

Literature Review:

Report by The Diffley Partnership
prepared for the Joseph Rowntree Foundation

September 2023



From many voices to smart choices

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Executive Summary

This full report includes the findings of a desk-based review of the current state of childcare provision in Scotland, conducted in August 2023.

Context

Joseph Rowntree Foundation (JRF) commissioned Diffley Partnership to conduct this review as part of their wider project on the role of childcare in reducing child poverty in Scotland, and deepening understanding of the relationship between current childcare strategy and delivery and anti-poverty strategies in Scotland.

Approach to review of literature

The scope of the literature was set as:

- published literature including by governments, third sector, childcare practitioner bodies and academic studies,
- published within the past five years,
- focussed on Scotland or Rest of UK.

The initial topic coverage was planned as:

- data on employment and parental employment patterns for Scotland,
- data on relevant social security provision in Scotland,
- current policy context in relation to poverty prevention, poverty reduction and increased family resilience,
- insights on fair work in Scotland, including 'good work',
- desires of parents and guardians for childcare – including hours of work and care, flexibility of employment, cost,
- data on current provision of childcare and costs for childcare in Scotland,
- findings on successes or challenges of childcare provision in Scotland.

Special focus in relation to these topics was expected:

- the experiences of the Scottish Government's six priority families groups in relation to any of the above,
- the impact of age of child(ren) in relation to any of the above,
- gender analysis of parents/ guardians in relation to any of the above.

This literature review summarises content from a total of 47 publications from various authors. The views and content of extant literature may not be the view of JRF or the researchers. The main findings of the literature are included below under each of the research questions for this study.

What is the relationship between current childcare strategy and anti-poverty strategies in Scotland?

The principles underpinning the Scottish Government's original vision for improving childcare provision in Scotland (via the expansion of free ELC to 1140 funded hours; Scottish Government, 2017) were Quality, Flexibility, Accessibility, and Affordability:

- Accessibility – Accessible ELC was described as that which has sufficient capacity and is as conveniently geographically located as possible to support parents to work, train, and study, while also meeting the needs of children with additional support requirements.
- Flexibility – Flexible ELC provision was defined as that which includes patterns of provision that are aligned well with working patterns, thereby supporting parents and carers in work, training, or study, as well as those with caring responsibilities.
- Affordability – This outcome intends that barriers to employment or training and household costs are both reduced via increased access to affordable ELC.
- Quality – This outcome aims to ensure that all children have a high-quality ELC experience, which “complements other early years and educational activity to close the outcomes gap and recognises the value of ELC practitioners.

The connection between childcare and anti-poverty is made in previous literature as:

- Appropriate childcare may allow parents to realise their employment potential, while inadequate childcare could lead to parents accessing employment that does not meet their needs or abilities.
- Adequate childcare can also allow parents to realise their potential beyond work too, through leisure, training, or study opportunities.
- Different authors frame the connection between childcare and social security from different standpoints. Fundamentally the point is made by different authors that childcare should enable parents to secure and maintain paid employment.
- Adequate childcare is not only preventing women from realising their employment potential. Consequently, that adequate childcare can allow mothers who are primary

caregivers to “reconcile paid employment and family life, promoting gender equality”, and reduce the gender pay gap.

Literature contains findings on the challenges faced by childcare providers including budget pressures and workforce issues. If funded providers are not sustainable, the childcare service provision available to parents will inevitably be less flexible and less accessible, and their employment opportunities will decline – as well as any potential positive impact on poverty reduction. Furthermore, literature highlights that people working in childcare should also be considered as workers and parents working on low incomes and also at risk of poverty themselves.

Key considerations include:

- What action can be taken to ensure that providers are supported in facing both cross-sector challenges and those unique to the sector?
- Does the local implementation of the expansion to 1140 funded hours policy require review?
- What impact is the variation in sustainable rates paid by local authorities having on childcare provider sustainability?

What do parents of young children (under 5) want from their childcare and work?

Significant work has already been conducted to advance understanding where childcare is not meeting parents’ needs and what parents need from childcare. Much of the recommendations made by earlier reports (see section 8.1) stem from this understanding of parents’ need and provision gaps in meeting needs.

There are no extensive studies of what each of Scottish Government’s six priority groups need from childcare provision. However, literature brings to the fore additional concerns for specific groups in the population including female parents, single parents and parents of children with ASNs (groups which may have intersectionality).

All the same, literature talks in general principles of adequate provision, without much direct evidence of what parents want in terms of childcare provision. This may be because circumstances of need and desire can be very individual to families. For example- the days and hours of childcare, the location of childcare provision to suit work or home locations.

Ultimately, it is important for all parties involved in provision of childcare to look in the round at different principles of adequate provision, such as:

- Is accessible childcare flexible, affordable and of quality?
- Is flexible childcare accessible, affordable and of quality?
- Is quality childcare flexible, accessible, and affordable?

What is the interrelationship between hours of childcare, work, pay and social security in keeping low-income families out of poverty?

Another observation made from this literature is the finding that parents may not know of their childcare entitlement, changes to entitlement and lack of information about available providers. This is even without people fully understanding the impacts of childcare and paid employment on any social security eligibility.

Even if childcare is successful, this does not guarantee that all aspects of training and work would be obtainable for individual parents. However, looking at this conversely, this should not deter stakeholders involved in improving childcare practice. If anything, these findings encourage cross sector collaboration. Minimising siloed thinking between childcare provision and the work environment should help re-frame policies and practice towards the whole-life picture of families and equality of opportunity. Poverty reduction strategies, such as those encouraged by JRF should be based on evidence across various provision and need, including, but by no means limited to childcare.

Again, data is limited on the full interrelationship. There are clearly relationships between hours of childcare, work, pay and social security, but likely these are unique to every individual case.

Next Steps

JRF's aim is to build an argument for overall role that childcare is playing in reducing poverty and the practical steps that might be taken to increase this. This will also include a wider view of the role of childcare in creating a more equal society.

The literature review provides a comprehensive summary of the existing breadth of research. As such, JRF can consider compiled findings on:

- Background to current childcare provision in Scotland.
- Provision and need.

- Challenges faced by providers.
- Variability in provision.
- Childcare provision and poverty reduction.

This desk review also reveals the gaps in evidence. Recommended areas for further research can inform JRF's wider research project and its primary research parts and primary research tools.

1. Introduction

This report includes the findings of a desk-based review conducted by Diffley Partnership for Joseph Rowntree Foundation (henceforth JRF) from 7 August to 1 September 2023.

This desk-based review forms an early part of JRF's wider project on the role of childcare in reducing child poverty in Scotland, and deepening understanding of the relationship between current childcare strategy and delivery and anti-poverty strategies in Scotland (see figure 1.1).

The research questions for JRF's project are:

1. What is the relationship between current childcare strategy and anti-poverty strategies in Scotland?
2. What do parents of young children (under 5) want from their childcare and work?
3. What is the interrelationship between hours of childcare, work, pay and social security in keeping low-income families out of poverty?

JRF's aim is to build an argument for overall role that childcare is playing in reducing poverty and the practical steps that might be taken to increase this. This will also include a wider view of the role of childcare in creating a more equal society.

The literature review was included on the premise that:

- Significant work has already been done in understanding where childcare is not meeting parents' needs, as well as the challenges practitioners face.
- There are also many recommendations from advocates in various reports, including significant duplication.
- JRF want to have this all-in-one place, allowing JRF to be a focal point for the evidence on the subject.

Literature was sourced and then examined on the central topic of the state of childcare provision in Scotland. Chapter two sets out the full methodology for the literature review including the types of sources included.

The report includes chapters presenting the most consistent and pertinent findings from the review. Firstly, the report attempts to summarise findings towards this research questions- What is the relationship between current childcare strategy and anti-poverty strategies in Scotland? Chapter three presents a broad overview of the current state of childcare provision in Scotland and how childcare benefits parental employability. This includes the issue of adequacy of childcare and the principles underpinning the Scottish Government's vision for ELC.

Secondly, the report summarises findings of relevance to the research question- What do parents of young children (under 5) want from their childcare and work? Chapter four turns to findings on provision and need. This is organised under the aforementioned Scottish Government principles. This chapter includes a particular focus on the specific needs of women and the Scottish Government's six priority groups, where literature is available.

Chapter five and six add more context on considerations for childcare to work for parents. Chapter five turns to challenges in provision of childcare, these are organised under budget pressures and workforce issues. Chapter six focusses on what can be established on variability of provision across Scotland. Focus is placed on variation by local authority area, urban rural classification, and relative levels of deprivation of an area.

Thirdly, the report summarises findings of relevance to the research question- What is the interrelationship between hours of childcare, work, pay and social security in keeping low-income families out of poverty? Chapter seven provides more findings on the connections between childcare provision and poverty reduction. Fair work, social security and education are focussed upon.

Chapter eight starts by highlighting the connections between the findings in the report and three outcomes from the 2020 extension. Various advocates and organisations have also provided a wealth of recommendations for progressing the childcare offering in Scotland. Therefore, this final chapter includes a summary of recommendations from the sources consulted and recommendations for further research.

2. Methodology

This chapter includes details of the scope and coverage set for the review. Next, the process of sourcing literature during the research. Lastly, the approach taken to review the literature.

2.1 Scope and Coverage

Diffley Partnership and JRF discussed the scope and coverage of the literature review at inception.

The starting point was JRF's research questions:

1. What is the relationship between current childcare strategy and anti-poverty strategies in Scotland?
2. What do parents of young children (under 5) want from their childcare and work?
3. What is the interrelationship between hours of childcare, work, pay and social security in keeping low-income families out of poverty?

The scope of the literature was set as:

- published literature including by governments, third sector, childcare practitioner bodies and academic studies,
- published within the past five years,
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The initial topic coverage was planned as:

- data on employment and parental employment patterns for Scotland,
- data on relevant social security provision in Scotland,
- current policy context in relation to poverty prevention, poverty reduction and increased family resilience,
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- desires of parents and guardians for childcare – including hours of work and care, flexibility of employment, cost,
- data on current provision of childcare and costs for childcare in Scotland,
- findings on successes or challenges of childcare provision in Scotland.

Special focus in relation to these topics was expected:

- the experiences of the Scottish Government's six priority families groups in relation to any of the above,
- the impact of age of child(ren) in relation to any of the above,
- gender analysis of parents/ guardians in relation to any of the above.

