled to 1140 hours of free ELC provision – almost double current levels of entitlement.

Our aims for the expansion in ELC entitlement are that it will:

- Improve outcomes for all children, especially those who will benefit most;
- Support the wider programme of work to close the attainment gap, as set out in *Delivering Excellence and Equity in Scottish Education: A Delivery Plan for Scotland*⁷;
- Increase the flexibility of provision to support parents to work, train or study, especially those who need routes into sustainable employment and out of poverty;
- Help support parents to improve and enrich the home learning environment by integrating ELC with the range of family support;
- Support transitions through early years settings and into school to ensure continuity and progression through the learner journey;
- Provide a key contribution to our ambition to reduce child poverty;

5 The ELC Strategic Forum, chaired by the Minister for Childcare and Early Years, advises the Scottish Government on strategic direction and implementation of early learning and childcare and out of school care policy. They have met three times since they were formed in November 2015.

6 Scottish Government (2016) Tackling Inequalities in the Early Years: Key Messages from 10 Years of the Growing Up in Scotland Study. p. 18. <http://www.gov.scot/Publications/2015/10/7513>

7 <http://www.gov.scot/Publications/2016/06/3853>

- Be underpinned by a funding model which ensures the long-term sustainability of the system (which will be considered along-side our commitment to establish a fair and transparent needs-based funding formula for schools);
- Provide substantial new employment opportunities across all of Scotland with a range of roles across different qualification levels, supporting local economies; and
- Reduce the costs that parents and carers face in paying for childcare by providing an average annual saving of £3,000 per child when compared to the provision available prior to 2007.

Objectives for Expanded ELC

Our actions to develop the expanded ELC entitlement will be built upon the following high level themes:

- **Quality** – the expansion will ensure a high quality experience for all children, which complements other early years and educational activity to close the attainment gap, and recognises the value of those we entrust to give our children the best start in life;
- **Flexibility** – ensures that the expansion supports parents and carers in work, training or study, and that patterns of provision are better aligned with working patterns whilst delivering this in a way that ensures a high quality experience for the child;
- **Accessibility** – ensures that early learning and childcare capacity is sufficient and is as conveniently geographically located as possible – particularly in areas of higher deprivation and in rural communities – to support families and enable parents and carers to work, train and study, while also appropriately meeting the needs of children who require additional support and parents who request ELC through the medium of Gaelic; and
- **Affordability** – the expansion will increase access to affordable ELC which will help to reduce barriers to participating in the labour market which parents and carers face.

There are clear linkages across all of these principles. However, as the detailed work progresses on the development of the overarching programme it is possible that there may be tensions between some policy ambitions. For example, whilst increased flexibility will be a key objective of the expansion, this must be delivered in a way which also supports increases in the quality of provision.

Ensuring a high quality experience for the child is the key objective of the expansion.

The sections that follow provide more detail on how we envisage each of these themes will be reflected in the expansion, setting out the key policy questions where we are seeking input.

QUALITY

A Focus on Strengthening the Quality of ELC Provision

A key principle underpinning the expansion of ELC entitlement to 1140 hours is that the considerable increase in the quantity of free hours will not be delivered at the expense of quality. Indeed, the focus will be on strengthening the quality of the offer.

We know that the home learning environment continues to be most influential for children. However, the expansion, particularly when delivered alongside other family support, provides a real opportunity to strengthen the foundations of a child's early learning journey.

This will require strong linkages between ELC provision and the wider range of Early Years support provided to children and families.

The expansion will continue to ensure a high quality experience for all children, supporting positive child development and helping children to develop their physical, cognitive and social skills, including their ability to self-regulate.

From the earliest stage, the aim is to equip every child with the early speech, language and communications skills and the foundations for numeracy to support their learning and achievement and ensure that every child has the same chance to succeed.

This learning starts in the home, and ELC provision must be integrated with support for families, in particular in supporting parents and carers to improve and enrich the home learning environment. For example, through initiatives such as PlayTalkRead⁸ and Bookbug⁹ we are providing support and material to help parents and carers to bond with and give their children the best start in life, and have some fun at the same time.

This will be complemented by high quality ELC provision which will benefit all children. However, for young children who face the greatest disadvantages additional support may be required to support our ambition to close the attainment gap.

That is why we have committed to ensuring that by 2018, nurseries in our most deprived areas will benefit from an additional qualified teacher or graduate. This commitment will mark an important step in our ambition to increase the overall skills and qualifications profile of the sector, providing opportunities for current practitioners to upskill.

The expansion will support the vision, set out in our National Improvement Framework¹⁰, of an education system which delivers both **excellence** and **equity** in equal measure for all children in Scotland.

It will complement other early years and educational activity, such as GIRFEC and our Play Strategy and accompanying Action Plan, to help those children who stand to benefit the most. It will also make a vital contribution to our efforts to make demonstrable progress in closing the attainment gap that currently exists between the most and the least disadvantaged children during the lifetime of this Parliament and to substantially eliminating the gap over the next decade.

Curriculum for Excellence (CfE) has supported a shift in how children's learning is supported by introducing a broader curriculum, more hands-on learning and play-based opportunities. This has provided a continuous, coherent curriculum from 3-18 years which supports continuity and progression.

8 <http://playtalkread.scot/>

9 <http://www.scottishbooktrust.com/bookbug>

10 <http://www.gov.scot/Topics/Education/Schools/NationalImprovementFramework>

CfE guidance is supplemented by *Building the Ambition*¹¹, published by Scottish Government in August 2014, which contains guidance for ELC practitioners who work with children from 0-5 years old; and, sets out how high quality interactions and experiences can be delivered within caring and nurturing environments.

