The challenges of rural childcare provision, innovative models and the needs of agricultural families
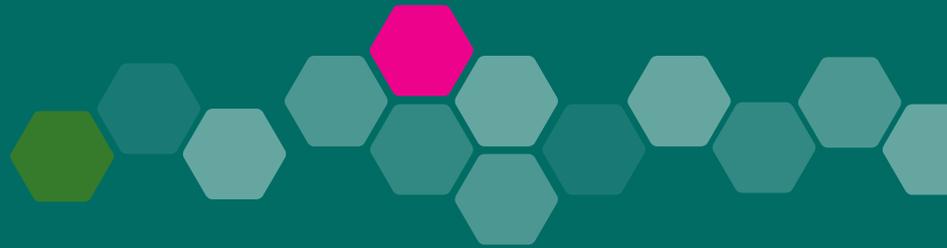
AGRICULTURE, ENVIRONMENT AND MARINE

social research

Contents

Executive summary

This report sets out the main findings of research conducted with rural childcare providers, focusing on issues including facilities, transport and staffing. It examines how financial and practical challenges impact the sustainability of rural childcare services; the childcare needs of agricultural families; and the opportunities provided by innovative models. A total of nine interviews were conducted with providers who work in a range of settings, in both accessible rural and remote areas, including in the local authorities of Argyll and Bute, Highland, Moray and the Scottish Borders.

The research findings show that there are a number of wider challenges in rural childcare provision, including: fewer services, resulting in pressure on existing providers; sustaining provision in more remote settings with lower numbers of staff and children; a shortage of transport provision, including drop-off services and public transport; a shortage of suitable venues, with many shared with other groups; and difficulties recruiting staff, particularly for senior roles.

This report discusses the key findings by topic: Childcare in rural areas; Opening times and out-of-hours provision; Rural childcare, parents and work; The childcare needs of agricultural families; Facilities and practical challenges; Transport and accessibility; Staffing and training; Innovative models; Financial sustainability and funding; Support for rural childcare providers; and the Impact of COVID-19.

Main findings

Childcare in rural areas

The key issue that providers highlighted was a lack of choice in rural areas. They also stated that there is a shortage of early years provision (ages 0 to 3) and childminders. Whilst many struggle due to low numbers, others have long waiting lists due to a shortage of other provision. Many successful services are run collaboratively for example with parents, third-sector providers or the council.

Opening times and out-of-hours provision

Flexible providers can offer parents extra sessions and extend their hours if required. In smaller, remote settings this was often not an option due to limited capacity. Providers stated that longer days to fit around working hours would benefit rural parents. Transport and funding was seen as essential to the success of additional provision.

Rural childcare, parents and work

Childcare requirements are affected by parents' working patterns throughout the week and year. This varies in different areas, from shift work in retail or the care sector to tourism and agricultural jobs, or parents studying at college. Several providers stated that it is women who transport children, and are limited to part-time and low-paid work as a result. They also raised issues around the affordability of childcare, particularly in smaller settings.

The childcare needs of agricultural families

Many providers observed that agricultural families have busier and quieter times of the year. These families benefit from being able to book further sessions when needed, longer opening hours and after-school clubs. Drop-off services also benefit farming families – particularly at the busier times of year, for example lambing.

Facilities and practical challenges

Many of the more remote providers, for example in small villages in the Highlands, are based in community halls they share with other groups, and noted the high cost of renting the buildings, inability to make changes, and tension with local residents. This also creates additional work for staff in setting up and cleaning after sessions. Other providers face practical challenges, for example outdoor nurseries with no kitchen on-site to prepare hot meals, and closures due to bad weather.

Transport and accessibility

Most children are driven to rural childcare services, with journeys varying from 15 minutes to an hour. In many cases, public transport was not seen as adequate, although a small number of children and staff were lift-sharing, or travelling to settings by bus, bike and ferry. For those in more remote sites, this causes issues in the winter. It also effects accessibility, for example outdoor providers felt that more families would be able to attend if transport provision was available, whilst standard providers spoke about the value of drop-off and pick-up services.

Staffing and training

The majority of providers had experienced problems with staffing, particularly for more senior roles. Those following innovative models had experienced fewer problems with recruitment. Access to training is an issue for many, due to the costs of travel and accommodation and reduced availability in rural areas.The transition to online training has been mostly beneficial.

Innovative models

Innovative models also lead to further opportunities, with multi-partnership models such as intergenerational projects and shared management across settings making use of the available resources in rural areas. Outdoor nurseries tend to attract children from a wider area, and in several cases, children were travelling further for example for over an hour by car to attend them due to parental choice.

Financial sustainability and funding

Providers raised concerns around financial sustainability, for example the number of staff required to meet guidance, the cost of renting shared buildings. The financial viability of services was affected by lower numbers of children and changes in demand. There was a perception that many of the smaller services in rural areas have closed due to these issues. Several providers had received additional funding or grants, for example from the Inclusion Fund, or benefit from fundraising and volunteer support.

Support for rural childcare providers

Providers discussed ways of supporting rural childcare services, including start-up grants, top-up fees for settings with a small number of children, additional funding for staff wages and transport. If setting up a new rural service providers stated the main things required would be: qualified staff, a suitable and affordable building, and transport options for parents, for example car parking, a drop-off service.

Impact of COVID-19

The research also indicated the wider impact of COVID-19 on rural childcare providers, from the closure of local settings to increased demand on resources and finances caused by additional cleaning, temporary closures and limits on numbers. In several cases, this has led to reduced flexibility for parents.

Conclusions

This research indicates the range of challenges faced by rural childcare providers, many of which are connected to longstanding issues in rural areas, from employment to transport and broadband. Providers spoke about struggling to make settings financially sustainable due to lower numbers of children, but also indicated how important it is that rural families have access to a range of childcare services to meet their requirements.

Whilst many providers stated that additional funding would have a positive impact, this report highlights wider challenges around the sustainability of rural childcare services. Policies around population, including rural depopulation, should therefore take childcare provision into account, as it is clear that a shortage of suitable childcare remains a barrier to employment opportunities in rural Scotland, particularly for women.

This report highlights the need for both standard and innovative models of childcare provision in rural areas in order to improve sustainability and better meet the needs of families with a range of working patterns and childcare requirements. The innovative models discussed in this report offer parents greater choice, and have been shown to have a range of benefits for children, from outdoor play-based learning to interactions with older adults in their community.

The 2020-21 Programme for Government (PfG) sets out a range of commitments in this area, from the delivery of 1140 hours of free early learning and childcare, to increasing service provision and supporting repopulation in rural and remote communities. The PfG also sets out a commitment to look at wraparound care options that will give families more choice, greater opportunities to work, and greater financial freedom. This has the potential to benefit many rural parents, including those working in agriculture.

Introduction

This project involved carrying out research with childcare providers to gather their perspectives on rural childcare as a viable business model. A total of nine interviews were conducted with rural childcare providers, the majority of whom are using new and innovative models, to gather evidence to inform the development of a pilot study.

Access to childcare represents a key barrier for women's participation in the agricultural industry, and this research contributes to the Women in Agriculture (WIA) programme by investigating new or flexible models of childcare that could benefit agricultural families in rural and remote areas. This report aims to provide:

- a better understanding of the challenges and opportunities in rural childcare and their relevance to women living and working in the agriculture sector
- evidence to support the development of a rural childcare pilot

Women in Agriculture Taskforce

The research report "Women in farming and the agriculture sector" (2017) found evidence of structural gender discrimination and inequality in the industry.[1] The Women in Agriculture Taskforce was established by the First Minister and asked to bring forward practical solutions to the issues raised in the research. In 2019, the Taskforce published its final report, which stated that an innovative, flexible approach to providing solutions for childcare in rural areas is essential to realising the full potential of women in agriculture and the rural economy. Access to childcare represents a key barrier for women's participation in the agricultural industry. They recommended:

- the Scottish Government and local authorities must increase the availability and access to formal and informal childcare in rural areas, to better enable women in the Scottish agricultural industry to engage in training, networking and to develop business opportunities
- the Scottish Government and local authorities must consider how childcare services can be more closely tailored to suit demand in rural areas and costed accordingly[2]

The report identified that agricultural households require childcare outside of standard working hours, particularly at busier times of the year. Flexible, wrap-around childcare is therefore needed to support non-standard or seasonal working patterns: childcare

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[1] 'Women in farming and the agriculture sector: research report', published in 2017: https://www.gov.scot/publications/women-farming-agriculture-sector/

[2] 'Women in Agriculture Taskforce: final report', published in 2019: https://www.gov.scot/publications/final-report-women-agriculture-taskforce/

before and after school, and with the option of increased services at busy points in the agricultural year, such as peak lambing and harvest times.

The WIA policy team have identified a need to explore innovative and practical solutions for childcare that are financially sustainable in rural and remote areas to: expand the provision available to farming families and rural communities; engage farming families in discussions around their childcare needs; examine flexible booking options; and consider solutions to rural transport issues.