These parameters help steer and focus researchers conducting this desk review within a set period of time. In this case, Diffley Partnership used the criteria above to source appropriate literature, and did not review any source deemed to be particularly relevant to this review topic. The sub-section below details the process of sourcing literature.

2.2 Sourcing literature

On inception, JRF provided Diffley Partnership with an initial list of 13 sources. These sources were consulted and an initial review was undertaken (see section 2.3).

Searches were then conducted to identify additional relevant sources, including:

- Scottish Government documents – such as childcare strategy documents, responses to surveys, public responses to Committee inquiries, submissions to meetings of Scottish Government Committees, and childcare programme evaluations.
- Third-sector organisations' responses to, and commentary on, Scottish Government childcare and anti-poverty policies and implementation.
- Academic papers detailing the broader context (for example, to expand on findings relating to poverty reduction mentioned in third-sector reports).

These sources were identified based on particularly pertinent points of consideration in the 13 original sources, keyword searches, and additional sources cited in both the original sources and those that emerged from further searching that merited further exploration.

Most sources related to Scottish Government policy and responses to this policy and its implementation from the Scottish public (largely parents) and stakeholder organisations (largely third-sector organisations aiming to address social inequalities, reduce poverty, or represent the needs of childcare providers in Scotland). However, where appropriate and relevant, sources were also consulted relating to childcare policy and provision in the UK and beyond, as a point of comparison.

All sources were consulted and, where relevant, notes on their findings were taken and data points recorded. These were subsequently subjected to a thematic analysis, with thematic codes applied. These broadly related to the original research questions; following this, further sub-themes emerged.

One of the key decisions made during this iterative process, and in line with the scope and coverage set out above, was not to include literature focussing on poverty in Scotland, if this did not focus on the topic of childcare. Although an important topic, this would have taken the literature review on a

tangent, and likely led to duplication of effort with the extensive knowledge and research JRF has on the wider topic of poverty.

2.3 Reviewing literature

The review process followed:

1. Quick review of sources to understand their key focus and the perspective of authors or commissioners.
2. Looking up any unfamiliar jargon.
3. Fuller review of each source – linking text to sub-topics of interest as set out by the client (see chapter 1 for context of research commission).
4. Sourcing further literature and repeating steps 1 to 3.
5. Critical analysis of each source – exploring relationships between findings of different sources and identifying where findings or views contradicted or confirmed those of other sources.
6. Highlighting gaps – identifying where gaps might be apparent in the existing literature

On this basis, a comprehensive literature review was produced outlining the key findings of previous research in this field.

There were 47 sources reviewed in total, including responses to Scottish Government surveys and Committee Inquiries; academic papers; Scottish Government strategy documents and action plans; and third-sector commentary and evaluations – see Appendix A for a full list of sources.

The following chapters contain the findings from this review of literature. Findings include:

- Coverage of extant literature – areas with abundant research and analysis and areas where there are data gaps.
- Sub-topic findings – bringing together findings from the literature and highlighting where there are similar or differing perspectives by providing short extracts from literature examined.
- Recommendations from the literature – collated so readers can easily access and consider recommendations from the literature.

As is the nature of literature reviews, they summarise existing publications from various authors. The views and content of extant literature may not be the view of JRF or the researchers. Ethical issues which can arise can include the classification of members of the public by authors, or commentary on groups within the population.

2.4 Glossary and Clarifications

Below are definitions of certain key terms that recur throughout the review. These are broad and flexible definitions which are intended as a helpful steer to understand the terms found in the literature.

Additional Support Needs (ASN): Some children and young people need extra help to get the most from their education and achieve their potential. Pupils who need extra or different help than other pupils their age, for any reason, are said to have ‘additional support needs’. Pupils might have additional support needs for many reasons, including if their learning environment is not suitable for them; they are disabled or have a health condition; their family circumstances are affecting their ability to learn; or they are experiencing social or emotional problems.¹

Early learning and childcare (ELC) settings: can be defined as environments that offer care, education, and developmental activities for children from birth to school age. These settings encompass a range of places, such as nurseries, playgroups, childminder services, and other similar establishments that provide structured learning experiences along with care and support.

The focus of these settings is to promote the holistic development of children, including their social, emotional, cognitive, and physical growth, in preparation for formal education. [The Care Inspectorate](#) plays a vital role in ensuring that these settings adhere to appropriate quality and regulatory standards to guarantee the well-being and development of the children in their care.

The Care Inspectorate categorises the list of services they inspect and numbers of each service including- childminding (20629), daycare of children (8050), childcare agency (78), care home service children and young people (320).

Fair work: According to the Fair Work Convention, Fair work is ‘work that offers all individuals an effective voice, opportunity, security, fulfilment and respect.’² The Vision & Framework for Fair Work in Scotland is ‘By 2025, people in Scotland will have a world-leading working life where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations and for society.’

¹ <https://enquire.org.uk/3175/wp-content/uploads/2020/02/asl-key-facts.pdf>

² [The Fair Work Framework - The Fair Work Convention](#)

Flexible childcare model: Provision of childcare that allows parents to book hourly, change their bookings per week, and only pay for the childcare they actually use.³

Parents: The term is used in the literature, and this review' to refer to parents, carers, and guardians of children.

Private and voluntary and independent (PVI): The terms 'independent childcare settings' and 'private and voluntary and independent sector (PVI)' are used interchangeably in literature, including in official Scottish Government publications. These are a subset of ELCs. These are effectively non-local authority ELCs.⁴

Real living wage: Living Wage Scotland defines the real Living Wage as follows: "The real Living Wage is an independently calculated rate based on the cost of living and is paid voluntarily by employers. The rate is currently £10.90 and is calculated annually by The Resolution Foundation on an analysis of the wage that employees need to earn in order to afford the basket of goods required for a decent standard of living. This basket of goods includes housing, childcare, transport and heating costs." Crucially, Living Wage Scotland state: "The real Living Wage is different to the UK government's National Living Wage which is not calculated according to what employees need to live on. The current rate is £10.90 (£11.95 in London) and applies to all employees aged 18 and over."

Scottish Government's six priority groups: Lone parent families, minority ethnic families, families with a disabled adult or child, families with a younger mother (under 25), families with a child under one, and larger families (3+ children).⁵

³ <https://www.fcsc.org.uk/news/new-research-shows-that-flexible-childcare-can-reduce-family-poverty/>

⁴ [Early learning and childcare expansion - Early education and care - gov.scot \(www.gov.scot\)](http://www.gov.scot)

⁵ [Child Poverty Delivery Plan Consultation | Scottish Parliament Website](#)

3. Background to current childcare provision in Scotland

Background to current childcare provision is mostly sourced from publicly available information from the Scottish Government and public bodies. This chapter is mainly descriptive of the underlying policy and principles. In later chapters, commentary is included from a wider variety of sources on the current childcare provision – the extent it is meeting need, challenges faced and variability in provision.

Over the past decade, the Scottish Government has extended funded early learning and childcare (henceforth: ELC) provision to 1,140 hours in Scotland, in line with its aim to improve children’s outcomes and close the poverty-related attainment gap (Wane, 2019). The Scottish Government’s action plan for the expansion of ELC in Scotland (Scottish Government, 2017) stated:

“The Scottish Government recognises that the earliest years of life are crucial to a child’s development and have a lasting impact on outcomes in health, education and employment opportunities later in life. We are committed to reducing these inequalities and this is why we are making an unprecedented level of investment in the early years...Included within this investment package, the near doubling of the entitlement to ELC from 600 to 1140 hours per year from August 2020 is one of the most important and transformational changes we are making during our current Parliamentary programme.”

The main aim of the expansion of funded hours was to improve outcomes for children in Scotland, supporting children to learn skills and develop confidence to take forward into school – helping to address the poverty-related outcomes gap (Scottish Government, 2017). Another important aspect of the ELC expansion was to provide more holistic family support. In sum, the expansion aimed to contribute to three high-level outcomes:

- Children’s development improves and the poverty-related outcomes gap narrows.
- Parents’ opportunities to take up or sustain work, study or training increase.
- Family wellbeing improves.

It was intended that delivery of high-quality, flexible, affordable, and accessible ELC would encourage parents to take up their child’s entitlement to funded hours (Wane, 2019).

As of August 2021, all three- and four-year-olds in Scotland can access 1140 hours of funded childcare per year, working out as 30 hours per week during term-time, or approximately 22 hours per week if used across the full year (Coram Family and Childcare, 2022). Eligible two-year-

olds – including those with care experience, those with a parent who gets certain benefits⁶, and those with a care-experienced parent – are also entitled to funded ELC (Audit Scotland, 2023).

Parents can supplement these hours with self-funded or informal childcare (McAdams, Wason, Anand, Craig, and Inglis, 2017). As a result, for a full-time nursery place (50 hours per week), Scottish families are, on average, paying £85.03 per week, down from £145.70 per week in 2020 (Coram Family and Childcare, 2022).

3.1 Adequate childcare provision improving parental employment

Existing literature consistently supports the positive impact of appropriate childcare provision on parental employment. In an earlier literature review, McKendrick, Hakeem, Reid, Ritchie, and Sadvoska (2022) provide a comprehensive overview of the various benefits of access to adequate childcare in relation to employment opportunities, noting the following:

- Appropriate childcare may allow parents to realise their employment potential, while inadequate childcare could lead to parents accessing employment that does not meet their needs or abilities.
- Adequate childcare can also allow parents to realise their potential beyond work too, through leisure, training, or study opportunities.
- McKendrick et al. also noted that in their review that there is contention within the literature surrounding whether effective childcare provision can enable parents into work and employment as their main, or sole source of income. They note:

“Some might argue that many parents are ‘trapped’ on welfare and unable (or unwilling) to access paid employment. Although there is no shortage of evidence that undermines these arguments (demonstrating that decision-making is more complex), it may be posited by some that providing childcare to facilitate paid employment is a way of lowering welfare ‘dependency’”.