CfE will continue to encourage and support developmentally appropriate early years pedagogy across the early level, promoting active learning which engages and challenges children's thinking using real-life and imaginary situations and making effective use of play-based learning.

ELC settings have embraced Curriculum for Excellence's emphasis on a broader learning experience, including active learning and learning outdoors. For example, they will organise age-appropriate outdoor activity in keeping with guidance contained in the Care Inspectorate's *My World Outdoors*¹², published in March 2016, for all children, including one hour a week outside.

As part of the expansion we will seek to ensure that appropriate provision is available for parents and carers wishing to access ELC provided through the medium of Gaelic.

We will also consider in planning for the expansion how best to incorporate free school lunches in order to improve health and wellbeing at this crucial stage in a child's development.

Supporting Children's Transition Through Their Early-Learner Journey

Children face a number of transitions throughout their learner journey. For example, from the home to early learning and childcare, across different early learning and childcare settings, within those settings, and into school.

The system must ensure that these transitions support continuity, coherence and progression.

The Early Level of CfE spans the final two years of ELC and the first year of primary school to encourage seamless progression in learning across this key transition period.

ELC practitioners, and teachers working across the early level, have a key role to play in this and supporting transitions. Training and qualifications reflect a high degree of specialist knowledge about early childhood development and pedagogy.

Question 1: How do we ensure children are fully supported at the transition stages throughout their early-learner journey? What support should be provided to ensure that the ELC workforce and teachers have the skills, knowledge and capacity to support transitions?

Question 2: What support is required to ensure that the ELC workforce have the skills, knowledge and capacity to deliver high quality provision for two year olds? How can the ELC sector best meet the specific learning, developmental and environmental needs of two year olds? What approach should be taken on the transition for these children when they turn three?

11 <http://www.gov.scot/Resource/0045/00458455.pdf>

12 <http://hub.careinspectorate.com/improvement/my-world-outdoors/>

A Highly Qualified and Diverse ELC Workforce

Ultimately, the delivery of a quality ELC experience will continue to be driven by the dedicated and highly skilled and qualified ELC workforce. Scotland is already leading the way across the UK in its ambition to have a highly qualified and regulated workforce.

The expansion will see this workforce grow substantially, resulting in the creation of new positions across all grades providing employment opportunities for new entrants to the sector, as well as progression opportunities for existing staff.

A programme of training and recruitment will commence from the 2017-18 academic year to bring in the first cohort of new workers required to deliver the expansion.

Box 3: The Early Learning and Childcare Workforce in Scotland¹³

Overview of the ELC Workforce

The *Financial review of early learning and childcare in Scotland: the current landscape* highlighted that for 2015:

- The whole daycare of children workforce, covering all providers regardless of whether they offer the funded entitlement, comprises 39,450 staff, of whom 33,460 are in the daycare sector, 5,570 are childminders and 440 work in childcare agencies. Within the daycare of children workforce are 1,600 teachers.
- Of the overall workforce, around 23,000 deliver the funded entitlement.
- 40% of the daycare of children workforce work in local authority settings, 40% in private settings and 20% in the non-profit sector.
- Around half of the childcare workforce works part-time. The total childcare workforce works an estimated average of around 27 hours per week.

Increasing the diversity of the ELC workforce as part of the expansion will be a key challenge.

Currently the majority of ELC workers are female (96% in daycare services, 93% in childcare agencies). Apart from around 20 male childminders, all childminders are female. Median age across the childcare workforce is 36 years but differs by employer type. While the median age in public daycare settings is 43 years, it is 28 years in private and 36 years in the voluntary sector. This suggests that there is a tendency of childcare workers to move towards the public sector as they gather more experience.

Qualifications and Registrations

Depending on the specific post or job function, there are several routes to working in the childcare sector. For example, the role of a nursery teacher requires Qualified Teacher Status which can be obtained by completing Initial Teacher Education by holders of a postgraduate degree in Education (or equivalent qualifications). There are also academic degrees (BEd or BA/BSc with Qualified Teacher Status) which directly award Qualified Teacher Status.

All staff working in daycare of children services (except childminders) need to be registered with SSSC or another regulatory body such as the General Teaching Council (GTC) and to be working towards achievement of certain qualifications. In particular, this means that care workers in supporting roles are required by the terms of registration to hold or be working towards a relevant practice qualification at SCQF level 6/SVQ level 2 (e.g. National Certificate) or above.

Care workers in roles with more responsibility are required by regulation to hold or work towards at least a relevant degree at SCQF level 7/SVQ level 3 (or comparable).

Managers of daycare services need to hold or be working towards the BA Childhood Practise Degree.

It is estimated that in 2015, 15% of the daycare workforce either held or were working towards a qualification at SVQ level 2, 67% held or were working towards a qualification at SVQ level 3 and 19% held or were working towards a relevant university degree.

Childminders do not have to register with the SSSC and therefore are not subject to the above qualification requirements. Instead, they need to register as a childminding service with the Care Inspectorate. In order to apply successfully, they have to demonstrate relevant experience. In addition, the premises where the service is provided needs to be fit for purpose and the service needs to make appropriate health and safety provisions.

¹³ *Financial review of early learning and childcare in Scotland: the current landscape*, Scottish Government, September 2016 <http://www.gov.scot/Publications/2016/09/8729>

It will be vital to ensure that, as part of the expansion, the skills and qualifications profile of the ELC workforce is raised, diversity is increased, and there is greater gender balance in the workforce.