Aims and objectives

This research examined current forms of rural childcare provision, focusing on flexible and innovative models. It involved carrying out interviews with childcare providers to gather their perspectives on the challenges of rural childcare, the opportunities presented by new models and their economic viability. It addresses the following research questions:

- If there are childcare provision models that are working in rural and remote areas, how and why do they work?
- What would incentivise a childcare provider to set up or expand their services to rural and remote areas?
- If a provider is based in a more populated area, and wanted to move their business, would it still work? What adjustments would be needed?
- What would they need in place to expand their provision in terms of hours, distance, or make it more accessible to those in rural and remote areas?
- Do they have many children from crofting or farming families and what distance do they have to travel?
- What financial challenges have they encountered?

Research methods

The project involved an initial review of existing research on barriers and challenges in provision and innovative models within the childcare sector, as found in a report by the Care and Learning Alliance (CALA) titled 'ELC Expansion: Exploring innovative delivery models to sustain rural communities' (March 2020).[3]

The findings presented here highlight many of the same issues, and provide in-depth discussion of the challenges rural providers face in terms of transport, staff recruitment, affordability, child numbers, accessibility, funding and the working hours of parents.

Interviews

A total of nine interviews were conducted with providers operating in both accessible and remote rural areas, those following both innovative and standard models of

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[3] Report available here: https://www.careandlearningalliance.co.uk/exploring-innovative-delivery-models-to-sustain-rural-communities/

provision, and providers managing settings of different sizes. This information is set out in Table 1 (Annex 1). The interviews aimed to gather providers' views on changes within rural childcare, and the requirements of agricultural families.

The interviews lasted 30 to 50 minutes, and focused on the practical and financial challenges childcare providers experience in rural areas, levels of demand for childcare at alternative times and specific issues for example staffing, training and transport. Whilst most providers were identified by the researcher, a snowballing technique was also used to draw on respondents' contacts:

- interviews were arranged by email, conducted by phone at a convenient date and time for respondents, recorded and transcribed
- separate interview schedules were prepared for providers using alternative models (for example outdoor learning) and those using standard models
- whilst the interviews gathered perspectives on COVID-19 and its impact on rural childcare provision, providers were also asked about issues in a normal context.
- Whilst many of the providers were long-established, several had opened in the last one to three years; two respondents were crofters who manage childcare services

Whilst this research involved a number of settings following innovative models, there may be other models that are suitable for rural providers and families. Further, whilst many of those interviewed also spoke about their own requirements as parents living in a rural area, this report focuses on the views and perspectives of childcare providers.

Research findings

1. Childcare in rural areas

The research indicates the range of childcare requirements in rural areas, and how various challenges have an effect on both providers and families. Whilst providers spoke about the benefits and opportunities of being in a rural area, including a sense of community and the relationships they develop with families, they also highlighted the range of issues that affect them, and the unpredictability of this:

> **'Each year is different, and you think oh, we had that issue last year and we're ready for it this year, and then something new comes up.' (Interview 9)**

1.1 Lack of choice

The key issue that many providers identified was a lack of choice in rural areas, which as one stated, 'can be said of rural communities in general':

> **'A lot of the parents that come to us […] were using another nursery and some of them were saying, well we don't really like it that much but it meets our needs […] They're working parents, they need childcare. People will settle for stuff that's convenient […] people want something that covers their work hours, and that's not always available […]' (Interview 9)**

This lack of choice has an effect on parents' ability to work, and providers spoke about the issue of parents having to travel further to work in rural areas, and to drop off and pick up children:

> **'People living in rural areas […] do not have the same opportunities to get childcare obviously, but it impacts in lots of ways. So you don't go for jobs [or a career] if you want to live here, that you know you won't be able to pursue, if you have a family […] there's no wrap-around care […] by the time you've dropped your children off and then travelled to your work, which also means a lot of these jobs are low-skill, low-paid […] It's very restrictive, and I suppose a lot of families will live in poverty […] if they're only able to get low paid work, and they're having to pay for a bit of childcare, it just doesn't balance out, so people would not bother.' (Interview 7)**

1.2 Closure of services

Several providers suggested that rural communities have lost a number of smaller services in recent years, such as village play-groups:

> '**I do think they did a good job, and I do think there was much more community spirit in some of these little village playgroups, and these are the places that we're losing, these are the places that are shutting down […] I think if they had more help, they would maybe be able to get a higher-quality team' (Interview 1)**

This affects providers in different locations, from the Highlands to the Scottish borders:

> '**[In] another border town, there was a nursery there that had been there a very long time […] closed down. There is no provision at all for under-twos […] lack of funding - losing staff to the council, same issues as we have.' (Interview 8)**

One large, third-sector provider in the Highlands manages a range of smaller settings set up and owned by committees of parents:

> '**It gets really good buy-in from the community because it is the parents that are running it […] so we have a couple of different models, and there are some settings […] run fully by parents, but just ask us for advice […]**
>
> '**[That's quite] a rural model because people would have set things up themselves […] so we've still got quite a lot of small ones. We are starting to lose them as less and less children live in [rural areas] […] we used to have 51 settings, and they were scattered everywhere […] but as things have changed, that was maybe fifteen years ago, the number of settings we have has gotten less and less, and they've maybe got a little bit bigger, or they've just closed because there's not enough children […]' (Interview 6)**

Several providers spoke about the importance of childminding services in rural areas, including on islands, and 'the flexibility that it provides' (Interview 5). However, they also emphasised the importance of group sessions in meeting the wellbeing and learning needs of children. Many were concerned about the low number of childminders, and a lack of early years provision in smaller towns and villages:

> '**There's fewer settings to choose from, longer travel times […] may result in parents choosing childcare at home, so they're not getting the same social skills. I feel like there's not enough early years settings, especially getting from 0 to 3' (Interview 1)**
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> '**Childminders can fill a lot of the gaps in more remote and rural areas, but obviously there's a problem around sustainability for them as well […] some people, mainly women will take up childminding, and that actually helps not only bring an income [but] helps them be able to look after their own children.' (Interview 5)**

1.3 Child numbers and population

The majority of providers stated that the lower numbers of children in rural areas makes provision and the long-term sustainability of services difficult. One noted that the population of the small town they are based in has dropped over the last 20 years, whilst

a larger town nearby has grown. The provider suggested this may be in part due to 'travel costs for childcare' (Interview 1). Another stated:

> 'Rural populations, particularly populations of children, tend to be lower […] so your sustainability […] relies on high child numbers because the rate per child is low, and then you've immediately got yourself a calculation that doesn't work really in your favour […] you then add into the fact that outdoor nurseries [often do] shared placements […] and we're having to find double the amount of children to make the same amount of money.' (Interview 3)

Providers emphasised the small number of families that use their settings, and the importance of numbers in keeping services like out-of-school care sustainable: 'One or two families can make a huge difference to our income' (Interview 9).

> 'The numbers are so small, that we might have eight, but if you suddenly lose one person or a family […] either they leave or somebody's work pattern changes […] it's a huge impact. It can make or break a provision, a family leaving.' (Interview 5)

2. Opening times and out-of-hours provision

The opening hours of rural childcare providers are determined by a range of factors, including staff availability, the suitability of venues, parental working patterns and practical issues such as the weather:

> 'In terms of having that flexibility of timing, quite often because we have quite small settings we'd love to open from seven in the morning till seven at night, but that's just not possible with [one] staff team, so sometimes the hours will be limited, maybe more just around the school day, so 9 till 3.' (Interview 5)
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> 'We don't provide full wrap-around childcare, we start a little bit before nine so that parents can drop off to us and then take their older children to school and then we finish at five so parents don't need to get off that early from work […] we're trying to respond to other parents' needs where we can' (Interview 6)
>
> 'I suppose to meet the needs of the parents, if the building was up to standard, then we would be offering 9 to 3 […] but it's just not feasible' (Interview 7)

Flexible providers offer parents the ability to book extra sessions, and many stated that they are willing to extend their hours if required. In smaller, remote settings this is often not an option due to limited capacity, for example having only a small team of staff.

Providers discussed the transition to 1140 hours and expected parents to take up further provision, although several expressed their discomfort at the amount of time children would be spending in childcare. Outdoor providers tended to offer fewer sessions, with children doing split placements:

> 'Our opening hours are fixed, and our session times are fixed […] but we try and offer as many options as possible […] there tends to be a higher use of the morning and short day option, but with 1140 coming in, we're seeing more families use more of their hours […] we try and keep it flexible in terms of parent drop off and pick up […] in terms of the rural challenges of getting to us and away from us, if parents have got other children to drop off, if they're having to get a ferry over […]' (Interview 3)
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> 'They can choose from the days that we offer. We offer full days, and they can have one, two, three or four days, and those are the days that they would stick with for the year […] if they want to change, they need to give a month's notice […] once they're in really we want that continuity […]' (Interview 9)

Outdoor providers were also limited in their hours due to practical concerns, such as bad weather and shorter days in the winter:

> 'In the winter I think people would rather have a shorter day, but because of the way our funding is delivered we can't give them back funding or transfer it over to the main nursery […] it gets dark so early but last year it was okay […] the kids had half an hour in the dark with torches and stuff and we'd usually have a bit of story time by the fire […] that's why we've not looked at afterschool care, because actually if you're outside then that would be a bit tricky […]
>
> We're open for the eight hours, and it's quite a long day for young children […] it had been previously discussed that we would maybe cut down the length of the day, but during the pandemic, the local out-of-school care closed permanently. So […] we decided to stick with the half eight till half four day to make it easier for those that were working […]' (Interview 4)

2.1 Childcare at alternative times

The interviews also examined the provision of childcare outwith standard hours, the reasons why providers do or do not provide this, levels of demand for childcare at alternative times, including weekends, evenings and holidays, and whether this has increased or decreased in the last five years. Transport provision and funding to compensate for low numbers was seen as important for successful additional provision.