These benefits were also noted in responses to the Scottish Government’s Social Justice and Social Security Committee’s call for views on child poverty and parental employment (Scottish Government, 2023). The Poverty Alliance, for example, noted that “In addition to paid work,

⁶Two-year-old children can get funded early learning and childcare if their parents get one of these benefits: Income support, Income-based Job Seeker’s Allowance, Income-related Employment and Support Allowance, Incapacity Benefit, Severe Disablement Allowance, State Pension Credit, or Support under part VI of the Immigration and Asylum Act 1999 (Support for Asylum Seekers). Some parents who receive tax credits or Universal Credit may also be eligible. See [Scottish Government guidance](#) for more information.

childcare provision is also critical to enabling parents to access education or training opportunities”.

Whyte, Hawkey, and Smith (2023) highlight how childcare provision, through its impact on parental employment, can directly influence poverty reduction, noting that “At least 10,000 people were held above the poverty line, over 2017–20, by the incomes earned while children were in free childcare.”

The impact of adequate childcare on employment is a particular concern for mothers, considering that mothers are more likely to bear the greater burden of childcare responsibility (Uthede, Nilsson, Wagman, Håkansson, & Farias, 2022). In line with this, their employment outcomes are also affected disproportionately: McKendrick et al. (2022) note that stakeholders in Scotland have reported for many years that inadequate childcare is not only preventing women from realising their employment potential, but also that adequate childcare can allow mothers who are primary caregivers to “reconcile paid employment and family life, promoting gender equality”, and reduce the gender pay gap.

In their response to the Scottish Government’s call for views on child poverty and parental employment (Scottish Government, 2023), The Poverty Alliance voiced similar concerns, advising that “The provision of affordable and flexible childcare often determines whether women have a job, what hours they work, and their earnings”. They also highlighted the impact of adequate childcare on single parents, noting that the cost of childcare is particularly prohibitive for this group, and that this can in fact be a compounding factor for mothers, as 90% of lone parents are female.

3.2 Principles underpinning the ELC vision

In line with the aforementioned benefits of suitable childcare provision, the principles underpinning the Scottish Government’s original vision for improving childcare provision in Scotland (via the expansion of free ELC to 1140 funded hours; Scottish Government, 2017) were *Quality, Flexibility, Accessibility, and Affordability*. These principles are reflected in the intermediate outcomes stated in the Scottish Government’s evaluation strategy for the early learning and childcare expansion programme (Scottish Government, 2022a) – which contribute to the three high-level outcomes. They are defined as follows:

- **Accessibility** – Accessible ELC was described as that which has sufficient capacity and is as conveniently geographically located as possible to support parents to work, train, and study, while also meeting the needs of children with additional support requirements.

- Flexibility – Flexible ELC provision was defined as that which includes patterns of provision that are aligned well with working patterns, thereby supporting parents and carers in work, training, or study, as well as those with caring responsibilities.
- Affordability – This outcome intends that barriers to employment or training and household costs are both reduced via increased access to affordable ELC.
- Quality – This outcome aims to ensure that all children have a high-quality ELC experience, which “complements other early years and educational activity to close the outcomes gap and recognises the value of ELC practitioners”.

In the Government’s evaluation strategy, two additional intermediate outcomes were also noted:

- Take up – This outcome involves maximising use of funded hours, especially among those who will benefit most.
- Parental confidence and capacity – This aim and subsequent evaluation outcome involved aiming for the expansion to help parents and carers to engage with children’s learning, supporting the home learning environment and promoting their own wellbeing and confidence.

3.3 Conclusion

This chapter has provided a grounding in the principles and policy context for childcare in Scotland.

Furthermore, the notion of adequate childcare is associated with positive societal consequences including:

- Appropriate childcare may allow parents to realise their employment potential, while inadequate childcare could lead to parents accessing employment that does not meet their needs or abilities.
- Adequate childcare can also allow parents to realise their potential beyond work too, through leisure, training, or study opportunities.
- Adequate childcare can allow mothers who are primary caregivers to “reconcile paid employment and family life, promoting gender equality”, and reduce the gender pay gap.

The following chapter contains an overview of the literature in relation to the success of the current childcare provision in Scotland in meeting parents’ needs – with particular reference to employment – and where it is failing to do so. This overview is organised under the headings of the



four principles underpinning the original vision for the expansion of ELC: Quality, Flexibility, Accessibility, and Affordability, as these best reflect the existing literature on what parents need from childcare.

4. Provision and need

This chapter includes content from the literature reviewed considering whether childcare provision meets the needs of parents. These findings come from a combination of published evaluation, responses to surveys of parents' needs, and wider research and commentary on effectiveness.

Findings on the success of childcare provision is organised under the headings of the four principles of the original ELC expansion (Flexibility, Accessibility, Affordability, and Quality), as these principles are consistently mentioned across the literature in relation to parents' needs. They are, for example, frequently referred to in the Scottish Government's survey of parents' views on, and use of, childcare provision (Scottish Government, 2022b). Similarly, JRF (2022)'s investigation of parents' views on childcare provision highlighted that "Affordable, high quality and flexible childcare (for young children and out of school care) is time-and-again the key ask of parents who are unable to access work". Similarly, a dominant theme across responses to the Scottish Government's call for views on child poverty and parental employment was how crucial "affordable, flexible and appropriate" childcare is to improving parents' employment circumstances. Accordingly, parents' more recent reports of their needs from childcare provision can largely be grouped under the same headings.

Childcare provision in relation to its impact on parental employment is considered. When available, this chapter provides reference to the impact of adequate childcare provision (or lack thereof) on gender equity, and parents in the Scottish Government's six priority groups.

4.1 Accessibility

Scottish Government (2017) action plan described accessible ELC as that which has sufficient capacity, is conveniently geographically located, and meets the needs of children with additional support requirements. The wider literature also highlights an additional barrier – parent's knowledge of the entitlement and application process.

Sufficiency

The proportion of areas in Scotland with sufficient childcare provision to meet the needs of eligible children has changed markedly since the expansion of funded ELC to 1140 funded hours in August 2021 (Coram Family and Childcare, 2022)

However, this source found sufficiency of childcare varies across different age groups:

- Sufficiency of childcare has increased for three- and four-year-olds by 46% (from 50 per cent in 2021 to 96 per cent in 2022);
- but decreased for children under two from 24% 2021 to 18% in 2022;
- Sufficiency has also increased for eligible two years olds (from 61% in 2021 to 78% 2022)
- but decreased for 5- to 11-year-olds after school from 14% to 9%.

The authors add the caveat, however, that changes in responses from just a few local authorities can make marked changes to the overall figure, because Scotland has relatively few authorities compared to the number of local authorities in England (see further findings on local authority variation in section 6.3.)

The discrepancy in how well the expansion is meeting parents' needs depending on the age of their children is reiterated in the responses to the Scottish Government's call for views on child poverty and parental employment (Scottish Government, 2023). One of the stronger themes emerging from that call for views was the need to extend childcare provision to after-school or 'wrap-around' care. One respondent noted that:

“Any extension of free or subsidised childcare needs now to be focused on school age childcare rather than early years...There is little point in encouraging parents, particularly mothers, back to work, training, studying because they can access early years childcare if when the child gets to primary school there is no sustainable or affordable childcare in place.”

Responses varied in relation to what age groups any further expansion should prioritise, with children aged 'one to two years' and 'over three years' both named as priority groups.

Another consideration is the impact of the Covid-19 pandemic on the needs of workers and whether sufficiency of childcare became harder to achieve. Coram Family and Childcare (2022) asked Local Authorities across the UK about the impact of COVID-19 on their local childcare sector, including “changes to supply, demand and sufficiency of childcare locally, steps taken by childcare providers to maintain sustainability, and the expected impact of possible changes to Government funding”. This information was gathered in November and December 2021. However, only data from English Local Authority responses are included in their report. This is because the report is based on surveys sent all Family Information Services within local authorities; Freedom of Information requests were sent to authorities that did not respond. Crucially, questions about the impact of the pandemic were not included in those requests, and so the response rate from local authorities across the UK was lower than that for other questions. In Scotland, the response rate from local authorities in relation to COVID-19 and childcare was below 50% (as in Wales), and so only the English data (response rate: 57%) were published in the final report. It might be possible to

generalise findings from English sufficiency of childcare as impacted by COVID-19 to Scotland – but not necessarily in relation to the specific 3–4 year old versus under 3 year old divide in sufficiency in Scotland, considering different childcare policies are in place in England.

Convenience of location

How conveniently geographically located ELC is to home or work and travel-related barriers arise in the literature.

Whether this aspect of parents' childcare needs is being met currently is questionable. Nearly all respondents to the Scottish Government's survey on parents' views on, and use of, childcare (Scottish Government, 2022b) advised that it was easy to travel to their main provider of funded ELC: 97% of parents of three- to five-year olds and 95% of parents of eligible two-year-olds stated that they found it easy and approximately three-quarters said they found it very easy.

However, these findings are frequently challenged elsewhere. McKendrick et al. (2022) cite previous research (McKendrick, 2021) indicating that cost-effective transport to childcare remains an issue, both in urban and rural areas. This concern was echoed by both parents and stakeholders in response to the Scottish Government's call for views on child poverty and parental employment (Scottish Government, 2023): 21 organisations and 22 individuals (almost every respondent) mentioned the cost of public transport as an area for improvement in accessing childcare. In contrast to McKendrick et al.'s report, respondents to the call for views also highlighted that reliable transport was a particular concern for rural areas, as the frequency and timing of public transport tended to be lacking in these areas.

JRF (2022) also report that access to conveniently located childcare limits parents' choices of childcare, quoting one respondent who stated:

“Some nurseries, they only take certain age ranged kids. So, if you want your kid to go in younger, you don't have a lot of choice and if you don't have a car it makes it even worse trying to drive a one-year-old to a nursery that's 5 mile away.”

JRF (2022) highlight the need for choice more broadly too, noting that how conveniently located ELC is for parents depends very much on the specific needs of parents. Their report highlights, for example, how some parents might find childcare near their home most convenient, while others would benefit more from childcare near their workplaces. There is an inevitable overlap between this aspect of the Accessibility outcome and the Flexibility outcome more broadly: as JRF's report notes, choice is crucial to accommodate parents' varied circumstances and needs.

Family's needs – including Additional Support Needs

McKendrick et al (2022) highlight the positive impact of adequate childcare on parents of children with additional support needs (henceforth, ASN), citing an evaluation of childcare expansion in England (Paull & La Valle, 2018) which reported that the additional childcare hours provided much needed respite for these parents.

