

Commission for Childcare Reform's 'Meeting Scotland's Childcare Challenge' Report – Scottish Government Response

COMMISSION FOR CHILDCARE REFORM'S 'MEETING SCOTLAND'S CHILDCARE CHALLENGE' REPORT – SCOTTISH GOVERNMENT RESPONSE¹

Introduction

'Meeting Scotland's Childcare Challenge', the final report from The Commission for Childcare Reform (henceforth referred to as 'the Commission'), was published on 25 June 2015, just before the Scottish Parliament rose for its summer recess. The Commission's final report focusses on key elements of current early learning and childcare provision, covering the vision, availability, affordability, governance and funding mechanisms, plus a number of recommendations on the data we need to monitor the effectiveness of the system.

I am grateful to Colin MacLean and his team of Commissioners for their diligence, insights and thought-provoking recommendations. I am also grateful to Children in Scotland and the Scottish Council for Development and Industry for their work in establishing the Commission last spring.

Our response to the Commission's main findings and recommendations

I welcome the Commission's recognition of the Scottish Government's "real commitment to invest in childcare", and their key finding that many parents are able to access high quality provision that meets their needs. I share the Commission's desired outcome that families are increasingly able to access and afford childcare that enables parents and carers to work and study, confident that their children's needs are being well met. I am committed - through ongoing implementation of the 2014 Children and Young People Act and our commitment to raise the free early learning and childcare entitlement to 1,140 hours per year by the end of the next Parliament - to ensure that all parents can access high quality, flexible early learning and childcare which meets their needs.

A key challenge going forward, as pointed out by the Commission, is to balance the needs of employers, parents, childcare providers and staff working in the sector without ever compromising on improving outcomes for children. We are already committed to putting children and families at the heart of policy making as part of our ambition to make Scotland the best place in the world to grow up.

Vision

Our current vision, as captured in recent Programme for Government documents and the 2014 Children & Young People Act, is "to make Scotland the best place in the world to grow up in by improving outcomes and reducing inequalities for all babies, children, mothers, fathers and families across Scotland to ensure that all children have the best start in life and are ready to succeed." (['One Scotland', Programme for Government 2014-15](#), para 148)

Our aim is to develop high quality, flexible early learning and childcare which is affordable and accessible for all. This means the whole system - including out of school care - and not just the Government funded hours.

¹ Adapted from the Minister for Children & Young People's keynote speech at the Children in Scotland annual conference, 4 November 2015.

Wider aims through the Programme for Government are: to improve outcomes for all children; narrow attainment and inequality gaps; and to support parents to work, train or study, especially those who need routes into sustainable employment and out of poverty. Supporting more women into employment is another key aim of our current Programme for Government - it's no coincidence that as we have expanded the statutory entitlement to early learning childcare, levels of female employment have risen. The female employment level in Scotland increased by 51,000 over the last year to close to 1.3 million - the second highest level since comparable records began in 1992.

Women's participation in the labour market in Scotland is currently at a record high of 76.6%, a full 4 percentage points above the current UK rate of 72.6%. That's good for families as well as for our economy and national prosperity. But we will do more.

The Commission's report addressed issues around vision and governance, and recommended the need for a strategic group to oversee the development of Early Learning and Childcare and to ensure that this meets the needs of families. I accept their view that we need to look afresh at strategic leadership and governance. That's why I was pleased to announce the creation of a new Early Learning and Childcare Strategic Forum, which I will chair.

The new Forum will provide a high-level focus on all early learning and childcare and out of school care in Scotland as part of an ambitious vision that includes ensuring that our expansion planning is realistic, achievable and sustainable; that our systems are high quality, integrated and holistic; and, that we meet the needs of children, parents and carers, as well as wider partners and stakeholders such as providers, colleges, universities and employers.

The Commission also discussed the importance of good quality data. Our Strategic Evidence Group, made up of key partners and stakeholders, will consider and develop what further information and evidence would be mutually beneficial to evaluate the implementation and impacts of our policy; and, to inform our wider aims and vision going forward.

Funding Mechanisms and Affordability

The Commission's proposals are, by their own admission, aspirational. They acknowledge in their report that "public finances ... constrain the rate at which reforms may be introduced" (page 70). The Commission made a number of specific recommendations to make childcare more affordable for families, and state that current fees paid by parents are 'complex', with the tax and benefits systems providing 'erratic support'. I accept the Commission's view that the current funding landscape is complex and multi-stranded, incorporating a wide range of benefits and supports for users. We welcome the Commission's view that in order to simplify that landscape all relevant tax and benefits associated with the funding of childcare should be devolved to the Scottish Parliament. The Commission's sensible suggestion of further devolution of tax and benefits would enable us to develop the kind of more wide-ranging vision and strategy recommended in the Commission's report, and avoid dealing with individual issues in isolation as can necessarily be the case under the current constitutional and fiscal settlement.

Establishing a fair, affordable, transparent and well-understood funding system is something to which we need to aspire. **If we had more control of tax, welfare spending and benefits, our longer term aim could be to fully integrate parental leave policy with current plans to expand funded early learning and childcare, simplifying arrangements for the user. However this would clearly require a further transfer of powers from Westminster to Holyrood than currently envisaged under the Westminster Government's Scotland Bill plans.**

Insofar as our present powers allow, we will continue to work with our partners and stakeholders to ensure that we make best use of the levers and resources at our disposal in order to work towards this aspiration.