Several providers run after-school and holiday clubs, and have looked into demand for evening and weekend provision. In one setting, nursery staff have provided weekend and evening childcare on an informal basis. Several providers felt there was limited demand for childcare at these times:

> '[I have] considered the weekend provision, because there's a lot of people that do shift work […] I have put it out there a few times, to find out what the demand would be, and there's never been a point where […] the demand has been significant enough to take it forward' (Interview 2)

However one provider linked this to a wider lack of choice in rural areas:

> **'The need has probably always been there, but people just think they can't get it. Whereas now with 1140 and the emphasis on the provision of childcare, maybe there's an expectation that something should be available […]**
>
> **Nobody has ever come and said, is there anything available nights or weekends, and I think in small communities […] people are used to accepting the fact that that's what's on offer and they have to work around it […]' (Interview 7)**

2.2 After-school and holiday clubs

The majority of providers stated that after-school and holiday clubs are an important form of rural childcare provision, and uptake of this is high, especially in those areas with a 'strong tourist economy' (Interview 3). Whilst several providers have temporarily closed their after-school clubs due to COVID-19, they also stated that in the longer-term, these services are difficult to sustain due to lower child numbers and a lack of funding.

One provider has a long-running breakfast and out-of-school club, which they described as a 'significant need' for working parents in the area (Interview 2). However, a number of providers suggested that it can be difficult to measure demand for additional services:

> **'If we do a survey saying what's the need [for] childcare, everyone wants childcare, and you set up a service and then people just don't come, because things change […] so you always have to be a little bit cautious […]' (Interview 5)**

Several of the providers were concerned about the longer-term financial sustainability of out-of-school childcare services, due to low numbers. One linked this to statutory requirements in early learning and childcare:

> **'We do have some out-of-school care […] but that's becoming harder and harder to sustain, because of the numbers of children […] it's not statutory, so obviously we just have to provide it ourselves, and cover costs, and we need about eight or nine children just to cover costs. But actually, there's very few places apart from in a town where you're gonna get your nine children […]**
>
> **I think what it doesn't recognise is the crunch number, is the minimum number to run a service […] that's recognised in ELC because the council supports us with a block grant if it's less than 10 children, because you can't run a service otherwise, but because out-of-school care isn't statutory, we don't have that.' (Interview 5)**
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> **'Breakfast clubs […] they're valuable for children living in poverty […] but again it's how do you make that sustainable, or do parents pay a certain amount, you know […] something to contribute to keep the service open' (Interview 7)**

2.3 Transporting children to services

Transport provision is one factor that enables providers to run out-of-school services, and was seen as important in supporting smaller schools and nurseries in more remote areas. One nursery in a small town runs an after-school club five days a week, for between 15 to 20 children a day. They hire two small nine-seater minibuses, as they pick the children up from two schools:

'We ran a Breakfast club, and we dropped them off at school. We also offered a lunch-time pick-up and drop-off […] and we had a pick-up from several schools at the end of the day […] it's enabled people to work' (Interview 8)

Another provider discussed a service in the Highland area, where the council had paid for children from three village schools to be picked up by taxi and taken to an after-school club, from where they would be picked up by parents. The service was popular, but the council withdrew funding for the taxis:

'We ran it for two years, in the end we were losing £12,000 a year […] we had to close it […] the numbers weren't big enough […] You're trying to sustain a service by bringing people together to create one bigger service, but the costs of getting people there [are] quite often prohibitive' (Interview 5)

This has a longer-term effect on rural villages, as this provider indicated, describing a service that had been used by parents commuting to Inverness:

'We couldn't afford to run it […] because it was quite small numbers of children, and anecdotally, five or six families left the village […] [If] you don't have a children's service, and if a family leaves, not only does that village lose the children but it also loses potentially people who are working in the village […] it erodes the whole way of life of a rural community' (Interview 5)

'It's very important that you keep your local school open, and if you don't have the childcare to back that up, then it may stop families moving in' (Interview 7)

3. Rural childcare, parents and work

Childcare requirements in rural areas are affected by parents' working patterns throughout the week and year. This varies in different areas, from shift work in retail or the care sector to tourism and agricultural jobs. Providers highlighted the range of needs in rural areas:

'We've got some families who would have their children in four days a week full-time if we could fit it, and then we've got other families who […] are like, we just want one day a week, because the rest of the time they're home with me, because I don't work […] we cater for a very large variety of needs' (Interview 6)

Whilst several felt that families prioritise their children's needs over their own requirements, the majority of providers stated that their services are important in enabling parents to work, from single-parent households to those with members who were self-employed, work part-time, off-shore or in the armed forces:

'At all our sites we have a number of single-parent[s] […] who have specifically chosen to put their children in with us so that they can go back to work […] We see a lot of families utilising us […] so that the second parent can go to work, can either work from home, work their own business or can go back to work.' (Interview 3)

Several providers are used by parents working in nearby towns or cities. One provider stated that parents travelling to Inverness 'can do a drop off on the way past and then do a late collection when they finish work' (Interview 2). At a setting near Oban, children attending included those from island communities, and this was informed by parents' working patterns:

'People will be coming over to work in Oban for maybe two or three days a week […] it may be that the child is on shorter days, because of ferry crossings, and that's all that the parent requires, it may be that […] they're on until half past five, because those are the parent's working days […]' (Interview 3)

3.1 Women and rural childcare

A lack of childcare particularly affects the employment opportunities of women in rural areas, and several providers felt that there is a still a 'traditional view' that 'women should be staying at home looking after their children' (Interview 5).

'I think the real problem is that in addition to working, generally speaking the women are expected to still manage the children […] just having childcare doesn't really acknowledge that problem […]' (Interview 9)

Many stated that it is largely women who drop-off and pick-up children, and are limited to part-time, low-paid jobs as a result, because 'unless you've got really good flexible, affordable childcare', it's difficult to commit to a job (Interview 5). Another stated that a lack of childcare for ages 0 to 3 is a particular problem and limits women's employment options. One flexible provider specifically aims to help women go back to work:

'I do think that they're probably just working around nurseries instead of nurseries working around them, and I do think that they would probably work longer and […] different hours if there was more availability […] that's why we make it so flexible and achievable for Mums that want to be encouraged to go back to work or to study' (Interview 1)

Several outdoor providers with families working in agriculture emphasised the impact this has, particularly on women's roles. Whilst one stated that two women who live on

farms had set up their own 'businesses at home […] because of the lack of childcare' (Interview 7), another spoke about her work as a crofter:

> [An] issue as a women working in agriculture is the stress levels. I often do take my kids out and work with them outside but this is exhausting and you don't always get done what needs doing. If I can't get childcare and I can't get out to look after the animals it can be incredibly stressful as there is an immediate urgency when it comes to animal welfare. This differs from the office work and admin side of things as I can usually catch up with that in the evenings.' (Interview 4)

3.2 Affordability

The issue of affordability was raised by several providers, who stated that it is something they consider to be an issue in terms of providing a good quality service whilst keeping costs low, and ensuring longer-term financial sustainability:

> '[People opening settings have] got to weigh up the costs of, maybe they won't be that busy, but they still need to have staff enough to cover – but then the costs of the childcare then need to go up, which then affects the parents. So if they bring the childcare costs down, then they're not making ends meet […] we're only at £4.30 an hour which is pretty low compared to a lot of settings […] it's getting quality staff, it's getting the training, it's getting all these things in place. And I don't know if we can sustain that on £4.30 an hour […]' (Interview 1)

> '[Around] here, a lot of the private sector depend on getting partnership status with the local authority, and that's particularly linked now with the new national standards and the roll-out of 1140 hours, and there was two settings locally to us who didn't get the partnership status, and within the year they closed, because they were unable to offer free childcare places […] parents are willing to pay a certain proportion […] but I think most people do depend on a chunk of their childcare being funded.' (Interview 6)

Providers emphasised that parents have to weigh up the costs of childcare and what they earn from working, particularly if they have more than one child. They pointed to the benefits of 1140 hours, with one provider suggesting that 'most people are finding their needs are met' (Interview 9).