Respondents to the Scottish Government's survey on parents' views and use of childcare (Scottish Government, 2022b) were largely satisfied that funded ELC is meeting their child's additional needs – only one in 10 respondents were dissatisfied. Additionally, while 31% of parents with a child with ASN had experienced difficulties accessing suitable provision in 2022, this was down from 48% in 2018. Difficulties mentioned included staff not having enough time to meet their children's needs and a lack of information regarding how children with ASN can be supported by providers, as well as a lack of confidence in staff's capabilities.

However, again the findings from this survey were challenged elsewhere: the submission from Carers Scotland to the Scottish Government's inquiry into child poverty and parental employment (Scottish Government, 2023) highlighted difficulties in finding appropriate childcare for children with additional needs: "The lack of available childcare can mean loss of employment with research indicating that nearly a third (30%) of parents of disabled children are not working, with 40% having been out of work for more than five years."

Other needs were also cited by respondents to the Scottish Government's call for views: the RAF Families Federation, for example, noted in their response that,

"The mobility associated with military life may exacerbate this challenge as one family highlighted to us: 'We are due to move to an area where the nursery connected to the station has a 20-month waiting list. This is longer than our average tour length!'"

This highlights the possibility that there are lesser-known parental needs beyond the unmet requirements of the Scottish Government's six priority groups (lone parent families, minority ethnic families, families with a disabled adult or child, families with a younger mother (under 25), families with a child under one, and larger families (3+ children)).

Parent's knowledge of the entitlement and application process

On this particular aspect of parents' need for accessible childcare, respondents to the survey on views and use of childcare (Scottish Government, 2022b), were more equivocal. Most respondents advised they were using at least some of their funded ELC hours (where eligible), and the majority of parents advised they were aware of the funded hours' expansion. However, only

half of respondents stated they “definitely” aware of the planned changes. Further, of the minority who were not, approximately 20% advised that they were not accessing their ELC hours due to lack of awareness (of note is that the government’s report adds the caveat that this equates to only 0.4% of all parents of eligible children).

A number of parents responding to this survey also indicated that not understanding how to apply or worries that applying would be too difficult hindered their access to funded childcare – although again it was noted that the number of these respondents equates to approximately 0.2% of all eligible parents. Parents also advised that their take up of funded hours was negatively impacted by a lack of information about available providers – an issue highlighted by participants irrespective of location (urban or rural), household type, or income (high or low).

JRF (2022) reinforced this point on the lack of information about specific providers presenting a barrier to ELC access for parents. They advised that knowing where and when specific children would be able to access funded hours was difficult, particularly given additional barriers to access associated with certain needs (only some nurseries provide the hours to two-year-olds, for example) and certain providers (local authority providers often limit their offering to term-time hours).

For a full review of use of ELC and take up of funded hours, see the aforementioned Scottish Government survey on parents’ views and use of ELC (Scottish Government, 2022b). This builds on a previous survey conducted in 2017 to inform the expansion of the Early Learning and Childcare (ELC) programme, and published in 2018 (Scottish Government, 2018), which provides a useful point of comparison between use of ELC before and after the expansion to 1140 hours.

4.2 Flexibility

The need for flexibility, rather than a particular type of setting, in order to best support parental employment, emerged as a common theme from the Scottish Government’s call for views on child poverty and parental employment (Scottish Government, 2023). Respondents highlighted the need for large-scale expansion of the offering to 50 hours of free, flexible childcare, with one respondent noting that “Flexibility is key to ensure those parents with untypical working patterns can access childcare.”

Whether Scotland’s current childcare provision is meeting the flexibility needs of parents is unclear from the literature. Respondents to the survey on parents’ views and use of childcare (Scottish Government, 2022b) largely advised that they were satisfied with how flexibly they could use their funded hours to meet their needs.

However, research by Flexible Childcare Services Scotland (FCSS; 2023) indicated that only 33% of parents with preschool children stated their current provider offered flexible childcare, and that 59% of parents would change provider if there was a provider offering more flexibility nearby.⁷ FCSS' research also noted that the strength of partnerships with Local Authorities impacted how flexible providers' offering could be. FCSS is a charity offering a flexible childcare model- parents can book hourly, change their bookings per week, and only pay for the childcare they actually use. In some areas, Local Authorities allow families funded hours to be used flexibly too, saving families even more money – but this is not the case universally.

Respondents to the Scottish Government's survey on parents' views and use of ELC (Scottish Government, 2022b) detailed specific areas that might be helpful in relation to flexibility improvement: where parents were dissatisfied with the flexibility offered, they advised they would prefer to be able to have longer childcare sessions on fewer days per week, shorter sessions on more days each week, and sessions throughout the school holidays. Many of these parents noted that the flexibility to match funded hours more closely to work patterns, in order to reduce of top-up care costs, would be useful.

As noted above, the impact of inadequate childcare on employment is felt most acutely by mothers. Unfortunately, the expansion of ELC funded hours in Scotland may not be addressing this impact sufficiently. Close the Gap and OPFS (2023) note that 1140 hours of funded childcare are not flexible enough to enable women to work full-time, as it only equates to the duration of the school day, and purchasing additional hours presents an often-impossible challenge for many women, preventing them from work, study, or training. This finding also illustrates how the need for both flexibility and affordability interact. Additionally, Close the Gap and OPFS (2023) state that the implementation of the policy at the local level has led to variation in the flexibility offered across local authority areas, and, consequently, insufficient flexibility in some local authority areas to meet the varied needs of women, particularly lone female parents, working in an inflexible labour market (see section 6 broadly and section 6.3 in particular for further detail about how local implementation can lead to variation in provision depending on location).

⁷ <https://www.fcss.org.uk/news/new-research-shows-that-flexible-childcare-can-reduce-family-poverty/>

4.3 Affordability

Unsurprisingly, affordability emerged as a key theme across the literature in relation to parents' childcare needs. The literature was unequivocal on this. For a full recent review of costs of childcare (in both Scotland and the UK more broadly), see Coram Family and Childcare's report of the findings of their Childcare Survey (Coram Family and Childcare, 2022) This source is based on surveys returned to Coram Family and Childcare between November 2021 and February 2022 from local authorities in England, Scotland and Wales.

Findings from the Scottish Government's survey (2022b) exploring use of, and views on, early learning and childcare (ELC) services among Scottish parents/carers of children in Scotland indicated that, of those who pay for childcare, a majority have struggled to afford it in the 12 months prior. Sub-groups who were more likely to report difficulties included:

- lone parents,
- households with no/single earner,
- parents of a child with ASN,
- parents in deprived areas
- parents with English as a second/additional language
- and parents of children aged under three.

Key concerns among parents responding to the survey were the high cost of childcare and the difficulty in paying childcare fees up-front.

Households more likely to state that the overall cost of childcare was the main issue were two-parent households, households with two parents in work, and higher income households; some of these households also mentioned upfront fees as a concern. The authors of this report note that this links with the fact that these households tend to use, and spend more on, childcare. The overall costs were also raised as the main issue by single parents, no/single earner households, households where English is a second/additional language, and low-income households, but these households were more likely than others to cite paying fees, deposits, and other costs upfront as issues too.

There was also a discrepancy noted between groups depending on the profile of their childcare use: those using only paid-for childcare were most likely to struggle with the costs; those using a mix of paid and informal childcare had less issues with affordability; and there was a notable improvement in affordability for those using funded ELC (approximately 60% of this group stated they did not experience difficulties affording childcare).

There was also marked differences in affordability based on ages of the children in question. Parents of three- to five-year-olds were much less likely to have experienced issues around affordability (those households with children under three years spent £533 on average per year, while those with children aged three to five years spent £306). The government's report posits that this difference may be at least partly a result of the impact of funded ELC on reducing costs for families when their children reach the age of entitlement.

The findings from the survey also indicate that the amount parents spend on childcare increases as income rises, and that there was a discrepancy depending on the age of the children in question in relation to this finding too. For parents of children under three years on incomes of up to £16,000, the average household spend on childcare was £390; this rose to £623 for parents of children under three on incomes of £60,000 plus. For parents of children aged three- to five-years, the average household spend on childcare for those earning more than £60,000 was £330, whereas those on lower incomes spent on average £251-£284.

A further issue around the affordability of childcare overlaps with accessibility: JRF (2022) highlighted how, while there exists a great deal of support for parents to reduce the costs of childcare, accessing this support is highly complex and this inaccessibility of financial support produces a further barrier.

As with insufficient flexibility, affordability of childcare (or lack thereof) also disproportionately impacts mothers. McKendrick et al. (2022) cite two previous studies which reported that childcare costs are a particularly big disincentive to job seeking for women, and this is especially so for low-income families. Close the Gap and OPFS (2023) reiterate this point, noting that for some subgroups of parents in particular (single mothers, disabled women, and migrant women), the cost of childcare represents a major barrier to access. This report also noted that the absence of informal childcare contacts (such as nearby family and friends) increased reliance on formal childcare for women in racial minority groups, compounding the difficulties their difficulties in affording childcare.

JRF (2022) add to this, highlighting that affordability is a particularly difficult barrier to overcome for parents of children with some ASNs, as some may already have additional costs to cover in comparison to other parents, such as medical bills, costs relating to appointments, or expensive taxi travel due to lack of appropriate public transport.

4.4 Quality

This outcome aims to ensure that all children have a high-quality ELC experience, which “complements other early years and educational activity to close the outcomes gap and recognises the value of ELC practitioners” (Scottish Government, 2022a).

Chapter 5 contains a review of the literature relating to challenges faced by providers – many of which are broader issues faced by many sectors, or the responsibility of the UK Government, but some of which relate directly to the implementation of childcare policy in Scotland.

The literature is largely unequivocal on the positive impact of quality childcare on the outcomes gap. McKendrick et al. (2022) note that there is a clearly apparent “income related educational attainment gap between children from the lowest and highest income brackets”, and that evidence suggests that this gap begins to appear at pre-school age and is maintained throughout the school years. McKendrick et al. acknowledge therefore that this gap will not be mediated by early years education solely; however, they cite numerous research indicating that earlier provision focusing on preparing more disadvantaged children for school could be critical in addressing this gap (Van Lancker, 2013; Pavolini & Van Lancker, 2018; Van Lancker, 2018). They note, crucially, that the literature emphasises the quality of the childcare, rather than just its adequate provision, in order to address the attainment gap.