This will require an increased focus on making a career in ELC a more attractive long term proposition including strengthening career progression routes within the ELC workforce, wider education sector and beyond. That is true for younger people newly entering the labour market as well as those who may wish to change career.

This will ensure that children can benefit from the skills and knowledge of highly effective early childhood experts in their early years, with a variety of role models which better reflects broader society.

A Skills Investment Plan (SIP) for the ELC sector will be produced by January 2017. This will ascertain the current qualifications and skill set within the workforce as well as identifying opportunities to widen the skill set within the sector.

However, improving career pathways for ELC workers is only one part of the solution and it will also be important to address some societal perceptions which restrict the diversity of the workforce. Our early marketing work, which will inform our recruitment campaign for attracting new ELC workers, suggests that such perceptions can be a particular barrier for attracting (and retaining) more male workers to the sector.

Question 3: How can the qualification routes and career paths that are open to early learning and childcare practitioners be developed to ensure that the ELC sector is seen as an attractive long-term career route?

Question 4: How can we increase the diversity of the ELC workforce, in particular increasing the gender balance in the sector?

To make a career in ELC a more attractive long-term proposition, will require Fair Work practices¹⁴ to be encouraged across the sector. This includes ensuring that workers within the sector are appropriately remunerated, and that they have an ability to combine work with their own family commitments.

All practitioners and supervisors working in public sector ELC settings will be earning at least the living wage. However, It was therefore disappointing, and concerning, that the analysis presented in *Financial Review of early learning and childcare in Scotland: the current landscape* estimated that around 80% of practitioners and 50% of supervisors in partner provider settings are paid less than the Living Wage.

The Scottish Government is committed to promoting Fair Work practices across all sectors, and our aspiration is that all workers should be paid at least the Living Wage.

Question 5: How can payment of the Living Wage and wider Fair Work practices be encouraged across the ELC sector?

14 <http://www.gov.scot/Resource/0048/00483454.pdf>

ELC Settings Designed to Maximise the Experience for Children

ELC will take place in physical environments, indoors and out, designed to maximise the experience for children and improve the quality of learning.

In order to ensure that world class settings for delivering high quality ELC are delivered we are working with partners, including the Care Inspectorate and Scottish Futures Trust, to develop new good design guidance for all ELC settings, which we will publish by summer 2017.

This will include, amongst other things, encouragement to include well-designed outdoor space in all new-built and refurbished or extended ELC settings created as part of this expansion. Space will be designed to be welcoming and inclusive of parents and carers too.

We know the benefits of outdoor learning, exercise and play for young children in terms of their health and wellbeing, physical and cognitive development.

This is why we will encourage ELC providers to ensure that children have opportunities for exciting and challenging physical activity, including, as a minimum, one hour a week outside.

Question 6: What actions should be taken to support increased access to outdoor learning, exercise and play?

National Quality Standards and Inspection

We will continue to ensure that the ELC entitlement will be underpinned by national quality standards which focus on delivering positive experiences for children and are directed at achieving positive outcomes.

The Scottish Government's new statutory National Care Standards, due for publication in 2017, will set out radical, child-centred and outcome-focused expectations of quality across all care and health provision, including how ELC is provided and commissioned.

These will be supported by appropriate sector-led guidance, including Education Scotland's *How Good is our Early Learning and Childcare?*¹⁵ quality indicators, and Care Inspectorate expectations and guidance, as well as Scottish Government led design guidance for early years.

The Care Inspectorate and Education Scotland currently inspect and regulate ELC provision.

These inspectorates operate under different legal bases and work to different sets of Quality Indicators/Frameworks. This situation stems from the position whereby the part-time "pre-school education" entitlement was previously conceptualised as something distinct from the provision of "childcare" offered around the entitlement and concerned more with meeting children's wider needs than with promoting or supporting early learning specifically.

The Act introduced the term "early learning and childcare" to break down the conceptual barriers that had existed between "pre-school education" and "childcare" and to establish that the two are indivisible in reality, as young children learn through play and require nurturing and supportive environments in which to do so. In this context, the two inspectorates have, in recent years, started to work ever more closely together, conducting shared inspections, developing their Quality Frameworks to be more holistic in nature and collaborating on areas such as the inspection of childminders.

15 <http://www.educationscotland.gov.uk/learningandteaching/earlylearningandchildcare/selfevaluation/index.asp>

As highlighted in *Empowering teachers, parents and communities to achieve Excellence and Equity in Education - A Governance Review* it is important that our accountability and scrutiny arrangements are joined-up where possible in order to reduce unnecessary scrutiny. It is important that we have the right governance arrangements in place to continually review the range of accountability and scrutiny systems and to ensure that these approaches are delivering improvement. Those providing scrutiny also need to be held to account on the quality and impact of their work and to ensure that approaches to scrutiny are fair, transparent and consistent.

In light of this and the recent convergence in notions of education and care in early years, and in the context of planning for the extension of funded ELC entitlement by 2020, it is timely to consider how we can build on the excellent work the inspectorates have undertaken in recent years to create a more streamlined and holistic system supporting quality improvement in ELC.

Question 7: How could accountability arrangements for early learning and childcare be improved?

FLEXIBILITY

A Wider Range of Choice and Options for Parents and Carers

Improving access to affordable ELC also helps to reduce barriers to participating in the labour market which parents and carers face. For example, the OECD's *Doing Better for Families* report highlights that childcare constraints often play an important role in parents' work decisions, and that provision of more comprehensive childcare helps remove barriers to employment¹⁶.

Building on existing and current flexible models of provision the expansion will support parents and carers in work, training or study. This will require patterns of provision that are better aligned with working patterns and diverse family needs.