> 'To make sure it's affordable, because that's a barrier as well, you don't want to be paying 5, 7 pound an hour for childcare if you've got a couple of children, because that ends up almost negating working […]' (Interview 5)

In addition, outdoor providers described the 'financial commitment' parents make in using their settings, for example in buying appropriate clothing for children. Whilst several have equipment they are able to lend out to families, one stated:

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> **'For outdoors, kids need the right gear. Because they're not going to be comfortable or safe if they don't have the right gear […] I often wonder whether that's a barrier to families accessing us […]' (Interview 3)**

Many providers felt that the affordability of childcare is a wider issue for rural families, and highlighted the role of socio-economic factors:

> **'If we were open privately, [for example, for summer care], we were charging £5 an hour in the summer for up to age eleven, and there's no way we could operate charging less than that, and actually it might not even be viable to run charging that, it might have to be more than that […] it is economies of scale.' (Interview 4)**
>
> **'The vast majority of our families [are middle class.] We are geographically quite isolated, and so families who maybe don't have a car will find it a lot harder to access us […] it's one of our goals as a nursery to find a second site somewhere […] so we can be more available and accessible to those families.' (Interview 6)**

This provider also stated that they 'attract some children who have quite complex social and emotional additional support needs', who are no longer eligible for council funding as they are older. The nursery provides extra support to these children, but has to fundraise to cover the cost of this: **'we want to be as inclusive and help as many children as we can'**.

4. Childcare needs of agricultural families

The interviews explored the childcare needs of crofting and farming families, and the majority of providers who took part do currently provide childcare for agricultural households. Many observed that men and women from these families tend to have different roles, and have busier and quieter times of the year. Several stated that these families appear to have good support networks they can rely on at busier times. Flexibility is important for them, and they benefit from drop-off services, being able to book further sessions when needed, and after-school clubs:

> **'I'm quite familiar with this dynamic where the father is the farmer or the farm manager, and they work long hours, and that the women usually work for the farm in an administrative role, but they additionally pick up all the childcare and home duties, so they're often quite flexible in their hours […]' (Interview 9)**
>
> **'I think it would be more about flexibility, because I know if you're farming you have busier periods and less busy periods, where […] the main farm worker role if you like, that person may be able to look after the children at some periods rather than others, like lambing […] and then in the summer it just eases off a bit. So maybe flexibility of childcare is more what you need than if you're going to work, nine to five.' (Interview 7)**

4.1 Changes throughout the year

Several providers were aware of alternating childcare needs throughout the year, with families changing their days, booking longer sessions or unable to attend:

> **'Lambing's usually quite a tricky time, and [the harvest]. Like, if Dad's just out combining all the time and can't, you know, support in any way […] a couple of times when kids haven't arrived [or], we've had a message saying can't come in today […] helping with the lambing or whatever. It's usually led by Mum gets pulled in to help, and therefore then can't take the children […]' (Interview 6)**

A number indicated that they offer, or intend to offer, flexibility in view of this:

> **'There's certain points [in the year], especially for farmers […] where they are tremendously busy […] we haven't been asked to do any of that, but I dare say that that would be a question that maybe would come, do we need to be extending hours, just out maybe till 7pm […]' (Interview 1)**
>
> **'We already have the option for families to book ah-hoc, to book extra sessions at different times of the year, that flexibility where we have space, is very useful to farming and agricultural families, because at the times where they need the extra childcare […] that child is already settled in that environment.' (Interview 3)**

However, other providers stated that they have not noticed changes in childcare needs throughout the year. One suggested that this is because it is often 'only one of the parents[…]working in agriculture or crofting' (Interview 4), whilst another acknowledged that there is no extended provision in place.

> **'I've not noticed that, but I think people just accept what's available […] you might observe changes in the children […] they'll be unsettled, and then the Mum will say, oh well that's because Dad's working till midnight at the moment […] I think it does put strain on families.' (Interview 9)**

There was an awareness in several settings that farming families have strong support networks and are able to draw on a range of informal childcare:

> **'We see a slight fluctuation with farming families. They might book on for a few extra sessions, but what we also see with agricultural families is that the family network is very strong […] So quite often the sessions remain the same, and wider family will pick up the gaps, so grandparents [etc.]' (Interview 3)**
>
> **'I think with the pattern of how they work, there's very busy times of the year, and then obviously a lot quieter times of the year, but […] you find that most families have got good networks around them […] of course there are cases where that's not necessarily true, and those families need […] extra support.' (Interview 6)**
>
> **'In the school holidays […] with the farming families, if they can't work out pick up and drop off, then sometimes the kids just get bundled off to grandparents or are just with them on the farm […]' (Interview 6)**

Providers highlighted that flexible booking options and longer opening hours would be most beneficial to crofting and farming families:

> '**Unless we were going to open longer hours, and especially the summer hours, how do we help these parents […] farming doesn't stop on a Friday […] how can we open this up to be helping folk with longer hours […] over the years I've had so much folk say, could you open longer, would you open maybe half days at a weekend […] there's definitely a need for a change' (Interview 1)**

5. Facilities and practical challenges

> '**This property was up for lease […] we are based in [a house], it was part of a croft. So it's quite a large building, and we have extended it. We've got two extra rooms, an upstairs and a downstairs, and we have a large outdoor space […]'' (Interview 8)**

Rural childcare providers are based in a range of buildings, with several involved in this study planning to move to purpose-built settings in the next year.

5.1 Standard providers

Many of the more remote settings are based in community halls, which they share with different groups. The buildings are old, expensive to rent and less suitable for childcare, and it is 'hard to make the changes needed':

> '**They don't always meet the needs of Care Inspectorate […] we have had challenges in the past and we weren't able to expand our childcare and flexibility of hours […] it's £8000 or £9000 for some community halls per setting, if you've only got five children in that's quite a lot.' (Interview 5)**

In one setting, the nursery is unable to offer 1140 hours because the building is not suitable, which means that parents are 'only accessing half the number of funded hours, which has a huge impact on people's income' (Interview 5). Another nursery is based in a village hall that is due to be renovated, due to a lack of heating, toilets and outdoor space: 'if something was to happen with the hall we're in a precarious situation because we don't have our own building' (Interview 7).

Several providers highlighted the additional work and time involved in setting up, tidying and cleaning after sessions in shared buildings. One outdoor provider pays to use a village hall, which they share with other groups. They use the kitchen to prepare food in the morning, and store some of their equipment:

> '**We're very fortunate we have that, but it is [a] five minute car drive from the village hall to […] the entrance to the woods, so anything that we prepare has to be lugged up and lugged back down again.' (Interview 6)**

5.2 Outdoor providers

'We've got seven acres of woodland, and then we've got a car park, so we lease all of this […] we've got a little shipping container office, it's pretty basic and it's got some solar panels on the roof […] then in the woods we've got two compost toilets and we've got a wooden cabin which we use […] partly for storage, but it is where we go on a very cold day. We can light the stove, and the children come in, and have their lunch in there to warm up.' (Interview 9)

The majority of outdoor nurseries have good relationship with the landowners of the sites they use, and have chosen sites which they are able to adapt. One provider leases land from family, and another is due to review their lease in May, and hoped to reduce their rent:

'It's quite clear who's responsible for what […] we felt that it would be too cumbersome to have to negotiate any small change […] it's on a big estate so if something does happen […] they can usually send someone [pretty much immediately]' (Interview 9)

6. Transport and accessibility

'I know for anything remote and rural, access in terms of transport is really challenging […] how people get to you, and how you can help facilitate that and if you're facilitating that, it then caps your growth.' (Interview 5)

The majority of providers highlighted transport as an important issue in rural childcare, and stated that funding for transport services would increase options for parents. Many were interested in offering this: 'it would take some logistical work, but being able to do that would be good' (Interview 5). An outdoor provider stated:

'We were kindly offered use of a mini-bus […] if there was access to funding for a mini-bus and training for a member of staff then that would made a massive difference and it's something we definitely would be interested in' (Interview 4)

One new, flexible provider is aiming to provide this service once they are better established: 'dropping off and picking up is a great support, even having a point of pick-up would make it easier for parents' (Interview 1). All of the outdoor nurseries, which were largely based in a more rural locations, felt that transport provision would increase the accessibility of their nurseries for families:

'We're basically relying on people having their own transport to get to us, and that immediately puts an accessibility barrier there […] or we're expecting them to have to make a huge amount of effort to get to us, and we do have parents who walk for miles from the nearest bus stop […] we're rural but we're not remote, so I wouldn't say that it's impossible, but it is definitely more difficult.' (Interview 3)

In contrast, another outdoor provider stated that there was insufficient demand for a transport service, and that many parents prefer to bring children themselves:

> **'We thought about offering transport, but when we surveyed people, they all said things like well, we would need it at this time, or […] I have to take my child to school […] everyone's routine is so unique, and then they were like, we're happy to drive […] I looked into it, it's really expensive […] in order to offer this we would have to charge people […]' (Interview 9)**

6.1 Drop-off and pick-up services

Many providers did indicate the value of drop-off and pick-up services. One outdoor nursery on the outskirts of a village picks children up in a local park, and staff walk them to the site in the woods each day, which can take 40 minutes to an hour. A provider involved in intergenerational work spoke about limits to the number of children they can take to sessions at the care home. If they walk into the town, they need to follow the ratios for adults to children:

> **'Transport's a massive issue […] it doesn't look like we really need it, because we're in a town […] It's always going to be financial, because unless you're going to get your staff to get their minibus license [then] you're going to be asking somebody to do that driving […]' (Interview 2)**

Several providers who are based in small towns provide out-of-school care for children at local schools, with pick-up and drop-off services. Interviewees largely agreed that these services are useful for parents in rural areas, but raised questions around the cost of providing this: 'It would have to be financially viable, there would have to be quite a big uptake for that to happen' (Interview 8).