Elsewhere, Van Lancker (2021) notes that there is an inevitable tension between quality and affordability (and thus flexibility, and accessibility) of childcare, citing, for example, research stating that “in private childcare markets, providers tend to follow demand and establish themselves in better-off neighbourhoods, which means that disadvantaged families have fewer opportunities to secure a childcare place of sufficient quality”. This author also expresses how it is the responsibility of governments to actively intervene to ensure quality of provision for all.

4.5 Conclusion

This chapter on provision and need has considered the principles underpinning the Scottish Government’s original vision for the expansion of free ELC to 1140 hours (Scottish Government, 2017) of accessibility, flexibility, affordability, and quality in turn.

Each section contains survey findings which imply generally high levels of satisfaction. However, each section then includes counter arguments that provision has flaws and is not meeting the needs of parents. In addition, literature focuses on additional concerns for specific groups in the population including female parents, and parents of children with ASNs.

In terms of provision and need, all principles of adequate childcare are inter-related. Important considerations stemming from this chapter include:

- Is accessible childcare flexible, affordable and of quality?
- Is flexible childcare accessible, affordable and of quality?
- Is quality childcare flexible, accessible, and affordable?

5. Challenges faced by providers

Another topic which came to the fore of the literature was challenges faced by providers. Challenges are acknowledged in all types of literature, including submissions to Scottish Government committees, parents' responses to surveys, and wider sources.

The literature indicates that a number of challenges exist for childcare providers, and that these have been compounded by the Scottish Government's expansion of its funded childcare offering to 1140 hours. As a result of these difficulties, questions were raised about the feasibility of the policy going forward in its current form at the time of this research. These can largely be grouped under two broad headings – budget pressures and workforce issues – which interact with one another to affect the long-term sustainability of providers.

5.1 Budget pressures

A major issue hindering the implementation of the 1140 policy in practice is the impact of budget pressures generally on the ELC sector (Audit Scotland, 2023). Pressures mentioned include:

- from the cost of living and energy crises,
- rising inflation,
- stagnant wages,
- and tightened local authority budgets.

These are not unique to ELC providers by any means; however, literature includes findings on the specific impacts of budget pressures on the ELC sector.

In their response to the Scottish Government's call for views on child poverty and parental employment (Scottish Government, 2023), South Ayrshire Council highlighted the impact of cost pressures on providers, noting that "Employers are facing multiple economic challenges which impact on their business from fuel costs, supply chain issues and increases to staff costs without an increase to their income."

The NDNA (the national charity representing private, voluntary and independent (PVI) children's nurseries across the UK) outlined similar concerns in its submission to the Education, Children and

Young People Committee on the 1140 hours expansion (NDNA, May 2022), noting that ongoing recovery from the pandemic could mean providers would face these financial issues for some time yet, and also highlighted the impact of global supply issues on the costs of energy and food and other consumables used in nurseries.

The NDNA's submission also outlined how budget pressures are further compounded for providers within the private, voluntary, and independent (PVI) sectors specifically. It is local authorities who allocate funding across council and many PVI providers have noted that the sustainable rates paid by local authorities are insufficient to cover their costs. Indeed, 76% of respondents to the NDNA's survey of the sector advised that the rates they received did not meet the cost of providing funded ELC places. The Scottish Private Nurseries Association raised similar concerns in its submission to the Education, Children and Young People Committee on the 1140 hours expansion (SPNA, May 2022).

Responding to the Scottish Government's call for views on child poverty and parental employment, First 4 Kids (a not-for-profit childcare provider), advised:

"Where we have more need than places available, we can't recruit or retain staff to expand...The school aged childcare sector needs to be funded by government payments for childcare at a realistic level, a level of funding that supports the workforce and the infrastructure."

5.2 Workforce issues

Various workforce issues are highlighted in the literature. Recruitment and retention are seen as challenges for ELC providers. Different sources link the challenge of labour availability to various underlying reasons, including issues that are not unique to the childcare sector such as difficulty attracting staff or insufficient skills among the workforce, government policy changes, or constraints in labour availability following EU-Exit.

Webb and McQuaid (2020) outline a number of challenges in attracting, recruiting and retaining staff faced by childcare providers, including:

- insufficient levels of skills among the workforce;
- poor working conditions and pay;
- limited ongoing training and career development opportunities; overall low job satisfaction, and low status of the sector making it difficult to attract new staff.

The authors do not point out, but as explained in a later section of this report on Fair Work (section 7.1) these workers are mainly female. The authors do note that these issues are certainly not unique

to the sector and that other factors have compounded workforce-related challenges for the ELC sector in particular.

They note, for example, that, as of 2020, the expansion of the ELC sector in Scotland was estimated to require an additional 20,000 new jobs in order to deliver the increased provision (Webb & McQuaid, 2020), compounding the already apparent challenges noted above.

Other government policies put further pressure on the sector's ability to retain staff, particularly those within the PVI sector. The NDNA's submission to the Education, Children and Young People Committee on the 1140 hours expansion (NDNA, May 2022) cited the introduction of the Real Living Wage as an example of one such additional pressure. Of note, the NDNA highlight that paying the Real Living Wage was not itself a challenge to recruitment and retention of staff, but rather that the issue of unsustainable rates provided by local authorities noted in the previous section meant that many PVI providers not only cannot cover their costs (of which salaries are the biggest outgoing) but that they could not compete with local authority salaries on the rates they receive from those same local authorities. This is a pertinent issue as it will likely impact variation in provision across different areas in Scotland, which are explored further chapter 6.

Authors also commentate on the difficulties in recruitment within the sector as having been exacerbated by broader sociopolitical factors too. A link made by several authors is the impact of the UK leaving the EU. The impact of EU-exit on adult social care and childcare sub-sectors has been studied in two pieces of research commissioned by the Scottish Government, one of which was published in 2018, and one in 2022 (Scottish Government, 2018; Scottish Government, 2022c).

Although the 2022 survey found that the decrease in the percentage of EU nationals employed in the childcare sector was not statistically significant, survey respondents' subjective experiences of recruitment offered a different perspective: employers highlighted a reduction in applications from EU nationals in the 12 months prior, and results also suggested that there was increased difficulty in retaining EU national staff in comparison to 2018. Among EU staff's most common reasons for leaving posts in the social care and childcare sectors were relocation to an EU country and EU-exit-related concerns. Findings also indicated that the decrease in number of applications from EU nationals had led to a drop in quality of staff, meaning employers began to be more likely to hire new recruits with no prior experience. In turn this was found to be compounding the already present difficulties noted above around recruitment of adequately skilled staff.

The report accompanying the 2022 survey included the conclusion that these issues, in combination with other challenges, meant that these sectors now have less flexibility to respond to ongoing workforce supply issues. This may have been a particular challenge for the PVI sector:

according to the same report, the percentage of EU workers in private sector services and voluntary services was higher than the percentage of EU workers in public sector services.

5.3 Impact of challenges on provision

As noted above, budget pressures and workforce challenges affecting the sustainability of ELC providers will inevitably impact Scotland's childcare provision – particularly its flexibility and accessibility (and its potential benefit for parental employment, and ultimately the impact on poverty reduction).

Numerous authors cited in this review have highlighted the need for more choice for parents in order to offset other barriers to childcare access, such as transport challenges, location, and more limited provision for certain children – eligible two-year-olds (JRF, 2022), children who need childcare during summer holidays (JRF, 2022), and children with additional support needs (Scottish Government, 2023).

Provider sustainability is essential to ensure that parents have adequate choice of settings: Audit Scotland (2023), for example, highlight how risks around the sustainability of providers threatens the flexibility and choice afforded to parents. Similarly, Close the Gap and OPFS (2023) highlighted how flexibility is compounded by a steep decline in the number of childcare providers in Scotland, noting that the number of practising providers in Scotland has decreased by more than 33% between 2012 to 2021.

The unique threats to the sustainability of the PVI sector are particularly pertinent concerns, however, considering the additional flexibility that PVI childcare providers provide: Wane (2019) notes, for example, that 90% of private nurseries provide after school care – compared with only 31% of public nurseries, while the Care Inspectorate's (2022) report on the provision and use of registered daycare of children and childminding services in Scotland as of 31 December 2021 notes that 85.8% of private nurseries provide early morning care – compared to just 43.5% of local authority nurseries. It should be noted that the Care Inspectorate's (2022) report relates to the provision of childcare at 31 December 2021. The authors advise that the impact of the COVID-19 pandemic will inevitably have meant significant adjustments had to be made by providers and note that these impacts will have affected the statistics in their report. Additionally, the 2022 statistics from the Care Inspectorate are not yet available.

Indeed, in their response to the Scottish Government's call for views on child poverty and parental employment (Scottish Government, 2023), JRF highlight the importance of engagement with the private sector, noting that private sector staff face higher poverty rates (13%) than public sector staff (6%), and recommend that "Scottish Government can play a significant role in highlighting, promoting and incentivising best practice and working on areas of aligned self-interest for the benefit for all."

Audit Scotland (2023) highlight a further issue – workforce movement between the PVI settings and local authority settings at a national level. They report that the extent to which ELC staff remain in post after one year differed considerably between PVI settings and local authority settings: stability was consistently higher for local authority providers than for private or third sector providers.

Audit Scotland (2023) state that financial reasons were the most common reason for staff leaving the ELC workforce broadly, and this was particularly so in the PVI sector. They also note that this should have been mediated by the implementation of the National Standard, ensuring that all staff delivering funded hours in funded provider settings should be paid the Real living wage – however, as noted in the above section on budget pressures facing childcare providers, this may be more difficult for PVI employers, due to unsustainable rates provided by local authorities, and threaten their sustainability –thus the adequacy of the choice of childcare provision offered.

5.4 Conclusion

This chapter outlined the challenges faced by providers under the broad headings of budget pressures and workforce issues, and the impacts of these challenges on provider sustainability – particularly within the PVI sector.

As outlined in section 5.3, if funded providers are not sustainable, the childcare service provision available to parents will inevitably be less flexible and less accessible, and their employment opportunities will decline – as well as any potential positive impact on poverty reduction. There is also a risk that childcare may become more expensive (if parents have to opt for more non-funded hours if they cannot access suitable childcare in their area anymore due to business closures) and that provision will be of poorer quality (if childcare providers need to cut costs).