The Scottish Government has provided additional funding to local authorities to support the increase in flexibility required as part of the Act and the increase to 600 hours free entitlement per year. As a result, parents and carers are starting to access increased flexibility through a wider range of choice and options.

Local authorities are also required to consult representative groups of parents at least once every two years on the patterns of ELC and OSC care that best meets their needs. The guidance states that local authorities should specifically consult parents who may have a range of needs, including families affected by disability and ethnic minority parents.

In practise this has meant moving away from a default model of 5 x 2.5 hour in the morning or afternoon sessions a week; to, other options that meet a range of parental needs. For example, 5 x 3 hour 10 minute sessions, 4 x 4 hour sessions, or 2 x 8 hour sessions, with options to integrate additional unfunded hours to improve consistency for the child. This is within a **minimum framework** of 2.5 hours a day to a maximum of 8 hours a day, not necessarily confined to term time.

The expansion to 1140 hours per year will provide greater opportunities for flexibility. Drawing on the regular consultations with parents and carers, local authorities, working with their delivery partners, will need to continue to adapt provision to offer greater choice and flexibility which will be inclusive of those parents who find it difficult to access childcare.

This will require a range of ELC delivery options which meet the needs of parents and carers across all of Scotland, including increased levels of provision which more closely tie in with working hours. This could, for example, result in local authorities considering options for extending the hours that ELC settings located within a school are open beyond the school day, a greater range of community based services or mixed sector provision to provide high quality ELC across the working day.

It is also likely that there will be variations in the appropriateness of delivery models for different families. For example, to what extent is the system able to adapt to the requirements of workers with more irregular working patterns (e.g. shift workers, etc)?

However, an increase in flexibility must be delivered in a way that ensures a high quality experience for the child.

Question 8: What factors must be considered in delivering flexible ELC provision, while continuing to ensure a high quality service? To what extent could funded ELC support parents and carers with non-standard working hours, such as working shifts and weekends?

16 OECD (2011), *Doing Better for Families* <http://www.oecd.org/social/soc/doingbetterforfamilies.htm>

Flexibility Driven by A Diverse ELC Sector

The ELC sector is diverse with around 3,700 childcare providers (for children of all ages), of whom 2,500 are currently offering the funded entitlement. In addition, there are 5,600 childminders¹⁷.

Excluding childminders, who are 100% private, 46% of all services are run by local authorities, 29% are run by the private sector and 25% are run by the voluntary sector.

Within the current system local authorities will often contract with partner providers in the private and voluntary sectors to offer the funded entitlement.

Financial review of early learning and childcare in Scotland: the current landscape highlighted the key role that partner providers play in offering the funded entitlement, accounting for around 1,000 of the 2,500 settings offering the entitlement (with around 1,500 run by local authorities).

Partner providers play a particularly important role in offering flexibility.

As part of the *Financial Review* we have collected detailed financial data from both local authorities and partner providers. This has provided a comprehensive overview of the costs involved in the delivery of ELC provision.

The review highlights that:

- Local authority provision of ELC is significantly more costly than in partner provider settings.
- The gap between local authority and partner provider costs is overwhelmingly explained by the relatively lower rates of pay in partner settings. We estimate that around 80% of practitioners and 50% of supervisors in partner settings are paid less than the Living Wage (£8.25 an hour).
- On average, local authority payments to partner providers (to offer the entitlement) are found to at least cover the current costs for the majority of partner providers.
- The funding agreed and allocated so far to meet the requirements of the Act for the expansion to 600 hours of entitlement does not appear to have been fully matched by spending increases in most local authorities.

Delivering greater choice requires effective and sustainable partnerships between public sector providers and partner providers in the private and third sectors.

Whilst the Financial Review finds that the current rates provided to partner providers by local authorities cover, on average, costs for the majority of providers, as highlighted earlier this reflects a cost base where large numbers of the workforce in these settings are earning below the living wage. As well as not being aligned with our vision for the ELC workforce, it also raises concerns regarding the long-term sustainability of the business model for some partner providers (particularly as the level of free entitlement will almost be doubled).

A potential approach to strengthen sustainability, and to encourage all partner providers to pay the living wage, could be through the introduction of guaranteed, or recommended, rates for partner providers. These rates could vary to reflect different circumstances, for example, for different age groups or if a child has additional support needs or disabilities, etc.

Question 9: How can we ensure fair and sustainable funding for all providers offering the ELC entitlement?

¹⁷ Scottish Government 2016 *Financial review of early learning and childcare in Scotland: the current landscape* <http://www.gov.scot/Publications/2016/09/8729>

New and Innovative Flexible Delivery Models

The expansion will require new and innovative models for delivering ELC. These potential models will be explored in the ELC Delivery Model trials (see **Box 4**), which will commence in January 2017.

Box 4: Early Learning and Childcare Delivery Model Trials

In January 2016 the First Minister announced that a series of trials would be run to test a variety of models for delivering the ELC expansion to 1140 hours:

“By trialling different methods with local authorities and childcare providers, we will be better able to understand what parents and children need and want, and what is actually working. This will be crucial as we move forward with our transformational expansion of childcare.”

The Scottish Government is providing £1 million of investment to support the programme of trials, which will commence in January 2017.

Key Trial Themes

In June 2016 the Scottish Government published an analysis of the consultation responses to the ELC Trials Discussion Paper (<http://www.gov.scot/Publications/2016/06/1559/0>). The responses provided a helpful steer on the key aspects, in terms of geography and focus, that should be captured across the range of trials.