> **'We'd like to […] but on the current financial calculation of how much we get per child, verses how much it costs to run […] we couldn't build in transport as well. The main issue with that is ratio, so it would require practitioners to be both with the children, on the mini-buses [and] also on site with the remaining children depending how many you've got in any one place.' (Interview 3)**

One provider had bought an area of woodland to open a new outdoor nursery, with a drop-off service, but has since moved the nursery to a more accessible site:

> **'We did come up against some challenges […] there wasn't anywhere there for parents to be able to pick up and drop off from […] we had two mini-buses that we just ferried the children back and forth [in] from the [place] where parents would drop off and pick up. But that then meant that we could only have a maximum registration of how many children we could transport within ratios […] it didn't work.' (Interview 3)**

6.2 Journeys in rural areas

Most children are driven to rural childcare settings by parents, with car journeys varying from 15 to 30 minutes, and in fewer cases up to 45 minutes or an hour. In many places, public transport is not adequate, although a small number of parents were lift-sharing, or travelling to settings by bus, bike and ferry. In one setting, to which children travel from surrounding villages, the provider noted that whilst parents had used public transport in the past, the local bus route had recently changed, whilst another stated that children can 'sometimes be late because of the delay in the [bus] services' (Interview 8).

'Families who are enquiring with us for the first time will say […] I want to drop off at this time and I want to pick up at this time […] we'll know that they're an island family […] because the times that they're asking for will be linked to ferry times […] we remain pretty flexible […] if ferry crossings are cancelled.' (Interview 3)

Several providers in more remote sites stated that parents face challenges reaching them during bad weather, particularly in the winter. One provider emphasised the importance of ensuring that 'rural roads are kept safe and clear'. Others stated:

'We are at the top of a hill, and the hill can be quite treacherous in the winter, so some parents don't come or just leave the car at the bottom of the hill and walk up […]' (Interview 8)

'In Highland it's not even that it's from […] the road end, sometimes some tracks can be quite long, and quite a long way in, especially on farms, so that can be quite a challenge, but especially [if] you're working say at a hospital, you've got to drive all the way across town to drop your child off and all the way back again - that's additional time that you need childcare for […]' (Interview 5)

This also affects staff journeys to rural settings, as one provider stated:

'Because of the working hours as well, transport for staff is an issue. It means that basically our staff have to drive […] They wouldn't be able to manage it just on bus or train times […] If you get the heavy snow come in, if you get the ice come in, how reliable are your staff, can they still get in based on where they live. So a certain amount of flexibility for that is expected, but […] that can be challenging.' (Interview 6)

In most settings, children from agricultural households have short journeys of around 2 to 3 miles, taking around 15 to 20 minutes in the car: 'Most of them are based very locally. We had one travelling half an hour each way, because they lived in the middle of nowhere' (Interview 4).

For the majority of providers based in more rural locations, driving was the only option for parents. Two providers based in villages emphasised the lack of safe walking routes: 'There's no path or pavement […] It's just a busy road' (Interview 4). Another stated:

> **'I would say most need cars […] because they live outwith […] even if we wanted to walk, [it's] two miles to the centre, but it's a main road and it's not safe […] people that have restricted use of transport are really going to struggle living in an area like this.' (Interview 7)**

Outdoor nurseries were largely based within a half hour drive of towns, but many attracted families willing to travel further: 'we've got children who travel for over an hour to get to us, because it's parental choice' (Interview 6). Providers emphasised the convenience of driving, particularly for those with several young children:

> **'We're offering something that's alternative to the norm, so people will travel a bit further to be able to give their children what we're offering, so we do pick up quite a number of families from the wider rural areas as well.' (Interview 3)**
>
> **'I think as well if you do live somewhere rural […] they would have to drive for half an hour to get anywhere, so for them it's not a big deal' (Interview 9)**

Several outdoor providers stated that families do shared placements, including children from agricultural households, whose journeys varied:

> **'Most of them are all within a fifteen minute drive, and […] do blended placements, so they attend us for maybe two or three days of the week, and then attend […] their more local nursery setting.' (Interview 6)**

7. Staffing and training

Providers discussed a range of challenges related to staffing, particularly in terms of being able to offer comparable rates of pay and meeting ratios. One raised concerns around lone-working in settings with small numbers of children, whilst another stated that changes in SVQ Level Three criteria had 'impacted significantly on the amount of staff that [are] employable within childcare' (Interview 2). The majority had experienced problems with staffing, including in recruiting for more senior roles, as there are fewer applicants in rural areas:

> **'We nearly weren't able to open because there wasn't anyone who applied for the manager's job, and there was no one trained locally […]' (Interview 4)**
>
> **'We tend to not have too much of a problem staffing for our practitioner roles, because we do have the fairly major towns nearby […] we have struggled to recruit for more senior management roles in the past.' (Interview 3)**

The manager's job is challenging, another provider stated, 'because it's a small business' and 'you end up having to do a little bit of everything' (Interview 9). Issues with recruitment particularly affect small, remote settings, where staff numbers and availability are limited, whilst hiring and training new staff is time-consuming:

> **'It can be quite challenging to staff settings, especially if somebody goes off sick or for whatever reason isn't able to attend, sometimes we just can't open […] or we ask a parent to come and help or we try and bring a staff member from somewhere else, that's fine if we're closer to […] another one of our settings but some of the more remote areas […] are quite challenging.' (Interview 5)**

Others raised specific concerns, for example private providers discussed the loss of staff and subsequent challenges in recruitment due to the higher rates of pay in council-funded settings:

> **'We very frequently lose staff to public sector […] we take our staff on, we train them and support them, then they get a job at the council that pays twice as much […] it does make me very frustrated.' (Interview 5)**

In contrast, providers following innovative models stated that they do not tend to have problems recruiting staff due to the distinctiveness of their approach. One outdoor provider stated that 'staff actively want to work for our setting, so we don't tend to have an issue' (Interview 6). Another outdoor provider said:

> **'We tend to find that people come to us, and they offer to volunteer and then they end up working for us […] because they like what we do.' (Interview 9)**

A flexible provider stated that other benefits, such as the company being a living wage employer and focused on 'supporting families', encouraged staff to stay on (Interview 1). When discussing issues in staffing, several providers stated that the perception of childcare needs to change, including childminding and out-of-school care: 'it's a highly skilled job that really we should be paying our staff a lot more than we're able to' (Interview 5).

7.1 Training

> **'In terms of staff training it is sort of expected that you'll have to travel for training, and we pay expenses for our staff who need to travel for training.' (Interview 3)**

Whilst the majority of providers who took part in the study are able to access training, both through their own organisations and externally, for example through partnerships with the council, many had experienced issues. The majority felt that training is less available in rural areas, and several highlighted the travel involved, such as overnight trips: 'Access to training for us isn't easy […] the cost of training becomes a bit prohibitive' (Interview 4). The majority of training has moved online during COVID-19, which has largely benefitted providers. One provider runs monthly training and support sessions, and several stated that online training is preferable, more affordable and accessible for rural providers:

> **'When you're working long days, you don't really want to go and sit in a cold hall […] but you'll sit at a computer, where you can have your own coffee and you're in your own house […] I've been in a position many times that I've had to go to training that's not really for me, but I've had to take my staff there, so I do think online training is definitely going to be very beneficial […]'** (Interview 1)

However, current restrictions have also led to problems in accessing training on innovative practice. For example, one provider looking to increase their provision of outdoor learning stated that 'with all the training being virtual […] it's really hard to get some hands-on training which would really benefit the staff' (Interview 8).

7.2 Sharing best practice

Providers identified a range of ways in which they receive support and share best practice with other settings. Whilst COVID-19 restrictions have limited these opportunities, several are still able to do this through informal networks, for example. a Facebook group for Scottish outdoor nursery managers. Several outdoor nurseries had received support from local communities, from maintenance days to prepare a new site, to volunteers helping with sessions during the summer holidays:

> **'Our nearest town [has] quite an active community development trust. So we did involve people quite a bit at the beginning, and got them along and talked to them about what we were doing […] In general there's a sense of support in that people like what we do and they talk about it […]'** (Interview 9)

Several providers run their own training programmes, and this creates opportunities to share best practice and learning. The majority of outdoor nurseries use social media to connect with other providers, offer training and share skills. One provider organises staff exchanges, enabling staff to gain experience and knowledge in different settings.