A further concern surrounds the variation in rates paid by local authorities to funded providers – depending on the rates provided in each authorities, there is potential for huge variation in the services available to parents depending on their location – essentially rendering access to adequate childcare something of a postcode lottery (see local authority variation in section 6.3)

The key considerations raised by this chapter include:

- What action can be taken to ensure that providers are supported in facing both cross-sector challenges and those unique to the sector?
- Does the local implementation of the expansion to 1140 funded hours policy require review?

- What impact is the variation in sustainable rates paid by local authorities having on childcare provider sustainability?

6. Variability in provision

A key consideration for this review is how childcare provision is delivered at a local level in Scotland, and what variation can be found across different local authority areas. Unfortunately, there is a major gap in the extant literature on any variation of childcare provision across different local authority areas.

In their response to the Scottish Government's call for views on parental employment and child poverty, JRF noted that the policy being delivered at local authority level – although a sensible practice – means “there exists wide inconsistency in delivery and a lack of reported outcomes.”

As it is each local authority's responsibility to decide the level of funding it will direct towards education – and they do not provide a detailed, publicly available breakdown of what funding they direct to services, or how they arrive at their allocations (Whyte, Hawkey, and Smith, 2023) – national figures regarding the implementation of childcare policy (such as the expansion to 1140 funded hours) can mask significant local variation.

JRF (2022) report, for example, that while national figures indicate an increase in take-up of funded early learning and childcare among eligible 2 year olds to 13% (out of an estimated 25% eligibility), some councils are achieving very high take-up (East Ayrshire (27%), Inverclyde (22%) and Clackmannanshire (21%)), whereas the take-up in other local authority areas is significantly lower (Aberdeen City and East Lothian councils show only 5% take-up).

Although a good deal of work (and more publicly available data) is required to fully understand variation in childcare provision and take up across local authority areas, a number of factors have been loosely identified across the literature that can influence the success (or otherwise) of childcare provision in any given area. These factors may be useful to gain insight into where regional variation is likely to occur, in the absence of more concrete data regarding the implementation of childcare provision policy in each specific local authority area. Therefore, subsections below focus on the three factors of:

- Location
- Levels of deprivation
- Each local authority's unique implementation of the policy

6.1 Location

Across the literature, location emerged as a factor impacting the success of childcare provision in any given area.

A number of sources indicated that childcare provision is less adequate for families in rural areas than those in urban areas: Coram Family and Childcare (2022) report that provision in rural areas decreased from 26% to 20% from 2021 to 2022. Audit Scotland (2023) also highlight that councils have reported challenges with recruiting staff for posts in remote or rural areas, and how these difficulties can negatively impact the choice of ELC and flexibility afforded to families.

Interestingly, the Care Inspectorate (Care Inspectorate, 2022) report stated:

“the areas with the highest rate of funded ELC services evaluated as good or better...were accessible rural areas, accessible small towns and smaller urban areas, while the areas with the lowest proportion of high-quality funded services were remote small towns”.

This finding indicates that rurality alone is not the main factor in affecting provision, but rather accessibility and lower population density.

Similarly, the summary of responses to the Scottish Government’s survey on parents’ views and use of childcare (Scottish Government, 2022b) noted that, of parents not using their full entitlement because they could not get the sessions they wanted at their preferred setting, 24% lived in urban areas, versus 18% living in rural areas. Notably, this disparity was also apparent in the Scottish Government’s 2018 report on parents’ views and use of Early Learning and Childcare in Scotland. This stated that parents in highly populated urban areas faced particular difficulties in taking up their funded entitlement due to a lack of available places.

6.2 Levels of deprivation

The Care Inspectorate’s (2022) report states:

“There is no correlation between prevalence of good quality funded services...and levels of deprivation, indicating that a consistent level of good quality funded provision is available in all areas”.

Responses to the aforementioned Scottish Government survey on parents’ views and use of ELC (Scottish Government, 2022b) were analysed by various sub-groups, including income (and number of household earners) and deprived areas (SIMD); the survey’s report is therefore a useful source of insight in relation to variations in provision depending on level of deprivation.

Key findings on use of ELC by parents from deprived areas include the following:

- parents from low income and deprived areas were less likely to use a private nursery and were more likely to use a local authority nursery

- parents in deprived areas with children aged three- to five-years-old were more likely to use their hours during term time only.

Key findings on the views of parents in more deprived areas on the childcare provision in their area included:

- parents in deprived areas reported more substantial difficulties in affording childcare;
- were more likely to experience barriers accessing suitable funded ELC for children with additional support needs;
- and were more likely to have had their use of funded ELC reduced during the COVID-19 pandemic.
- Among parents of three- to five-year-olds, those in households on low incomes or in deprived areas were more likely than those on higher incomes or in less deprived areas to be satisfied with the flexibility with which they were able to use their funded hours (no significant differences were reported for parents of two-year-olds).

As raised before, this 2022 review of parents' views and use of childcare also builds on (and includes comparisons with the findings of) a previous survey conducted in 2017 – which also included a distinction between parents' groups by level of deprivation. Taken together, these reviews provide a useful insight into the experiences of parents in more deprived areas before and after the ELC expansion.

6.3 Local Authority implementation

A consistent theme across the literature was variation in childcare provision depending on implementation of policy at a local level.

As the policy is being delivered by local authorities, variation in implementation is somewhat inevitable: Audit Scotland (2023) note that, although parents can expect to have some choice as to their child's ELC setting and the pattern of care, the extent of that choice is based on what is available in each parent's council area.

However, certain issues exacerbate this variability, including the issue raised in section 4.2 that not all local authorities allow families funded hours to be used flexibly.

On this, the Scottish Childminding Association (SCMA, 2022) note that:

“Many parents and childminders reported a requirement for parents to take their funded ELC hours on fixed days and times of the week, including examples of parents receiving single offers of fixed 10 hour days which did not match their families' needs and resulted in reduced numbers of hours received by parents when they did not use all the allocated

hours in the offer as a result of this. This is at odds with the founding ELC principle of flexibility and there was strong demand from parents and childminders for much more flexibility in ELC offers made to parents by local authorities.”

However, it should be noted that this finding is sourced from their Early Learning & Childcare Audit (SCMA, 2021), published in November 2021, and therefore may not be fully reflective of changes (positive or negative) since then, considering the 1140 hour policy implementation only began in 2021.

Similarly, that local authority providers often limit their offering to term-time hours (JRF, 2022) presents an additional barrier in some areas.

This variation is also likely to be influenced by the accessibility of childcare in any given local authority area, in that provision in different local authority areas will depend on how many childcare providers are practicing in the area, how easy they are to get to, and how adequate transport provision is (see section 4.1).

A further dimension affecting local-level implementation, has been voiced by private providers in their concerns about the sustainable rates paid by local authorities to funded providers. The NDNA, in their submission to the Education, Children and Young People Committee on the Early Years and Childcare 1140 hours expansion, note that 76% of respondents to their snapshot survey of their members advised that they could not cover their costs on local authorities’ rates. The NDNA write that “Data received in response to a Freedom of Information request by NDNA Scotland showed there was a range of hourly rates [paid by local authorities for the delivery of funded Early Learning and Childcare offered across Scotland⁸] from £5.26 to £6.80”. Considering the concerns raised by private providers about their long-term sustainability, and the potential impact of unsustainable providers on childcare provision it follows that the rates paid by different local authorities to funded providers could be a useful factor to investigate in relation to variation in childcare provision at the local level.

6.4 Conclusion

The Care Inspectorate (2022) found, “no correlation between prevalence of good quality funded services...and levels of deprivation”. However, they did find that rurality can be connected to

⁸ For further information on sustainable rates, see: <https://www.gov.scot/publications/overview-local-authority-funding-support-early-learning-childcare-providers-2022-23/pages/2/#:-:text=Local%20authorities%20who%20have%20confirmed%20rates%20for%202022%2D23%20report,to%20%C2%A36.40%20per%20hour.>

variability of provision. Both aspects connected with geographical factors require more examination through further research.

It is assumed, and supported by sources such as Audit Scotland, that there will be inevitable variation at local authority level for a policy implemented by local authorities. Indeed, this is not unique to childcare policy. Unfortunately, there is a major gap in the extant literature on how provision varies in different local authority areas- especially as to any variations in accessibility, flexibility, affordability, and quality.

Important findings from the literature on variability in provision and need include:

- Rural areas with lack of accessible providers.
- Urban areas with insufficient places for demand.
- Parents in deprived areas with children aged three- to five-years-old were more likely to use their hours during term time only.
- Parents from low income and deprived areas were less likely to use a private nursery and were more likely to use a local authority nursery. Literature indicates that local authority provision is less flexible than PVI provision.

7. Childcare provision and poverty reduction

Earlier, this review has outlined how childcare provision can positively impact parents' employment outcomes, and opportunities to work, train, or study. In line with this, successful childcare provision is a key factor in reducing poverty – indeed, the three high-level outcomes of the expansion of the ELC programme to 1140 hours were:

- Children's development improves and the poverty-related outcomes gap narrows.
- Parents' opportunities to take up or sustain work, study or training increase.
- Family wellbeing improves.

McKendrick et al. (2022) reiterate this point, noting that the “removal of a childcare barrier to employment may not, alone, be sufficient to reduce levels of child poverty”, and highlight the need for employment support, among other areas for improvement. Interestingly, they note that the Scottish Government's own strategy for tackling child poverty (Best Start, Bright Futures: Tackling Child Poverty Delivery Plan 2022–2026) recognises the need for support for parents to access employment in order to address child poverty.

Certainly, the literature is clear that successful childcare provision can be a vital tool in poverty reduction. However, improvements to childcare alone are insufficient to meet these requirements – a number of factors must also be addressed alongside improvements childcare provision to ultimately positively influence poverty reduction strategies.

On this, a report from the Centre for Research in Social Policy at Loughborough University, commissioned by the Child Poverty Action Group (CPAG) in Scotland (Hirsch and Stone, 2022), found an increasing gap between real-time family income in Scotland and the cost of raising a child. They note that this is apparent despite the sizable impact of Scottish government policies and the lower childcare costs in Scotland because many of the reasons as to why families are struggling and risk falling into poverty are relating to broader sociopolitical issues.