Building on these the overall programme of trials to be structured so that as many as possible of the following aspects are covered:

- Involvement of childminders, including ‘blended’ models involving provision in both group and domestic settings
- Provision for eligible two year olds
- Provision for children with additional support needs
- Extended opening hours (covering day and/or year)
- Locations in areas of high rurality
- Locations in highly urbanised areas
- Locations in areas of high deprivation (SIMD)
- Holistic model of provision, integrated with other services for children and their families
- Outdoor nursery provision
- Innovative models of workforce deployment
- Involvement of private and third sector partner providers
- Build on, and expand, current successful models of delivery

In early 2018, following the completion of the ELC delivery model trials, and the monitoring and evaluation phase, guidance will be published, which draws on key learning from the trials, to help local authorities tailor their provision for 2020.

Innovative approaches will be required in all parts of the ELC sector.

For example, as part of the expansion, ELC providers could be incentivised to deliver new, innovative and collaborative approaches to extending capacity. This could be through capacity which is co-funded by closely located employers across the private and third sector. Such approaches could extend to include Further and Higher Education providers – who will require ELC capacity for students who are parents – as well as larger public sector employers.

Potential for an Enhanced Role for Childminders

There are around 5,600 childminders in Scotland, caring for over 31,000 children.

We know that in many local authority areas, childminders are entering into partnerships to deliver the 600 hours of entitlement, particularly for the eligible two year olds. When local authorities contract with childminders they do so within their own quality assurance frameworks.

The Scottish Government consider that childminders and community childminders have a potential key role in expanded funded provision, especially for younger children.

This could be through, for example, increased use of 'blended models of ELC' which involve children spending time in both a nursery setting and with a childminder. We will explore such approaches as part of the programme of delivery model trials.

As part of our work to strengthen the role of childminders we are working with partners to develop and publish in autumn 2017 a new learning and development pathway for childminders to ensure best practice in the profession.

Question 10: What more can we do to promote and support the involvement of childminders in the entitlement to ELC? What are the barriers, if any, to becoming a childminder? How can we ensure quality while preserving the unique value of home-based care?

Supporting Parents and Carers to Work Flexibly

Parents and carers must also be supported to work flexibly. The Scottish Government will continue to ensure that its own recruitment, promotion and 'managed move' practices set an example for the rest of the public sector in terms of flexible working approaches. By the end of 2016, we will commission a Flexible Jobs Index for Scotland to determine the availability of flexible jobs in Scotland.

The recently published Small Business Survey¹⁸ suggests that there is considerable scope for improvements in the flexible working offer Small Medium-sized Enterprises (SMEs) make to their employees: over one quarter of firms offered none of the key flexible working arrangements to their staff.

To explore how to address this in 2017 we will pilot mentoring on flexi-recruitment issues for SMEs from an expert third party.

¹⁸ <http://www.gov.scot/Topics/Economy/ASBS>

ACCESSIBILITY

As ELC delivery models become more flexible it is vital to also ensure that provision is accessible.

There are a number of aspects of accessibility including:

- Ensuring equality of access for all children;
- Ensuring that the provision appropriately meets the needs of children with additional support needs;
- Ensuring that there is sufficient provision across different geographies, in particular in rural and island communities;
- Giving consideration of the proximity of ELC provision to places of work or study or other facilities providing care for children (such as OSC);
- Taking account of the particular issues for parents and carers who are reliant on public transport in order to access work; and
- The interface for securing ELC entitlement, and related support, is clear, as simple as possible and accessible.

ELC provision must be delivered in a way that ensures equality of access for, and accounts for the varying needs of, all children. These needs can vary depending on a number of factors, including whether a child is disabled or has additional support needs, is from an ethnic minority background, or lives in a deprived area.

Question 11: How do we ensure that the voice of children and their families is heard as we plan this expansion?

We will continue to support implementation of the Additional Support For Learning Act 2004 (as amended), to ensure children's additional support needs are identified and provided for. That includes those who are identified from birth as having a disability and are brought to the attention of the education authority as needing additional support.

For example, we have committed to revising and improving the statutory guidance on the 2004 Act. We will promote the Enquire website to ensure parents and carers are aware of the support they and their child are entitled to, as well as how to access that support. These actions will strengthen the support for all children with disabilities and additional support for learning needs.

Question 12: How can we ensure equality of access for all children? What barriers do children with disabilities and additional support needs currently face in accessing early learning and childcare? What further action is required to address these barriers?

Holistic Delivery Models

The ELC expansion will be supported by a targeted programme of infrastructure investment that has included a focus on boosting capacity in current areas of poor availability (which can often be deprived areas or rural communities).

This investment will consider whether different delivery solutions are required for some areas, particularly those with more difficult to reach families, such as in deprived areas. For example, Box 5 highlights that holistic delivery models may be one potential solution. As part of a hub approach, ELC could be delivered alongside other, co-located, services for children and families, including Speech and Language Therapists and Family Link Workers.

Such approaches could potentially support higher take-up rates amongst eligible two year olds, and other groups less likely to access entitlement. We are currently working with partners to draw on the lessons from the expansion to 600 hours to ensure that delivery models are tailored to increase take up rates amongst eligible two year olds, although we welcome additional views.

Question 13: How can we support higher take-up rates amongst eligible two year olds, and other groups less likely to access entitlement?

Box 5: Holistic Delivery Models

Holistic models of provision, where a number of services for children and families are co-located, provide one potential solution for enabling children from more difficult to reach families to access their ELC entitlement.

An example of such an approach is the Woodburn Family Learning Centre, which opened on March 2016, and is part of Midlothian Council's plan to establish integrated family learning centres in key priority areas. The centre adopts a strong focus on early intervention through a 'co-located team' approach to supporting children and their families, including Woodburn primary school and nursery, Sure Start Midlothian, speech and languages services and health visitors.

