

## **Finance and Public Administration Committee**

### **Post-legislative scrutiny of the Financial Memorandum for the Children and Young People (Scotland) Bill**

#### **Written submission from Scottish Childminding Association**

Declaration of Interest: The Scottish Childminding Association (SCMA) is a professional membership organisation (approx. 3200 members/over 80% of childminders in Scotland), a national Third Sector organisation and a service provider. Our income streams include core funding from the Scottish Government through the Children, Young People & Families Early Intervention Fund (providing a contribution to our activities including in increasing the number of childminders involved in funded ELC delivery) and contracts with a number of local authorities to support ELC delivery, children and families.

#### **Introduction**

SCMA welcomes the opportunity to present oral evidence to the Finance & Public Administration (F&PA) Committee on the cost of expanding the statutory entitlement of Early Learning & Childcare (ELC) in Scotland to 1140 hours annually for all eligible two, three and four year-olds. However, we believe that scrutiny of this important area must extend beyond reviewing the direct financial costs and estimates of ELC expansion, including sustainable rates, to also examining the secondary costs (or unintended consequences) of ELC expansion including the devastating effect on the childminding workforce in Scotland which has declined by 26% (1457 childminders) in the last 5 years during the implementation of '1140 by 2020', and to considering the wider inter-connected issues which threaten the sustainability of childminding as a form of childcare in Scotland. In simple terms, the financial consideration of ELC is not just about current costs and sustainable rates - we have to move beyond the postcode access to childminders for receipt of funded ELC which has arisen under ELC expansion as a result of inconsistent local implementation and childminders also have to be included meaningfully and equitably in ELC delivery and at a level of funded hours which supports their business sustainability. *[This evidence has been adapted from written evidence submitted to the Scottish Parliament's Education Children & Young People Committee in May 2022 on the implementation of ELC and provides a stronger financial focus linked to the F&PA Committee's interests].*

#### **Summary**

Funded ELC has been operating in Scotland for a number of years. While it is not a new policy as such, what has changed has been the level of the statutory entitlement of hours offered to parents. The Children & Young People (Scotland) Act 2014 expanded the previous entitlement to funded ELC from 475 to 600 hours per year; then in 2016 the Scottish Government published its blueprint and commitment to almost doubling the number of hours of funded ELC to 1140 hours per year for all

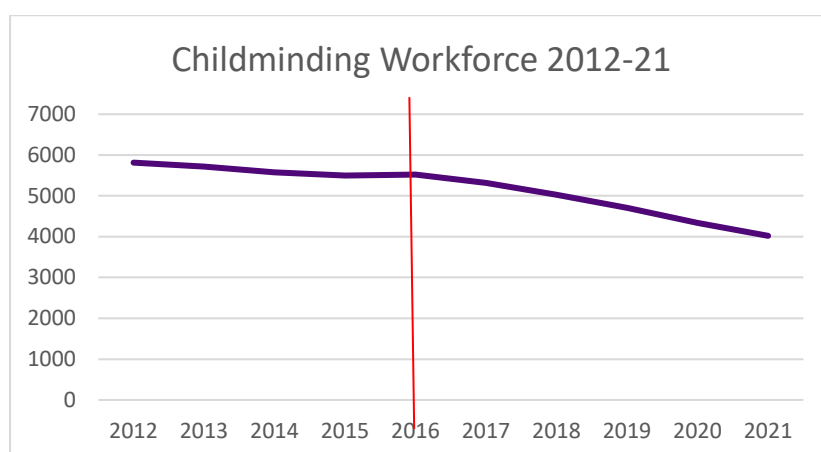
three, four and eligible two-year-olds by August 2020<sup>i,ii</sup>. This has been a significant undertaking and is understood to be the most generous entitlement in the U.K.

While the impact of increasing the statutory entitlement to 1140hrs on children's and family outcomes is undergoing ongoing evaluation, the phased expansion of ELC over a period of years has meant there is now an increasing body of evidence about what has been working or not working with the implementation of ELC expansion.

It should be clearly stated that SCMA is very supportive of ELC policy, it's intent to close the attainment gap and to provide free childcare to families, particularly on low incomes. Our concerns relate to the manner in which the expansion of ELC policy has been implemented nationally and locally and the significant adverse effect which this has had on the childminding workforce which has declined by 26% (1457 childminders) in the last 5 years during the implementation of '1140 by 2020'<sup>iii</sup>. This cannot be sustained.