Similarly, Dumfries and Galloway Council, in their response to the Scottish Government's (2023) call for views on parental employment and child poverty, noted:

“There is no single thing which could be prioritised, for example, improved access to transport without access to childcare will not work, similarly increasing higher paid roles without support upskilling and reskilling will still exclude some people from opportunities. The approach must be considered as whole system approach not separate policies or interventions”

A number of factors in particular have been cited as key contributors to poverty reduction, along with successful childcare provision:

- Fair work
- Social security
- Education

The following sub-sections to this chapter contain findings on each of these in turn.

7.1 Fair work

Fair working practices are often cited as an interacting factor with successful childcare provision (Butler & Rutter, 2016; McKendrick et al., 2022)

Respondents to the Scottish Government's call for views on parental employment and child poverty highlighted that more flexible jobs would be beneficial in order to accommodate school hours and childcare responsibilities. Responses also included suggestions that the government should take greater action to promote family-friendly work and to help businesses in implementing this.

JRF (2022) outline this interaction in detail, noting that, even when parents are able to secure childcare, inflexible workplaces that often discriminated against those with caring responsibilities, presented a new challenge. Indeed, one of the key asks of the parents they spoke to in preparing their report was "Jobs that are designed for parents", which included employers' understanding and adapting to parents caring responsibilities, and "Fair work and good jobs", meaning "decent wages, reliable hours and rewarding work". This is reiterated by Citizens Advice Scotland (2014), who highlight how the increase in zero hour contracts, for example, has meant that many parents to access childcare that meets the requirements of their unpredictable schedules.

A particularly pertinent issue for this review in relation to the interaction between fair work and childcare provision is how it can impact both parents and providers. McKendrick et al. (2022) note that, as the early years workforce is largely made up of women, the sector's expansion will likely increase labour opportunities for women. However, they add the caveat that this will only tackle gender inequalities if remuneration and working conditions are adequate, a point noted by Butler and Rutter (2016) also. Similarly, as outlined in chapter 5 if the wages and conditions of childcare staff are poor, childcare settings will not be sustainable in the long-term, and childcare provision will be lacking – considering that women shoulder the greater burden of childcare generally (Close the Gap and OPFS, 2023) and that the ELC workforce is dominated by women, both these outcomes will impact women disproportionately, and contribute to the gender pay gap.

7.2 Social security

JRF (2022), in their response to the Scottish Government’s second Tackling Child Poverty Delivery Plan, highlight how the social security system in the UK compounds other issues:

“With the fear of losing significant elements of social security support, coupled with high childcare costs, acting as a disincentive to seek work. This is driven by predictable, if inadequate, payments while being out of work appearing more secure than low income work and high childcare costs.”

This is echoed by McKendrick et al. (2022) who note that the fear of leaving behind the relative certainty of social security is a barrier to employment, particularly when wages are precarious. Similarly, if employment leads to a reduction in benefits, that too will inevitably act as a disincentive to seeking work. This concern was also noted in the responses to the Scottish Government’s call for views on child poverty and parental employment (Scottish Government, 2023).

For parents receiving Universal Credit, the costs of childcare present a particular challenge. Previously, parents on Universal Credit had to pay for childcare costs themselves and would only get this money back after reporting the costs to Universal Credit – after the childcare actually happens (Department for Work and Pensions, 2023a). These upfront costs represented a significant barrier to returning to work for parents on Universal Credit – while other parents’ childcare providers are paid directly for the funded hours by local authorities (Hilferty, 2023; Professional Association for Childcare and Early Years, 2023).

The UK Government’s Spring Budget 2023 (Department for Work and Pensions, 2023b) brought about a slight change, with the announcement that universal credit childcare would be paid up-front for some parents:

“Paying parents on Universal Credit childcare support up-front when they are moving into work or increasing their hours, rather than in arrears meaning low-income families will find it easier to afford and it will help remove a barrier that many face when thinking about going back to work.”

Hilferty (2023) commented on how this was a small improvement, but in isolation may prove to be ineffective without changes to the Universal Credit system more broadly:

“Yet as this wrong was put right, it only served to magnify the design defect at the very centre of the social security safety net. When first applying for UC, you have the option of waiting five weeks for a first payment, or taking an upfront loan that is then clawed back across your future payments. For many people this is no choice at all, and they face a

double jeopardy of being penalised at precisely the point when help is needed most. With this precedent set on childcare for upfront support, this principle should be extended to other parts of the UC system – there is now no excuse for the five-week wait to remain.”

JRF (2022) also highlight how fair work interacts with social security too: the work available to many is poorly paid, insecure, and associated with low job satisfaction, “meaning that parents were stuck between difficult lives with very low incomes through work or difficult lives with very low incomes through social security”.

Citizens Advice Scotland (2014) raise a further interaction between fair work and social security, noting that some parents on zero hours contracts have difficulty accessing support from the (highly complex) benefits system due to their fluctuating income.

7.3 Education

The literature considers education to interact with childcare provision to reduce poverty in two ways. Firstly, as outlined in section 4.4 on quality, early education opportunities for children can be an important factor in addressing the educational attainment gap between children from lower and higher income brackets (provided they are of appropriate quality), and thereby improving their life chances (De Henau, 2022). Secondly, access to childcare can interact with parents’ access to further training or education (in addition to employment, as detailed in section 4.2).

Butler and Rutter (2016) state that,

“access to flexible, affordable childcare can reduce pressures on family income and help parents to participate in work, education or training, reducing a family’s short- and long-term poverty risks”.

In the responses to the Scottish Government’s (2022b) survey on parents’ views and use of childcare, one of the main benefits of funded ELC cited by parents was the opportunity offered to undertake education and training. However, in response to the Scottish Government’s (2023) call for views on parental employment, childcare provision was cited as a structural barrier to accessing education and training for those seeking to enter employment or progress in work. Respondents also noted that education and training settings can themselves present barriers if courses are not flexible enough to meet the caring responsibilities of parents.

In line with this finding, JRF (2022) highlight the importance of childcare support within education or training settings: they report that childcare support at present tends to be complicated, and parents have noted that they struggle to navigate eligibility criteria based on what level of

qualification they were studying and income level. Respondents to the Scottish Government's (2023) call for views on parental employment also highlighted an interaction between social security and educational opportunities, with one respondent noting that she had been advised that progressing to a higher-level course would impact her universal credit payments. Interestingly, JRF also report that parents in college courses felt that the available support matched their training needs, and that the model of childcare support in colleges could be replicated in other educational settings.

Further to the above, improving education and training opportunities for parents can support them into employment, thereby helping to lift families from poverty – as noted in The Poverty Alliance's response to the Scottish Government's (2023) call for views on parental employment:

“Childcare provision is also critical to enabling parents to access education or training opportunities which may improve their employment prospects in the longer term.”

McKendrick et al. (2022) contradict this slightly, noting mixed findings in relation to education and parental employment: some studies indicate that higher levels of education lead to improved employment outcomes for parents, while others report that the initial impact of increased education on positive employment outcomes lessens over time. Interestingly, they cite one review of 17 studies in the USA (Schaefer, Kreader, & Collins, 2006), which suggested that while less educated mothers benefitted most from childcare subsidies, their employment rates were still described as 'far below' those of other women.

7.4 Conclusion

The literature is clear that successful childcare provision can be a vital tool in poverty reduction. Successful childcare provision can open up work and training opportunities for parents.

The literature encourages stakeholders not to forget that people working in the ELC sector are also affected by fair work practices, social security considerations and education and training plans. It would be ironic for ELC provision to meet the needs of parents, but not meet the needs of employees, who indeed may be parents themselves.

It was outwith the scope of this review to fully examine all the links between childcare, work and poverty. However, this chapter did include findings on some of the key considerations– Fair Work, Social security and Education.

Even if childcare is successful, this does not guarantee that all aspects of training and work would be obtainable for individual parents. However, looking at this conversely, this should not deter

stakeholders involved in improving childcare practice. If anything, these findings encourage cross sector collaboration. Minimising siloed thinking between childcare provision and the work environment should help re-frame policies and practice towards the whole-life picture of families and equality of opportunity. Poverty reduction strategies, such as those encouraged by JRF should be based on evidence across various provision and need, including, but by no means limited to childcare.

8. Conclusions and Recommendations

JRF's aim is to build an argument for overall role that childcare is playing in reducing poverty and the practical steps that might be taken to increase this. This will also include a wider view of the role of childcare in creating a more equal society.

This literature review has advanced a comprehensive and detailed summary and synthesis of the prevailing evidence. This advances JRF's desire to hold evidence in one place and be a focus point of evidence on the subject of poverty and childcare.

In section 8.1 the topics covered by the literature are tied back to the three high-level outcomes:

- Children's development improves and the poverty-related outcomes gap narrows.
- Parents' opportunities to take up or sustain work, study or training increase.
- Family wellbeing improves.

The review upholds JRF's assertion that significant work has already been done in understanding where childcare is not meeting parents' needs, as well as the challenges practitioners face. In section 8.2 many recommendations from various reports are compiled.

All the same, this review has found disparity in sources, captured throughout the findings chapters. Furthermore, there are gaps in information which lead to suggestions for further research. Section 8.3 contains suggestions for primary and secondary research to inform JRF's wider research project.

8.1 High-level outcomes

This section relates the contents of this literature back to the three high-level outcomes of the August 2020 expansion of funded hours.

Firstly, for the outcome- children's development improves and the poverty-related outcomes gap narrows:

- Section 4.4 on Quality of Provision and Need contains findings on how high-quality provision is important to address inequality, however quality levels are variable. Even if there is no evidence that quality is worse in more deprived areas, there is also no evidence that quality is better than in less deprived areas. Literature finds that there is less private provision in more deprived areas, but it is not explored within the scope of this review whether private provision is of higher quality to local authority provision or vice versa.
- Section 7.3 provides summary of literature on the connection between childcare provision and education. This encompasses positive outcomes for children in poverty, through

pathways to primary education and attainment. In addition, this points out that childcare can be connected to reducing poverty-related outcomes gaps for adults.