A number of providers were members of wider networks, including the Care and Learning Alliance (CALA), Early Years Scotland, the Federation of Small Businesses, the National Day Nurseries Association (NDNA) and Out-of-School-Club network.

One provider received support from Early Years Education Support Officers, who visit rural settings and set up meetings to network, share good practice and run training sessions on new guidance. Another provider had worked with GrowBiz, which provides community-based enterprise support services for rural businesses in Scotland, and is based nearby:

> **'Those kind of agencies are kind of a lifeline sometimes, when you just need to go and talk to someone and […] get a different perspective on […] business decision-making […] in a lot of rural places you wouldn't get that.'** (Interview 9)

8. Innovative models

Innovative models create further opportunities in rural areas, and the study included flexible providers, outdoor nurseries and one provider involved in intergenerational work. The interviews indicated the success and popularity of innovative models. For example, outdoor nurseries tend to attract children from a wider area, and children were often travelling further to attend outdoor nurseries due to parental choice.

8.1 Flexible providers

One provider who took part aims to provide families with a flexible and affordable service, and is open 8am to 6pm Monday to Friday with flexible booking options for parents and the option to extend these hours if requested. Other providers emphasised the flexibility of their services:

> 'We're open from eight o'clock in the morning till six o'clock at night […] we're not just your normal nine till twelve kind of setting […] I think we've certainly increased the flexibility over the last three or four years.' (Interview 2)
>
> 'We do listen to parents and obviously if they want to come late or pick up late, then we have a discussion and that happens, because that's what we're there for, we're there to support the families and their children.' (Interview 7)

8.2 Outdoor nurseries

The study included four outdoor providers in rural areas, including one organisation with four sites, and three further providers; two based in woodlands and one on a conifer plantation next to a croft. Providers were passionate about outdoor learning, and the opportunities it provides:

> 'Our ethos is about children developing themselves as individuals and building resilience through being outside in all weathers and learning through play […]' (Interview 9)

As one provider suggested, many families in rural areas 'want their children to spend time outside because it's what they've grown up with […] I think there's a real want for it and a real move for it here, and I can only see that growing' (Interview 6). Another stated that it is a 'great provision for rural economies':

> 'Our sites are [rural but not necessarily remote.] The nature of outdoor [learning] means that we need outdoor space, and that tends to be more in rural areas […] We really believe that [place-based learning is really significant.] I think that forming […] a connection with the plants and animals and natural world around children, helps them to build a real sense of place and security, particularly in rural areas where you tend to see [stronger] community links […]' (Interview 3)

Outdoor nurseries tended to have a smaller capacity, and several stated that they are unable to extend their provision for practical reasons, from the length of time it is appropriate for children to be outdoors, to bad weather:

'We have capacity for up to 16 at a time, we tend to only have two members of staff on site and a maximum of 12 […] we're working with ratios of one to eight legally, but actually we only work with ratios of one to six, being outside that's what we're comfortable with […]' (Interview 4)

'We like being a small nursery, and people come to us who are able to work with those parameters […] I don't think the outdoor model is appropriate for the kind of wraparound care that is being offered in a lot of other nurseries […]' (Interview 9)

Outdoor providers were especially affected by bad weather during the winter, with several anticipating having to close at certain points due to this (see Section 2):

'[During storms] […] we couldn't operate, because nobody could get to us, it wasn't safe to drive. In those cases we always have to cancel, but usually families can access us without too much difficulty, and if we need to evacuate for unsafe weather, for example high winds […] we can use the village hall as our emergency evacuation safe space' (Interview 6)

Whilst outdoor providers face a range of challenges, from short daylight hours to preparing food on-site, they also indicated the flexibility of their sites and their ability to adapt, particularly this year during COVID-19 when many were able to open early and run as childcare hubs. For outdoor providers, complying with restrictions was easier outdoors, as there are less surfaces to sanitise: 'cleaning is a lot easier outside', one stated, indicating the 'amount of space' they have.

Two of the outdoor nurseries are improving their office facilities. For one, the new multi-purpose office they are building will help them deal with increased paperwork, but will also provide a second indoor space if they have two groups in the woods at any one time. However, all of the outdoor providers had experienced issues with internet connectivity, and often have to rely on mobile internet at their sites. Whilst one stated that they spend 'a considerable amount of money [on data], because we can't get reliable wifi at the sites' (Interview 3), another said:

'Infrastructure has been put into rural areas, and […] that has helped us, the fact that we can get 4G and make a hotspot in our office in a carpark means that we can then work there.' (Interview 9)

They also emphasised the practical difficulties of not having mains electricity or water on site. One highlighted the 'sheer work load' of using camping toilets, 'which has an impact on staffing […] on all kinds of things' (Interview 3). Another stated:

> **'It requires a lot more thought and planning for your day […] we've got solar panels on the roof, but they only give a certain amount of power for a certain amount of time […] you can't just get up and go to your work, you have to […] think, what do I need to do today and am I gonna have enough power […]'** (Interview 6)

For outdoor nurseries with no kitchen on-site, following guidance around providing children with meals due to the 1140 hours transition has been challenging:

> **'I sometimes think the fully outdoor settings are not taken into consideration as much because there's so few of us on the whole, when they are creating a lot of this new policy guidance.'** (Interview 6)

Several other providers who took part in this study were looking to increase their own outdoor provision, including by securing funding to make improvements to their outdoor areas. One had organised weekly trips to a local beach and woodland:

> **'You kind of make the best of what you've got […] I think if they want to increase the amount of outdoor provision that's being provided for children, they need to decrease the amount of policies and procedures that are in place'** (Interview 2)

8.3 Shared management

One provider follows a peripatetic management model in remote areas, which enables a resourceful use of staff. One interviewee, who has previously managed four settings, but currently manages two in rural villages, stated:

> **'I visit each once a week [and] there's phone-call support […] it works really well […] you do share good practise between all the settings, and obviously what works in one setting may not work so well in another setting […]'** (Interview 7)
>
> **'We all have [work vans], because the mileage is so massive, so they will just drive around, and visit each setting once a week to go and see the practise and support the staff […] but we'll drive, you know, in a day, out to Tongue and then up to [Kinlochbervie] and then Lochinver, Ullapool, so you're really covering massive areas, but they're clustered under one manager, otherwise it would never be […] sustainable'** (Interview 5)

8.4 Intergenerational work

The study included one town-based provider involved in intergenerational projects with a local care home and a rural skills college. Whilst these are temporarily on hold due to COVID-19, the provider emphasised the value of these sessions, and their benefits for both the children and other members of the community:

> '[The benefits] were huge, not only to the children but also to the staff […] it was a sense of community, and a sense of love and respect right across the board. Children, staff, residents, staff in the care home […]
>
> 'By our last couple of sessions […] the young adults with additional support needs who were apprehensive about mixing with the children had just developed huge amounts of confidence […] because the young people were coming across young adults with learning disabilities, I just don't think they thought about it […] that's a massive benefit for young children to experience.' (Interview 2)

9. Financial sustainability

> 'Our finances are on a knife-edge, and I think that pretty much all [small services] are in that position […] you're constantly looking [every month] […] have we got enough […] It's dependent on a small number of people really knowing what they're doing and how it all works […] sustainability is a bit fragile […] you realise how contingent everything is on having the right people' (Interview 9)

The interviews aimed to explore the longer-term financial sustainability of rural childcare settings, the key costs that providers face, and the issues they have to take into account when planning their services. For the providers involved, the financial sustainability of their service depends on having adequate numbers of children, and many suggested that the rate they receive per child each hour should be increased in rural areas:

> 'There's no financial weighting for rural childcare provision, so we get the same rate per child per head as somebody in a city nursery […] We can't be financially sustainable purely based on what we get per head per child, and that's probably the biggest challenge.' (Interview 3)

Providers also highlighted further issues, in terms of being able to meet staffing requirements and the cost of rent:

> 'As a provider the sustainability of the service is really difficult […] you need at least two qualified staff plus a manager, and if you've only got two or three children, especially if some of them are not attending regular, that's really challenging, when you've also got rent and travel costs and everything as well […] We also work really closely with the Highland council who fund us slightly differently for our smaller settings, to make sure we're sustainable' (Interview 5)
>
> 'If it was a case of sustaining a service, opening at 8 o'clock in the morning, if you're not getting the money from [the] council then that wouldn't be able to happen […] we need two practitioners at all times […] so you're talking just under £20 an hour […] so you'd need how many children, you know, to make that viable.' (Interview 7)

In terms of financial considerations, outdoor providers have lower costs compared to more standard providers, as they do not need to rent or maintain buildings. For example, one provider based in a small village hall stated:

> '[It's] £45 a session, they've just put it up because the electricity's so high, because of the lack of heating […] I'm not sure what that equates to, but [they're only there for] 16 hours a week […] most nurseries are in their own building, or a building belonging to the school, so it doesn't cost Highland Council any physical rent […]' (Interview 7)

Whilst the majority of providers were reasonably confident about the longer-term sustainability of their services, and several had long waiting-lists, others were less confident following a drop in numbers this year:

> 'If numbers had stayed the way they were then we could have had problems […] we have some years when it's really quiet […] it is quiet at the moment, but the inquiries are coming in, so hopefully things will pick up […] It's all down to the funding, and having additional funding for resources [and to] pay the staff a higher rate […]' (Interview 8)

9.1 Grants and funding

Providers are able to apply for grants and additional sources of funding, and several had been successful with recent applications, including a £5000 start-up grant from Firstport for one outdoor nursery and a grant from Foundation Scotland toward a playhouse and purpose-built furniture for a setting based in a village hall. Others stated that they rely on fundraising by parents:

> 'If we need anything […] we need to fundraise for it, because the money's not there. The money you get for the running of the service is for your rent, your electric […] but if you want a new table or chairs […] there's no money for anything like that […] we can apply for community funds and things like that, and that's what we have done in the past.' (Interview 7)

> 'Under the current business model, as a social enterprise, we are eligible to apply for grants and that sort of thing, and it is something that we do when we have specific things that we want to do […] for example, we've applied for various grant funding to have the electric and water put in […] and we've had smaller Scottish grants for things like growing our own food […]' (Interview 3)

Providers based in small rural settings, however, suggested that this reliance on community funding can limit their options:

> 'There's local funds that if there's a trip or anything like that you can apply for the money, but again the local people are the same people that are on the hall committee […] you want to have links with the community, you've just got to try and make sure that they're positive and they stay that way.' (Interview 7)

One outdoor provider had received funding from the government's Transitional Support Fund to support settings which opened following the lockdown, and another had been granted funding from the local council toward cleaning costs and resources. One interviewee had opened an outdoor nursery just over a year ago. The nursery is on a conifer plantation, on land owned by their family, who they pay rent to:

'My Dad agreed as a landowner to build the building […] that we needed, and do that access work and everything […] I think we spent about fifteen grand in total. Maybe twenty max with all the bits and pieces, equipment and stuff. It was very very low start-up costs, and generally very low overheads because we don't have much in the way of heating costs and cleaning […]' (Interview 4)

10. Support for rural childcare providers

'It's going to be down to finances, that is the single biggest thing that we face if we're going to take on or close a service, and it has to be sustainable […] if it's a small service, there needs to be a minimum [guaranteed income].' (Interview 5)

The majority of respondents stated that funding and staffing would be the most important factors to consider in offering support to rural childcare providers. They discussed a range of options for rural childcare services, including start-up grants, top-up fees for settings with lower numbers of children, funding toward transport and being able to offer higher staff wages. Providers stated:

'Funding to help with resources or staff training, maybe extra staff costs would be beneficial, maybe start-up grants […] would help providers to expand their services into these areas […] people are not expanding into different areas because […] they're looking at the places that they need to rent or buy […] they're looking at the need and there's maybe not a huge amount of children, so it's not worth their while, it doesn't work out financially for them, and that's why you see lots of companies that maybe […] would start in a rural area, but they don't because it's not cost-effective.' (Interview 1)

'It would come back to seeing a higher funding figure [per child] to make it financially viable […] setting up in rural areas is just more expensive […] we know what we're doing now, so I think that makes a big difference […] but the challenges remain the same […] It's being able to provide the infrastructure, that you can offer that really high quality service, but in a rural area.' (Interview 3)

Several providers suggested that a change is needed in terms of how childcare is perceived and valued, with several pointing out their role during COVID-19:

> 'The support that ELC is getting and that investment in funded hours is absolutely fantastic, but if we're gonna be seeing all childcare with the same level of respect and value then they need to be paid properly, there needs to be some way to sustain them, and people need to see it as a really quality work […] I think we need to change the language we have around childcare.' (Interview 5)

10.1 Increasing rural childcare provision

A number of the providers who took part indicated that they would be able to expand their provision with funding toward additional staff and transport provision. In several places, there was a clear need for further childcare provision:

> 'Already, people are saying, will you be opening new settings, will there be different places that you'll be opening […] hopefully we can branch out to some of these other places and support some of the other little places' (Interview 1)

> '[Additional hours] would be financially feasible, if there was enough demand. We don't know if there is enough demand where we are, because we're three miles outside the village, it's how would parents get their children to us […] if we were in the village, it would probably be fairly easy […]' (Interview 4)

Several providers suggested that increasing provision could take the form of breakfast and after-school clubs, and extending childcare to older children:

> 'The best thing to do would be for breakfast and after-school clubs in the schools and the nurseries […] there are people out there, if the role is sustainable and not temporary […] it's a case of [making] sure that they don't make every role have to be filled by somebody that's done their SVQ3, because that's a big undertaking […] and I think we lose a lot of people like that […] they have a lot of knowledge and experience and would be very good in the role.' (Interview 7)

> 'So opportunities are looking at being open for older age groups, so as an early years centre, like a kindergarten style – so open for early years, up to age six or seven […] there are a couple of other kindergartens in Scotland that are doing that. Unfortunately that's not funded by the government at the moment, so that's just parents privately paying for their children to attend. And opening up sessions as well for the schools to come and use the facilities.' (Interview 4)

Two of the outdoor providers had plans to open further nurseries, retaining a focus on rural areas, however one stated:

> 'I don't think we would be going overly rural, I think we would be going into a town, so that we can link in with an area of multiple deprivation so that we can support access to vulnerable families.' (Interview 6)

10.2 Setting up nurseries

> **'I don't understand how they could make it financially viable [to] set anything up, because we've got low numbers living here, you'd set something up and it would be used by a handful, so it would have to be heavily subsidised.' (Interview 7)**

Several of the providers involved in the study have set up nurseries in the previous two to three years, including one outdoor nursery:

> **'We opened in January 2017, with four children on one day a week […] and then we sort of gradually expanded […] when we got our partnership provision status with the council […] we did see quite a big increase in numbers. Prior to that everybody was paying […] so in terms of sustainability, that's huge in making it a viable business […] we used leader funding for the first couple of years to prop us up really because the overheads were way above what we were bringing in financially.' (Interview 9)**

As the nursery has grown, largely through word-of-mouth, families from a range of socio-economic backgrounds have registered, including children with additional support needs. The provider highlighted the work involved in setting up the service:

> **'There was probably two years of development work to get it going […] there was market research […] running taster sessions, there was all the looking for the site, there was a huge body of work in registering with the Care Inspectorate.**
>
> **All of that has to happen, plus you've got to put all the infrastructure in place, so you need to make sure you've got all your basic facilities available, like toilets and shelter and all of that, and we did that by fundraising […]'**

Fundraising was made more difficult, they suggested, as rural areas are less diverse than urban areas, with the service able to reach fewer ethnic minority families or those on low incomes:

> **'When we were opening, we were really just offering a paid-for service to some middle-class families […] and you're having to say, well three years down the line, we'll be providing for a different kind of family […] For a very long time it felt very like […] if we don't get more kids into this nursery soon, what are we gonna do, we can't keep propping it up […] There is [now] a sense of financial security […] the service is popular, we don't struggle to fill it.' (Interview 9)**

When asked what they would need to set up a new service in a rural area, or expand their provision further, providers listed a number of things including suitable facilities, staff and registered children. One stated that a building with a 'good outdoor area' and 'staff who are able to be flexible with their hours' (Interview 7) would be required. Another stated that transport and 'a lower adult to child ratio' would mean that 'you could do it anywhere at any time' (Interview 2).

> 'First of all they'd need a property that was going to be subsidised, they'd need funding for resources […] you'd have to have your qualified staff in place […] It just wouldn't be financially viable, unless we had enough children taking it up, because you always have to have two staff here.' (Interview 8)

A number of the childcare services had been set up by parents in line with their own interests, skills or dissatisfaction with provision in rural areas, including two outdoor nurseries initiated by agricultural families. One outdoor provider stated that they had been 'approached and asked to set up a nursery in a particular area' several times; in one site, they were 'gifted a piece of land and a building' (Interview 3).

> 'I was just a parent who wanted to set it up because I wasn't happy with the local provision […] I didn't really know where to start in terms of setting it up, like registration and what we needed […] I didn't have a support network around me, whereas if I'd lived in a more connected area I might know of another nursery that I could go and talk to. The nearest outdoor nursery is more than an hour's drive away, and I did go and visit them and they were really helpful.' (Interview 4)

Another provider had recently helped to set up a new outdoor nursery in a remote area, and stated that the hardest part was 'negotiating the land with the landowner':

> You can build gates where gates are required, you can put up yurts or tents where tents are required, as long as you have permission […] but car parking was an issue there, to begin with, we had to figure all that out.' (Interview 6)

11. Impact of COVID-19

COVID-19 has had a significant impact on rural childcare providers. Several providers stated that it has led to the permanent closure of other local services and an increase in demand at their setting, whilst others had noticed a decrease in demand due to parents working from home. It has also increased operating costs in settings, for example additional cleaning, having to build new office facilities, and running separate day sessions at a reduced capacity due to physical distancing.