Engaging parents and carers in their children's learning and development from 0-5 is a key focus, supported by the one way viewing gallery installed in the parents' room where they can observe their children at play.

The children's space has been thoughtfully planned to promote a rich learning environment with high quality natural materials, including access to a secure garden to promote outdoor learning and play. Some of the furniture at the Centre has been specially made by the Grassmarket Community Project, an Edinburgh-based self-supporting social enterprise that gives homeless people work skills.

Communities have been consulted about the design and delivery of services in the Family Learning Centres. The Centre is also working in partnership with local parents to design a range of group and adult learning courses.

The proximity of ELC provision to places of work or study or other facilities providing care for children (such as OSC) can be important for some parents and carers. A particular issue which has been raised is the extent of on-site provision within the Higher and Further Education estates to support parents/carers with their studies¹⁹. We will explore this issue in more detail.

Empowering teachers, parents and communities to achieve Excellence and Equity in Education - A Governance Review highlights that, when parents are fully involved in their child's learning, and in the life and work of their school, we see better outcomes for children, parents and schools. That is why we are committed to giving a stronger voice to parents and communities in our schools.

In a similar vein, the ELC sector has traditionally had strong links with communities and parents and carers. We are committed to further empowerment of ELC settings, and particularly where community empowerment could encourage and develop community-led provision, particularly in remote and rural areas which face unique delivery challenges. As we consider the expansion of ELC we are open to innovative delivery approaches where they can add value. There may be specific opportunities to encourage expansion in the

¹⁹ *The Bairn Necessities, Student parents' experiences of education at college and university in Scotland*, NUS Scotland, June 2016, <http://www.nusconnect.org.uk/resources/the-bairn-necessities>

number of providers who are social enterprises, and to support our wider ambitions in for the social enterprise sector.

Question 14: How can more social enterprises, and third sector providers, be encouraged to enter the early learning and childcare sector?

Question 15: How can the governance arrangements support more community-led ELC provision particularly in remote and rural areas?

As part of the expansion consideration will also be given to the availability of good quality Gaelic Medium provision, particularly in areas where there is high potential for continuity through to Gaelic Medium Primary Education.

The current landscape that parents and carers face in accessing their ELC entitlement, and any additional support, can be complex and, in many respects, antiquated. For example, the general process for accessing a place in a local authority setting tends to involve various rounds of paperwork.

The expansion creates an opportunity to explore approaches to improving how parents and carers access the entitlement, including the potential for a digital interface. This could also involve giving consideration as to how greater linkages could be created across all aspects of ELC – for example, securing a place; support with any additional costs (e.g. additional, paid for hours beyond the funded entitlement); and links to the social security system.

Question 16: How can the broader system for promoting, accessing, and registering for a place in an ELC setting be improved? Please give examples of any innovative and accessible systems currently in place.

AFFORDABILITY

There are two key aspects to affordability: (1) the costs faced by parents and carers; and (2) the costs to the public sector of delivering the overall system.

Reducing the Burden of Childcare Costs for Parents

The expansion will almost double the number of free hours of ELC entitlement available to parents and carers, substantially reducing the childcare costs that they face. It is estimated that this will result in an average saving of £2,000 per child compared to the free entitlement currently available (600 hours), and a saving of £3,000 per child when compared to the entitlement available prior to 2007.

A range of support is available to parents to help support them with their child's early years (see **Box 6**).

Parents may require additional hours from their ELC provider, beyond the funded entitlement. For some parents, particularly those on lower incomes, these costs can provide a barrier to participating in the labour market or in further or higher education.

For example, upfront childcare costs – which can include deposits, administration fees and the payment of the first month's fees in advance – can create a barrier for some parents on low incomes who require hours beyond the entitlement. For some parents they may not have the money to hand to cover these initial costs, particularly if they are just entering the workplace and therefore awaiting their first set of wages. In some circumstances this can prevent them from entering into employment, increasing their hours of employment, or from studying.

We will explore how additional support can be tailored to help reduce the burden of upfront childcare costs for some parents in low income households, including a programme of pilot approaches in 2017-18 across Scotland. The pilots will, in particular, focus on the initial deposit that often has to be paid to secure a childcare place potentially through piloting a deposit guarantee scheme.

Targeted support with childcare costs is available for certain groups, including, for example, students. As part of the Review of Student Support, which will report in Autumn 2017, consideration will be given to the effectiveness of the current student support system for providing support for students with childcare costs.

Box 6: Supporting Families to Give Children the Best Start in Life

Supporting children and families is at the heart of this Government's programme. We know that investing to create the conditions for the best start in life pays dividends: enabling each child to develop fully his or her potential, to learn, to contribute, and enjoy a happy, fulfilled life.

This begins at pre-birth, with appropriate pre-natal care and advice for mothers and continues throughout the child's journey with support including:

- From spring 2017 free vitamins will be offered to all pregnant women.
- In 2017 there will be a full roll-out of the baby box which will offer essential items for a child's first weeks to the families of all newborn babies in Scotland, to promote the fair and equal start we want for every child, regardless of circumstance.

The creation of a new Best Start Grant (BSG) will bring together the system for Healthy Start food vouchers and the UK Sure Start Maternity Grant (SSMG) when powers transfer to Scottish Ministers. This is part of our focus on reducing inequalities in early years, and subject to the outcome of the Consultation on the Future of Social Security in Scotland²⁰.