We are also currently working hard to **mitigate the continuing effects of austerity** on children and families in Scotland, providing £104 million in 2015-16 to mitigate the worst aspects of welfare reform - via the Welfare Fund (£38m), Bedroom Tax support (£35m), council tax reduction scheme (£23m) and other mitigation activity, including for advice services (£8m). We are also progressing the Welfare Funds Bill through the Scottish Parliament to provide a statutory basis for a permanent local welfare safety net.

In terms of **tackling child poverty**, we have invested over £274m (with local authorities, NHS Scotland and other partners) in the Early Years Change Fund to transform early years services and embed prevention, including more targeted support for vulnerable parents.

On 5 January 2015, the First Minister launched **free school meals** for all primary 1 to 3 children. Over 129,500 primary 1 to primary 3 pupils are now benefitting from a healthy, nutritious free school meal, delivering a saving for families of around £380 per child per year. We have also extended this entitlement to early learning and childcare settings.

Availability

Under the 2014 CYP Act, education authorities must secure that the mandatory amount of early learning and childcare (currently 600 hours in each year) is made available for each eligible young child belonging to its area. **Therefore the full funded entitlement should be free at the point of use for all parents, regardless of how much early learning and childcare their child receives.**

The Commission suggests that some of their recommendations would take between 5 and 10 years to implement. We are mindful that our commitments to expand more flexible early learning and childcare must be done in a sustainable, well-managed way, to ensure that there is both the infrastructure capacity within local authority areas and sufficient numbers of suitably trained and qualified practitioners to meet demands from parents/carers for provision which fits better with work patterns. High quality provision is paramount to achieving positive outcomes for children, and increasing the amount, range and flexibility of early learning and childcare must not be at the expense of quality.

Ongoing and continuous engagement with our key early learning and childcare delivery partners and stakeholder representative bodies, including through our new Early Learning and Childcare Strategic Forum and Workforce and Quality Group, will provide us with the principle mechanism to ensure that our expansion plans are sensible, realistic, achievable and sustainable, and will meet the needs of parents, carers and children as well as wider interests such as partner providers, colleges and employers.

Key developments since the Commission's report was published

Since the Commission's report was published, we have made a number of commitments which are consistent with the report's vision and broader direction of travel:

On 17 October the First Minister announced that every nursery in Scotland's most deprived areas will have an **additional qualified childcare graduate** to work with children by 2018. The additional graduates should see around 25,000 children benefit from more face to face time with graduates, helping them reach their full potential whatever their background. The funding is designed to raise educational attainment, one of the First Minister's key priorities after she placed education at the heart of her Programme for Government.

The First Minister also confirmed on 17 October that the Scottish Government will work to **improve the flexibility of childcare** as we move towards the 1140 hours, ensuring that parents can opt to take their available hours of free childcare to better suit their working patterns. Our aim is that parents will, increasingly, be able to take their hours as full day sessions as well as half days, and they will have the right to spread these hours over the summer holidays as well as during term time.

On 4 November I announced the creation of a **new Early Learning and Childcare Strategic Forum** as part of my keynote speech at the Children in Scotland annual conference (see above for more details).

On 18 November the First Minister announced that the Scottish Government will work with partners to develop a **new standard of best practice for childminders**, strengthening induction and training pathways in recognition that childminders are a vital part of the ELC workforce. Currently, childminders are registered and are inspected by the Care Inspectorate but do not have to undertake qualifications in order to register. The training and induction programme, which will be developed with the Care Inspectorate, will support the development of skills and training for all childminders working across the early learning and childcare sector in Scotland.

Conclusion

This is clearly an exciting time for early learning and childcare, as we plan for the most significant expansion in provision ever seen in Scotland – from 600 hours a year to 1,140 by the end of the next Parliament.

A key challenge we face in delivering our transformation is how to balance our desire and commitment to provide high quality, flexible provision and being able to meet the cost of our aspirations. The Commission's report provides a welcome route map on what we might achieve if we have all the resources we need, and more powers over

tax, benefits and welfare spending.

We all want children to have the highest quality care. As Minister with responsibility for Children and Young People, I look forward to working with our Workforce and Quality Group on delivering our response to the independent Workforce Review, and to chairing our newly-formed Early Learning and Childcare Strategic Forum to help us develop and reflect upon our high level plans and ensure they are realistic, achievable and have high quality at their core.

We will continue to engage with the Childcare Alliance, through the Strategic Forum, to discuss how some of the Commission's very laudable aspirations might become reality, and how we can collectively address and overcome current fiscal, constitutional and other barriers to ensure success with our ambitious plans.

I therefore look forward to the Alliance's contribution, through Children in Scotland and the other bodies involved in the Alliance who are represented on the Forum - to support this vital work as it progresses in the coming months and years.

To paraphrase Commission Chair Colin MacLean in his introduction to their report - let us now, collectively, embrace the challenges which lie ahead!

Aileen Campbell
Minister for Children and Young People



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