Two of the more remote indoor providers were due to move into new purpose-built settings but this has been delayed due to COVID-, whilst settings using shared facilities such as community halls have also faced issues:

> 'Over COVID we've really struggled to get the volunteer committees to respond about how we're gonna open them back up […] what are restrictions going to be […] what will the cleaning regime be […]' (Interview 5)

In contrast, outdoor nurseries have proven to be more flexible and able to follow guidelines due to their set-up, with one provider expanding their site, and two adding temporary office spaces. They opened early as key worker hubs:

> 'During lockdown we were operating as a hub, and then because we were a registered outdoor nursery we were allowed to open at the beginning of June, so we had to open with the bubble groups of eight […] we doubled the size of our site and we essentially created two parallel sites, so we could definitely increase our capacity if there was demand.' (Interview 4)
>
> 'We also have just put it in a new […] multi-purpose office building but also a second indoor space if we have two groups that are operating in the woods at any one time […] it's a non-permanent structure, but we have good relationships with the local community and the landowner, so we've had no problem putting something like that in place, and especially because it is linked to ensuring that we can continue to provide the service.' (Interview 6)

11.1 Closures and increased demand

Several providers highlighted increased demand in their local areas. One provider, who is temporarily based in a smaller building with fewer facilities, stated: 'since we started I've turned away 17 two year-olds, which lets you see the need'. When asked if low numbers have been an issue for them, another provider stated:

> 'I think in the past it maybe has been, but […] since coronavirus kicked in, we have now got waiting lists for waiting lists, because I think families are now going […] outdoors is the safest place to be […] we've been fairly stable with numbers for I would say the past maybe three years, but then all of a sudden since March, we have skyrocketed with enquiries.' (Interview 6)

However, for outdoor providers, COVID-19 has also caused practical difficulties on their sites. In one setting, this has led to reduced flexibility:

> 'When we first opened, we were much more accommodating with times [and] much more flexible. But we just couldn't afford to do that, too many unknowns at the moment […] safer to just try and stick with the block payments, and having those children booked in for those days. Also being outside [it's] much more likely that parents might not want to send their child in, and then we wouldn't receive payment.' (Interview 4)
>
> 'We're having to start extra early and take up big […] containers of warm water too, so we can hand-wash in the woods […] there's quite a lot of changes we've had to put in place, which has put extra strain on the staff, because we don't have a kind of hub of activity on site with lots of people always working there, it's just the staff team and a woodland.' (Interview 6)

Elsewhere, numbers have dropped due to the impact of COVID-19 on family incomes. One provider stated that they are aware of children who no longer attend as their parents are on the Job Retention Scheme, have been made unemployed or have mental health problems. Several noted that other services in their area have shut:

'There's quite a few places up here shut down as well […] [in] the surrounding little areas […] the pressures of extra staff, or extra cleaning costs, putting different things in place for COVID – I think [it's] pushed a lot of places over the edge, that were on the edge anyway.' (Interview 1)

'We've had a lot of requests for holiday care in the summer and if we would do any weekend [sessions] for older children as well, because we don't have any local out of school care anymore. I can see that's going to be a big issue going forward […] they'd been struggling for years to make it financially viable and it just wasn't, and then the pandemic hit.' (Interview 4)

One larger provider involved in the study has recently shut three out-of-school childcare settings in Cawdor, Strathpeffer and Ullapool. Whilst they have previously 'cross-funded' these settings 'as part of one big service', wider closures during lockdown meant that they could no longer cover the losses:

'We're predicting £50,000 to £60,000 losses and still are, so unfortunately we had to pick the three services that were the least sustainable […] you're talking about £10,000 loss a year per setting.' (Interview 5)

11.2 Future changes in childcare requirements

Providers are unsure about the longer-term impact of COVID-19 on services, in terms of changes to parents' working patterns and childcare requirements, and how many would continue working from home. There was also doubt about the length of restrictions, for example with blended placements. One provider stated that parents may go for different types of jobs, 'outwith normal hours', and that the nursery would need to consider how to support parents 'that want to go back to work' (Interview 1). Others stated:

'What's been interesting with COVID is that a lot of people seem to have made their own arrangements [over lockdown]. And we've noticed that parents have changed their work patterns […] especially with out-of-school care, we're seeing slightly different patterns, it's not as bad as we thought it was going to be but […] some aren't completely up to where they had been before.' (Interview 5)

'Our out-of-school provision, it's still quite busy […] childcare, [in] my experience of fifteen plus years, just changes in a heartbeat.' (Interview 2)

Conclusion

This report has discussed the main findings of research conducted with rural childcare providers running settings of various sizes in both rural and remote locations. It has examined how financial and practical challenges affect the sustainability of rural childcare services; the extent to which current models meet the childcare need of agricultural families; and the opportunities presented by innovative models including flexible services and outdoor nurseries. Several providers involved in this study have plans to open further settings, and this research points providers to models of childcare that could be piloted further in rural areas.

This research indicates the range of challenges faced by rural childcare providers, including: fewer services, resulting in pressure on existing providers; sustaining provision in more remote settings with lower numbers of staff and children; a shortage of transport provision, including drop-off services, public transport and safe walking routes; a shortage of suitable venues, resulting in buildings being shared with other groups and additional work for staff; and difficulties recruiting staff, particularly for senior roles.

During interviews, providers spoke about struggling to make settings financially sustainable, but also indicated how important it is that rural families have access to a range of childcare services to meet their requirements. The innovative models discussed in this report offer parents greater choice, and have been shown to have a range of benefits for children, from creativity and physical health through outdoor play-based learning to interactions with older adults in their community.

Rural settings provide childcare for families with a diverse range of working patterns and childcare needs, and the providers interviewed suggested that flexible booking options, longer hours and out-of-school care would be beneficial to a range of rural families, including those from agricultural households.

Providers are aware of parents having longer journeys to rural settings, and changing childcare requirements throughout the year. In many settings, demand can fluctuate as children from agricultural households require additional sessions or are unable to attend. The innovative models discussed in this report represent potential solutions to these issues, from flexible booking options to shared use of transport with other local services. For example, during an intergenerational project with a rural skills college, one provider was able to use the minibus owned by the college to transport children.

The financial and practical issues that providers deal with in rural areas are often added to by the lower numbers of children using their services, and whilst many stated that additional funding would have a positive impact, this report has highlighted wider challenges around the sustainability of rural childcare services, and providers' ability to expand provision. Providers take a range of factors into account when setting up services in rural areas, including the cost of buildings, staff and transport, in addition to the number of children they register and changes in demand.

This report shows that challenges in rural childcare provision are connected to many longstanding issues in rural areas, from employment to transport and broadband. Policies around population should therefore take childcare provision into account when addressing rural depopulation. It is clear that a shortage of suitable childcare remains a

barrier to employment opportunities in rural Scotland, and this has a wider impact on the rural economy. The research also highlights the effects of COVID-19 on rural childcare providers, particularly in areas where other services have closed.

The 2020-21 Programme for Government (PfG) sets out a range of commitments in this area, from the delivery of 1140 hours of free early learning and childcare, to increasing service provision and supporting repopulation in rural and remote communities. The PfG also sets out a commitment to look at wraparound care options that will give families more choice, greater opportunities to work, and greater financial freedom. This has the potential to benefit rural parents, and to positively affect women's employment opportunities and household incomes.

This report has identified the challenges faced by rural childcare providers and outlined potential solutions. It highlights the need for both standard and innovative models of provision in order to improve sustainability and better meet the needs of families in rural areas, including those working in agriculture. Having access to affordable and flexible childcare is one way of attracting people to live in rural Scotland.

Annex 1

Table 1. Providers who took part in the study

	Model of provision	Location	Size and opening hours
Interview 1	Flexible provider	Remote small town in Moray, north-east Scotland	14 children registered Monday to Friday 8am to 6pm
Interview 2	Flexible provider	Accessible small rural town in Highland, north-east Scotland	37 children registered Monday to Friday 8am to 6pm, with out-of-school and holiday clubs.
Interview 3	Outdoor provider with multiple sites	Varies by location, from accessible rural to remote, in Moray, Highland and Argyll and Bute	Around 60-70 children registered per site Varies by location, e.g. Monday to Friday 8.30am to 5.30pm
Interview 4	Outdoor nursery	Remote rural, Highland	16 children registered Wednesday to Friday 8.30am till 4.30pm
Interview 5	Standard provider with multiple sites	Varies by location, from accessible rural to remote, Highland	Varies by location but largely smaller settings with shorter opening hours
Interview 6	Outdoor nursery	Woodland site in a small village which is a ten minute drive from an accessible small town, Fife	39 children registered Monday to Thursday, 8.30am-5pm, and Friday 8.30am-1pm
Interview 7	Standard provider with multiple sites	Two remote small villages in the Highlands	9-10 children registered Monday to Friday 9-3pm and Monday 9.15-1.15pm and Tuesday to Friday 9.15-12.15pm
Interview 8	Standard provider	Small accessible town in the Scottish Borders	50+ children registered Monday to Friday 7-6pm
Interview 9	Outdoor nursery	Woodland site near a small rural village and town, Perth and Kinross	25 children registered Monday to Thursday 8.30am - 3.30pm

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