This will simplify and improve the service for parents and carers by streamlining the application process, providing more joined up support. It will also make clearer what families are entitled to from pregnancy through to children starting school, ensuring we minimise the impact of UK Government welfare cuts on children's health and wellbeing.

The BSG will pay £600 on the birth of a first child, £300 for second and subsequent children and will make additional payments of £250 around the time that children start nursery and school, providing greater support for families through early years.

Healthy Start food vouchers will help families access affordable nutritious food. We will promote this scheme for parents and carers to improve the current take up of the grants, meaning that more families receive the support they are entitled to and more children are given the best start in life.

Support is also available through the tax and social security systems. For example, Tax Free Childcare²¹, which, under current plans, will be fully rolled out by spring 2018; whilst some parents or carers may still receive support through employer-based childcare vouchers.

We want to ensure that support is as coherent, comprehensive and easy for parents to access as possible. This could involve improving the linkages across the range of childcare support, covering existing support and potential new schemes, to ensure that they are accessible and clear to parents.

Question 17: Do parents and carers face any barriers in accessing support with the costs of ELC provision (beyond the funded entitlement)? What more can we do to ensure additional hours are affordable?

²⁰ <https://consult.scotland.gov.uk/social-security/social-security-in-scotland>

²¹ <https://www.gov.uk/government/news/tax-free-childcare-10-things-parents-should-know>

Ensuring the Long-term Sustainability of the ELC Sector

It is vital that the overall ELC sector is sustainable over the long-term, has appropriate capacity, and allows for diversity in providers across the public, private and third sector, as well as a wide range of innovative delivery models.

As highlighted earlier, this includes ensuring the sustainability of partner providers within the system.

The expansion to 1140 hours will be delivered to ensure long-term financial sustainability, for example through future-proofed infrastructure that allows for future evolution of delivery models.

Delivery solutions which create greater integration with wider service and asset agendas help to deliver greater long-term value for money from the ELC expansion investment; whilst the improved outcomes for children, particularly those from disadvantaged backgrounds, improves long-term financial sustainability by preventing future budget pressures.

Question 18: How can ELC providers, particularly private and third sector providers, be encouraged to extend capacity?

FINANCING AND DELIVERING THE EXPANSION

Delivering this ambitious vision for the transformational expansion of ELC entitlement will require a funding model that supports an ELC sector that is varied, flexible, sustainable, and focused on delivering a high quality experience for our children.

Empowering teachers, parents and communities to achieve Excellence and Equity in Education – A Governance Review makes clear that effective governance requires funding to be fair and transparent and for resources to be available to support good decision making.

Given the level of ambition, and in light of the comprehensive analysis set out in the Financial Review, we will also assess the appropriateness of the overall funding model for delivering ELC.

Current Approach

Funding for delivery of the ELC entitlement of 600 hours is currently included within the general revenue grant provided to local authorities.

Local authorities then decide how best to allocate this resource in order to meet their statutory duties, including delivering the funded entitlement.

Local authorities can deliver the entitlement through their own nurseries and provision, or contract with providers in the private and third sectors (referred to as partner providers).

In 2014-15, local authorities reported their gross expenditure on ELC was £347 million. This figure is expected to rise year on year over the period to 2019-20 as additional funding was provided to local authorities to support the ELC aspects of the 2014 CYP Act. However, analysis presented in the Financial Review indicates that so far not all of the resources allocated to local authorities to support the delivery of the 2014 Act have been spent on ELC²².

Additional resource, both revenue and capital, will also be required in order to fund the expansion in entitlement to 1140 hours. The Scottish Government is committed to meeting these costs, however this must be delivered efficiently whilst ensuring that a high quality service is provided.

Alternative Funding Model Options

There are a range of potential approaches to funding the provision of ELC in Scotland.

They range from predominately supply-side approaches where funding is directed through providers, to demand-led models where funding is directed through parents and carers. Many systems in practice, including Scotland's today, are a mix of both approaches.

An assessment of funding models would need to consider a range of criteria including, the four guiding principles of fair funding as set out in *Empowering teachers, parents and communities to achieve Excellence and Equity in Education – A Governance Review* and our aims for the expansion of ELC as set out on page 10 of this document. More specifically, it should include:

- The fairness, simplicity, transparency and predictability of the approach;
- The impact on quality and child outcomes;
- Choice and flexibility for parents and carers;

²² For example, in 2014-15, local authorities were provided an additional £69 million in revenue costs to support the implementation of the 2014 Act, but local authorities reported that total spending on ELC compared to 2013-14 only increased by £26.9 million.

- The potential impact on disadvantaged families, and our ambition to reduce the attainment and inequality gaps;
- The level of accountability for ELC spending – ensuring that every penny earmarked for ELC provision is spent as intended;
- The impact on the sustainability of providers;
- The costs and timescales involved in developing and implementing an alternative system and whether they are outweighed by the potential benefits; and
- The potential costs to parents and carers, and to the Scottish Government.

We have identified the following broad funding models which provide different degrees of variation from the current system (which is predominately a supply-side approach), including more substantial shifts towards predominately demand-led approaches:

- Option 1: **Funding Dependent on Delivery** – funding would continue to be routed through the local government block grant route. However, local authorities would have to submit detailed plans to secure all, or potentially a proportion of, the spend. Alternatively, money not spent could either be clawed back or removed from the baseline for the following financial year;
- Option 2: **Funding Follows the Child** – a more demand-led system where parents and carers choose the provider, who must meet minimum agreed standards, and then the funding follows while still being administered by local authorities. This could be underpinned by the introduction of a funding formulae which set rates for the provision which would apply to all providers, regardless of sector. These rates could vary according to the age of the child, any additional support needs; across different providers, e.g. childminders, playgroups and nurseries; and, across rural and urban provision (to reflect differences in the average costs of delivery);
- Option 3: **Early Learning and Childcare Accounts** – a demand-led system where parents and carers receive the funding – through, for example, a system similar to that proposed by the Commission for Childcare Reform²³ – which they can then spend at a provider of their choice; and
- Option 4: **A hybrid approach** – a model with similar principles to the self-directing care approach²⁴, whereby parents and carers choose how their child receives their ELC support – e.g. this could be determined by the local authority; parents and carers could choose their provider and then the money follows; or parents receive the funding (this could also be in the form of an Early Learning and Childcare Account, similar to option 3, to ensure that it is spent on ELC).