Particular problem areas include –

- the national drive to recruit additional staff into nurseries to support ELC expansion and the destabilising effect this had on the sector;
- inequitable and inconsistent local implementation of national ELC policy (including continuing local prioritisation of local authority nursery provision, continuing low-level inclusion of childminders in funded ELC delivery at levels which support business sustainability and continuing inequitable promotion of all childcare options);
- duplicative quality assurance at a national and local level and a significant increase in bureaucracy under ELC expansion; and
- the requirement for practitioner qualifications set against a backdrop of a long-standing, high-quality and older workforce.



As a policy, it was hoped that the expansion of ELC would increase choice for parents; instead, its implementation has largely failed childminding and is decreasing choice with shortages of childminders being experienced around the country. This not only has implications for parent choice and the delivery of funded ELC, but also the delivery

of the Scottish Government's Programme for Government commitments to extend ELC to one year-olds and all two year-olds, and to develop a new system of wraparound school-aged childcare (areas of childcare in which childminders play a vital role)<sup>iv</sup>. These commitments and the Scottish Government's wider, but interconnected, policy agendas on Education Reform and the National Care Service also present additional potential risks to the sustainability of childminding in Scotland if these were to add further to the levels of bureaucracy created by ELC expansion. Urgent step change is required.

### **ELC Expansion and Childminding (SCMA audit findings 2017-21)**

Linked to the delivery of '1140 by 2020' the Scottish Government has commissioned SCMA to undertake an annual, independent, audit of local authorities' progress in involving childminders in delivering funded ELC. Our first three audits were undertaken and published in 2017-19<sup>v,vi,vii</sup>. These audits, and our work in this area, highlighted a number of recurring issues including –

- some local authorities who understood the unique benefits of childminding had been supportive and were including childminders, but were in the minority;
- very slow progress in including childminders in ELC delivery - only approx. 4-5% (200 childminders out of a workforce of 4000) included in delivering funded hours by 2019;
- significant disparities in the levels of childminders approved for and actually delivering funded ELC;
- local authorities have a conflict of interests – responsible for overseeing local ELC expansion plans and are also a direct service provider themselves. Many local authorities had been prioritising their own nursery provision and not promoting childminding as an option for receiving their funded ELC entitlement to parents;
- few local authorities had undertaken impact assessments of their expansion plans on childminders;
- a number of local authorities had proceeded with capital build projects without first using existing provision in other providers (including childminders);
- the childminding workforce was decreasing annually in parallel to ELC expansion and recruitment into local authority nurseries to support expansion (14.5% reduction in 2014-19).

We made a series of recommendations to the Scottish Government in our 2019 audit including the urgent need for both independent research into the declining workforce trends to be conducted (this was accepted) and a national childminder recruitment campaign (which was not accepted).

We did not conduct an audit in 2020 due to the pandemic, but re-introduced this last year and conducted it in July/August 2021. The implementation of '1140 by 2020' had itself been put back to August 2021 due to the pandemic and the impact which this had had on local authority recruitment of additional staff and capital build projects. We recognise the unprecedented and highly disruptive nature of the pandemic, and the need to prioritise the national response and the co-ordination of critical childcare for key workers and vulnerable children at that time ahead of ELC implementation (to which SCMA contributed with 700-1000 childminding settings remaining open during the national lockdown in 2020). However, it should be noted that some local authorities were already delivering 1140 to families by the time that the pandemic struck in March 2020, a number of others were close to doing so and that the problems with ELC implementation which have been experienced in childminding were deeply embedded before the pandemic.

Our most recent ELC Audit (2021) provided a snapshot of both where we were in August 2021 and also after 5 years of national and local implementation activity to support ELC expansion. The audit provided triangulated data based on the audit (returns from all 32 local authorities) and accompanying snapshot surveys of childminders (n=474 childminders) and parents (n=276 parents)<sup>viii, ix, x</sup>. The main findings may make stark and uncomfortable reading –