Secondly, the outcome- parents' opportunities to take up or sustain work, study, or training increase:

- Sections 7.2 and 7.3 are helpful to understand some of the connections between how childcare can help parents in paid employment, claiming social security, in education and training or any combination of the three. Overall authors point out that opportunities can only be realised if barriers to taking these up, such as reliable childcare are addressed.
- Chapter 4 on provision and need highlights the interconnectivity between accessibility, flexibility, affordability, and quality. Literature tends to focus on the take up of work or other opportunities, rather than parents sustaining said opportunities.

Thirdly, the outcome- family wellbeing improves:

- Although a direct link is not made in the literature included in this review, section 4.1 on accessibility, section 4.2 on flexibility and section 4.3 on affordability all include relevant findings affecting wellbeing.
- Another consideration is how the challenges faced by providers explained in chapter 5 impact on parents. It is outwith the scope of the review, but there could be a connection between these pressures, how they impact on provision, and how parents feel about provision, providers and overarching childcare policy. In short, are parents anxious, concerned or taking lots of time outwith work to consider or arrange childcare.
- Also, as pointed out in section 7.1, if childcare is helping parents secure work, it should be Fair Work for it to results in improved wellbeing. Indeed, childcare staff's wellbeing is another consideration, seeing them as key workers and as working parents.

8.2 Summary of recommendations from sources

There are various recommendations from stakeholders in many different reports. This section provides a collated list of all relevant recommendations from the sources reviewed. As the recommendations come from the different authors, they act as a compilation of recommendations for JRF and partners to consider in turn. These recommendations are relatively recent, from 2022 and 2023 publications, but this is a developing policy area and recommendations from each organisation may have developed.

Audit Scotland (2023) provide the following recommendations for the Scottish Government and local councils:

The Scottish Government and councils should:

- work together to review data held locally by councils and plan how to gather data consistently to address the data gaps at a national level highlighted throughout the report. Data to improve planning and monitoring will help manage the risks highlighted in the report; in particular, data on:
 - the movement of the ELC workforce between the public, private and third sectors
 - demand for both funded ELC and childcare paid for directly by parents
 - the extent to which children with additional support needs are not accessing funded ELC, the reasons for this, and the extent of any unmet needs.

The Scottish Government should also:

- work with councils and other stakeholders to develop long-term workforce plans for the sector to address the risks to sustainability and meet future demand.
- work with councils to urgently put in place a process for monitoring progress with providers paying the Real living wage to staff delivering funded ELC. This information is crucial to inform future decisions on funding and workforce which are key risks to the sustainability of the sector.
- capture and consider children’s views as part of future evaluation of the policy, in line with Article 12 of the United Nations Convention on the Rights of the Child.
- improve planning for, and implementation of, future policies by working with stakeholders to make plans to gather the necessary data for managing and planning services at an early stage. This should include plans to gather consistent data on the costs of delivering future policies, to help assess whether they are achieving value for money and delivering the intended outcomes.

Close the Gap and OPFS (2023) provide a list of principles that “are a set of challenges and calls that are rooted in evidence” and the authors note that they “should underpin a system of childcare that promotes women’s socio-economic and labour market equality, advances children’s rights, and addresses child poverty.”

- A system of childcare that puts choice for all families at the heart of provision.
- A universal funded entitlement of 50 hours per week for children aged 6 months and above that is free at the point of use for all families.
- A high-quality service which delivers positive outcomes for children and realises children’s rights.
- A diverse and skilled childcare workforce that is valued, fairly paid, and gender balanced.
- Flexible delivery that enables families to access childcare when they need and want it.

- Investment in childcare should be considered as necessary infrastructure for a sustainable wellbeing economy and a good society.
- Work towards a childcare system that is not based on profit making.
- Investing in childcare is good for the economy.

JRF's (2022) response to Best Start, Bright Futures – the Scottish Government's second Tackling Child Poverty Delivery Plan provided a list of key recommendations in relation to the Government's childcare strategy and stated the strategy should:

- Commit to studying the impact that the early learning and childcare expansion is having on child poverty – both through increasing parents', and in particular mothers', access to work but also through children having access to high-quality childcare.
- Further increase the (consistency in) flexibility of early learning and childcare – more parents should be able to flex how they receive their funded hours whether in or out of term time or in full or half-day blocks, while retaining the quality of early learning and childcare for children.
- Commit to making it easier for children to enter early learning and childcare outwith the standard term time start dates.
- Commit to working with partners to simplify the childcare support landscape in common with the “no wrong door” approach mooted in this Plan.
- Maximise localisation of services.
- Increase the supply of childcare places for children with additional support needs.
- The Scottish Government should consider making parents with babies one of the first groups to benefit from the proposed Minimum Income Guarantee.

Onward (2022) also provide a list of recommendations to “fix the childcare system” – although it should be noted that this report, and thus these recommendations, relate to the wider UK childcare system (they are included here for reference):

- Create a new system of Childcare Credits for children aged 1-4, paid monthly in advance, to radically simplify the market and empower parents. Low-income families would be supported with an Additional Childcare Credit.
- Parents should have the option to front-load Child Benefit payments when a child is younger, in exchange for lower payments when the child is older. This would be capped at maximum of a third of the whole entitlement over the first three years of a child's life.
- Reform parental leave by abolishing separate maternity and paternity leave in favour of a single parental leave scheme. Parents would have a shared entitlement to 12 months leave from work, which they could draw down however they wanted.

- Expand Family Hubs to enable easier access and better outcomes for families, as well as smarter use of local authority budgets and resources. To ensure better data collection surrounding early childhood outcomes, Unique Pupil Numbers should be assigned at birth.
- Introduce a number of provider side reforms, including boosting childminding agencies by giving them £1,000 for each childminder they register that starts trading (as Ofsted currently receives), unlocking new premises and reforming business rates to boost staff pay within the sector.
- Incentivise graduates into the early years workforce by extending the Early Career Framework to early years educators, and boost training opportunities for existing practitioners through a centralised CPD system.

8.3 Recommendations for further primary and secondary research

Gaps remain in several areas. Below are details and recommendations for further research under each research question for the JRF project.

What is the relationship between current childcare strategy and anti-poverty strategies in Scotland?

Chapter seven does attempt to tie childcare provision to poverty reduction. There is general agreement in the literature that adequate childcare provision can help alleviate poverty, through supporting the opportunity of parents' to take up work and training opportunities. However, there is limited research on the poverty reducing impact of funded childcare provision in Scotland.

Chapter six reveals there is a lack of information available on variation in implementation of childcare policy across local authority areas. Literature highlights that there may be variation due to urban rural location and towards deprivation. Primary research would be optimal if patterns can be looked for:

- Between Local Authority areas, bearing in mind changes in data from a few local authorities can make marked changes to the overall figure.
- Between Urban rural classifications.⁹
- Between groupings for the Scottish Index of Multiple Deprivation.¹⁰

It may be advantageous to thoroughly, and independently examine Care Commission data to understand the provision and the quality of provision in each of Scotland's 32 Local Authorities.

⁹ [Scottish Government Urban Rural Classification 2020 - gov.scot \(www.gov.scot\)](http://www.gov.scot)

¹⁰ [Scottish Index of Multiple Deprivation 2020: introduction - gov.scot \(www.gov.scot\)](http://www.gov.scot)

The data underpinning the Care Commission's search portal could be fruitful as it contains location data, service type and quality reports for each service provider.¹¹

Furthermore, financial data, if obtained from local authorities could provide useful contextualisation to understand variation in childcare provision and correspondence to differences in hourly rates.

In addition, it is important to try and ascertain how provision matches need at the local authority provision level. That is to say:

- How does childcare provision correspond to population centres?¹²
- How does childcare provision correspond to data on where people live and work currently?
- How do places available correspond to current population levels and projected population levels?¹³

Obtaining, collating and making sense of a significant amount of administrative data may fall out of the scope of JRF's project. However, public survey could be the best way to get a sense of provision and need for parents living in Scotland's local authority areas. This can be timelier and can ask parents directly for their experience and views.

What do parents of young children (under 5) want from their childcare and work?

Within chapter four on provision and need each section contains survey findings which imply generally high levels of satisfaction. However, each section then includes counter arguments, and additional concerns for specific groups in the population including female parents, and parents of children with ASNs.

We recommend primary research is conducted with parents in order to better understand:

- The provision they access- and its accessibility, flexibility, affordability, quality
- The provision they need- and its accessibility, flexibility, affordability, quality
- What difference adequate childcare makes to them or could make to them at an individual or household level.

¹¹ [Find care \(careinspectorate.com\)](https://www.careinspectorate.com)

¹² [Understanding Scottish Places \(usp.scot\)](https://www.usp.scot)

¹³ [Mid-Year Population Estimates | National Records of Scotland \(nrscotland.gov.uk\)](https://www.nrscotland.gov.uk)

There is lack of explicit extant evidence on each of the Scottish Government's priority groups, and how their experience differs or corresponds to the wider population. Albeit this review has included findings relating to single parents and parents of children with additional needs. Again, primary research could ask parents to identify with the six priority areas. Statistical testing to check for differences in responses between groups would be possible if sub-samples are of sufficient size. Even establishing whether there are differences between parents within any of the six priority areas and the general population, without any breakdown would add to the existing evidence base.

Also, any research with stakeholders on provision of childcare should unpick the inter-relationship stemming from chapter four including:

- Is accessible childcare flexible, affordable and of quality?
- Is flexible childcare accessible, affordable and of quality?
- Is quality childcare flexible, accessible, and affordable?

What is the interrelationship between hours of childcare, work, pay and social security in keeping low-income families out of poverty?

This research question calls for specific data to map this relationship. Ideally longitudinal research would help evidence a change between an intervention stemming from childcare policy to a positive change in the circumstances of families.

Another observation from this review is literature tends to focus on the take up of work or other opportunities, but there is less evidence available on parents sustaining their opportunities. That is to say staying in work, staying in training courses. Looking into not only the take up, but the sustaining of opportunities attributable to childcare policies would be valuable data for stakeholders.

Another consideration for any further research is this research question relates to prevention of poverty. It is always more difficult to ascertain evidence of what did not happen to a family, rather than what did happen to a family. All the same, it is important to frame messages towards shaping policy around the difference that adequate childcare- which is accessible, flexible, affordable, and quality can make to individuals and to society.

Appendix A: Literature

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