Question 19: What funding model would best support our vision for high quality and flexible ELC provision, which is accessible and affordable for all?

²³ <http://www.commissionforchildcarereform.info/>

²⁴ Self-directed support allows people, their carers and their families to make informed choices on what their support looks like and how it is delivered, making it possible to meet agreed personal outcomes. It includes a range of options to ensure everyone can exercise choice and control including: a Direct Payment (a cash payment); funding allocated to a provider of the person's choice (sometimes called an individual service fund, where the council holds the budget but the person is in charge of how it is spent); the council can arrange a service; or a mix of these options can be chosen for different types of support.

Phasing of the Expansion

The expansion will require substantial levels of investment in both the workforce and in infrastructure. The investment will be phased over a 3-4 year period to ensure that the required capacity is in place by 2020 to enable full roll-out the expanded entitlement.

This investment will result in additional capacity – in terms of new or expanded ELC settings and new ELC workers – becoming available within the sector.

Given the transformative nature of the expansion, and the potential structural changes that could result in the sector, it is challenging to assume that the system would be able to smoothly move from providing 600 hours to 1140 hours overnight.

A potential alternative approach, which could smooth the transition, is to phase in the additional entitlement for some children as additional capacity (both infrastructure and workforce) becomes available.

There are various options for phasing in entitlement. For example:

- There could be an incremental increase in the level of entitlement made available (e.g. at some point between now and 2020 the entitlement could increase from 600 hours to, for example, 800 hours, as a step towards 1140 hours);
- Allow local authorities to expand entitlement incrementally as increased capacity becomes available; and/or
- Expanded entitlement offered to cover a range of cohorts, geographic areas or providers.

Each of these options carry additional cost and delivery implications, which would need to be carefully considered.

Question 20: If it were possible for aspects of the entitlement to be phased in ahead the full roll out by 2020, how should this be implemented?

SUMMARY OF QUESTIONS

Question 1: How do we ensure children are fully supported at the transition stages throughout their early-learner journey? What support should be provided to ensure that the ELC workforce and teachers have the skills, knowledge and capacity to support transitions?

Question 2: What support is required to ensure that the ELC workforce have the skills, knowledge and capacity to deliver high quality provision for two year olds? How can the ELC sector best meet the specific learning, developmental and environmental needs of two year olds? What approach should be taken on the transition for these children when they turn three?

Question 3: How can the qualification routes and career paths that are open to early learning and childcare practitioners be developed to ensure that the ELC sector is seen as an attractive long-term career route?

Question 4: How can we increase the diversity of the ELC workforce, in particular increasing the gender balance in the sector?

Question 5: How can payment of the Living Wage and wider Fair Work practices be encouraged across the ELC sector?

Question 6: What actions should be taken to support increased access to outdoor learning, exercise and play?

Question 7: How could accountability arrangements for early learning and childcare be improved?

Question 8: What factors must be considered in delivering flexible ELC provision, while continuing to ensure a high quality service? To what extent could funded ELC support parents and carers with non-standard working hours, such as working shifts and weekends?

Question 9: How can we ensure fair and sustainable funding for all providers offering the ELC entitlement?

Question 10: What more can we do to promote and support the involvement of childminders in the entitlement to ELC? What are the barriers, if any, to becoming a childminder? How can we ensure quality while preserving the unique value of home-based care?

Question 11: How do we ensure that the voice of children and their families is heard as we plan this expansion?

Question 12: How can we ensure equality of access for all children? What barriers do children with disabilities and additional support needs currently face in accessing early learning and childcare? What further action is required to address these barriers?

Question 13: How can we support higher take-up rates amongst eligible two year olds, and other groups less likely to access entitlement?

Question 14: How can more social enterprises, and third sector providers, be encouraged to enter the early learning and childcare sector?

Question 15: How can the governance arrangements support more community-led ELC provision particularly in remote and rural areas?

Question 16: How can the broader system for promoting, accessing, and registering for a place in an ELC setting be improved? Please give examples of any innovative and accessible systems currently in place?

Question 17: Do parents and carers face any barriers in accessing support with the costs of ELC provision (beyond the funded entitlement)? What more can we do to ensure additional hours are affordable?

Question 18: How can ELC providers, particularly private and third sector providers, be encouraged to extend capacity?

Question 19: What funding model would best support our vision for high quality and flexible ELC provision, which is accessible and affordable for all?

Question 20: If it were possible for aspects of the entitlement to be phased in ahead the full roll out by 2020, how should this be implemented?



A Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland

A Scottish Government Consultation

RESPONDENT INFORMATION FORM

Please Note this form **must** be returned with your response.

Are you responding as an individual or an organisation?

- Individual
 Organisation

Full name or organisation's name

Phone number

Address

Postcode

Email

The Scottish Government would like your permission to publish your consultation response.
Please indicate your publishing preference:

- Publish response with name
 Publish response only (anonymous)
 Do not publish response

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- Yes
 No



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