- the childminding workforce had declined by 26% (1457 childminders) in the last 5 years (2016-21)
- continuing slow progress in including childminders in delivering funded ELC –
  - only 4% of childminders were delivering funded ELC to eligible two year-olds (no change since 2019). This was of particular concern, as eligible two year-olds are a priority group of the Scottish Government's to increase uptake in due to the desire to support low-income families;
  - only 17% of childminders were delivering funded ELC to three and four year-olds (this represented progress on 4% in 2019, with an additional 510 childminders involved in delivery and SCMA has worked with local authorities around Scotland to bring more childminders into ELC delivery. However, this improvement does not present the full picture. The accompanying snapshot survey of childminders found that 75% of childminders involved in delivering funded ELC to three and four year-olds are largely doing so on the basis of blended placements split between nurseries and childminders, with a number of childminders and parents reporting that local authorities were continuing to require the bulk of the entitlement of funded hours to be taken with their own local authority nurseries and with childminders just receiving the remainder of the hours (either before or after nursery). This is not sufficient to support childminders' business sustainability; 67% of childminders believe delivering funded ELC is very important to their business sustainability, but only 30% believe there is a strong match between the offers made by local authorities and their business sustainability:

- continuing differentials in the number of childminders approved for providing funded ELC by local authorities and actually involved in delivering funded ELC: eligible two year-olds – 29% approved / 4% involved in delivery; three and four year-olds – 29% approved /17% involved in delivery. As to the reason for this continuing differential, parents and childminders who responded to our snapshot surveys both reported that in many cases local authorities are still not promoting childminding equitably to parents, alongside their own nursery provision, as an option for receiving their funded ELC entitlement (see below);
- problems continue to be experienced with many local authorities' lack of Provider Neutrality (a founding principle of ELC). Only 4 out of 32 local authorities had conducted an impact assessment of their own ELC expansion plans on childminding businesses in their area, and parents and childminders who responded to our snapshot surveys both reported continuing problems with childminding not being promoted equitably by local authorities -
  - 49% of parents who are accessing funded hours through a childminder were not offered childminding as an option for their funded hours and had to request it;
  - a number of local authority audit returns, 20.5% of parents accessing funded hours through a childminder and 33.3% of parents accessing funded hours through another provider reported a requirement to take some or all hours with a local authority nursery.
- lack of flexibility in funded ELC offers to parents – many parents and childminders reported a requirement for parents to take their funded ELC hours on fixed days and times of the week, including examples of parents receiving single offers of fixed 10 hour days which did not match their families' needs and resulted in reduced numbers of hours received by parents when they did not use all the allocated hours in the offer as a result of this. This is at odds with the founding ELC principle of flexibility and there was strong demand from parents and childminders for much more flexibility in ELC offers made to parents by local authorities;

[We recognise the small sample size of the snapshot surveys of childminders (474) and parents (276) and recommended that the Scottish Government should repeat the questions we asked of parents in their larger-scale national survey of parents launched earlier this month. It is disappointing that these questions have not been replicated in this exercise. However, even without larger-scale testing and replication we do believe the survey findings provide valuable tri-angulated data alongside the local authority audit and in line with our experience of supporting childminders and parents around Scotland].

- a number of procurement and tendering exercises to recruit funded providers were disproportionate to childminding: recurring evidence during expansion that some procurement and tendering exercises have been very bureaucratic,

have put some childminders off from applying and have also been disproportionate to childminding i.e. applying high levels of nursery insurance cover required to small childminding businesses. Some progress has been made in simplifying tendering processes, but more work is still required.

In parallel the ELC Delivery Progress Report (Improvement Service, September 2021) reported that only 2% of children accessing funded ELC receive this from a childminder<sup>xi</sup>. We do not believe that either this or the results obtained in our latest audit could be considered a success after 5 years of national and local implementation activity.

ELC Policy Implementation & Administration: Main Areas of Weakness (or where things have gone wrong)

#### 1. Recruitment to Support ELC Local Authority Nursery Expansion

A large-scale national advertising campaign was undertaken to recruit an additional 12,000 staff into local authority nurseries to support ELC expansion and the delivery of '1140 by 2020'. Evidence from multiple sources has shown that this rapid recruitment drive had a de-stabilising effect on the childcare and wider social care workforce by taking staff from Private, Voluntary & Independent (PVI) settings, childminding and the wider social care workforce into higher-paid local authority positions instead of attracting new recruits into the workforce as had been hoped <sup>vii, xii, xiii, iii</sup>. This has adversely effected recruitment and retention and has been acknowledged by the Scottish Government as an "unintended consequence" of ELC expansion – a phrase also used by another Scottish Government Directorate in relation to the planned development of the National Care Service and the intent this will address the "unintended consequences" of the earlier integration of health and social care. While sympathetic to and understanding of the challenges faced when developing and delivering large-scale policies at pace, it is also of concern if "unintended consequences" with adverse impact on existing services which predicted this effect were to become a recurring feature of policy implementation.

#### 2. National Policy with Inequitable and Inconsistent Local Implementation

We recognise the democratic strength and value of parallel systems of government at a national and local level, but also that this can present challenge when trying to achieve consistent implementation of national policy at a local level in 32 local authority areas. This dynamic has been complicated further during the delivery of '1140 by 2020' in which local authorities have had a dual responsibility for overseeing local expansion while being a direct service provider of childcare in their own right through their own nurseries. Some local authorities have managed this conflict of interest well, others less so. As noted earlier, while some local authorities who have recognised the value of childminding have approached this fairly and been very supportive, there has been recurring evidence of local authorities prioritising their own provision ahead of other providers and not promoting childminding equitably to parents

as an option for receiving their entitlement of funded ELC hours and in a manner which supports childminders' business sustainability. These are not new issues, have featured throughout ELC expansion and have not been addressed. While recognising that neither the Scottish Government nor the Convention of Scottish Local Authorities want to interfere with local autonomy by telling local authorities what to do, this can create a vacuum, standing off enables the negative behaviours to continue, and the preferred approach of encouraging the sharing of good practice has not been sufficient to deliver substantive improvement and has enabled these problems to continue. Greater ownership is required.

### 3. Duplicative Quality Assurance and Significant Increase in Bureaucracy

As a professional membership body involved in ongoing quality improvement we are supportive of quality assurance, inspection and scrutiny. However, we also strongly believe that this should be proportionate and the statutory sector has a responsibility to minimise the level of bureaucracy for practitioners where this is harmful. There is now compelling evidence that duplicative quality assurance and an increase in bureaucracy during ELC expansion are the main reasons that childminders have been leaving or are planning to leave the childminding workforce.

In recent years there has been a significant increase in requirements placed on childcare providers by a range of statutory stakeholders to demonstrate their adherence to a range of frameworks and standards. This has included wider policy frameworks such as Getting it Right For Every Child (GIRFEC) and Building the Ambition which are firmly embedded in childminding practice, Curriculum for Excellence and the National Health & Care Standards, but it has also seen a range of updates and refreshes including Realising the Ambition (following on from Building the Ambition). In parallel, the Scottish Government was developing a new National Standard with ongoing criteria that providers must meet to deliver funded hours and a range of specific frameworks have been layered on to support the development and expansion of ELC policy and improving outcomes for children, while local authorities continued in the interim with their existing local systems. <sup>xiv, xv, xvi, xvii, xviii, xix, xx, xxi, xxii, xxiii</sup>

The Care Inspectorate has the responsibility to regulate, inspect and scrutinise all forms of childcare in Scotland. As such, childminding is a regulated profession which prior to ELC expansion was already subject to inspection and scrutiny covering a wide range of detailed quality indicators. During this time childminding has consistently achieved higher ratings across all quality criteria, through independent inspection by the Care Inspectorate, than Daycare of Children's Services (local authority nurseries, private nurseries and other early learning and childcare settings)<sup>xxiv</sup>. Education Scotland was charged with developing a learning framework to support the delivery of ELC and published How Good Is Our Early Learning & Childcare (HGIOELC) in 2016 <sup>xxii</sup>. This provides a self-evaluation framework of quality indicators to measure learning improvement against in ELC settings. In parallel, to support its role in ELC expansion, the Care Inspectorate started developing a new Quality

Framework<sup>xxiii</sup>. Local authorities have also been making varying demands of childminders for the use of HGIOELC alongside the existing Care Inspectorate requirements for self-evaluation using the Quality Framework.

SCMA recognised at an early stage that ELC expansion was creating additional bureaucracy, leading to duplication and engaged with the Scottish Government and others about this, as while larger childcare providers such as nurseries may have been able to sustain this (although some may struggle as well), we recognised this would put much more pressure on childminding where the effect would be more pronounced. For additional context, the majority of childminders are sole workers and while they are expected to follow the same standards and curricula as nurseries, they do not have teams of staff (practitioners, managers, finance/admin and quality improvement officers) to support them. During the day their sole focus is on practice delivery and everything else has to be done by them individually, unpaid, in their own time in the evenings or at weekends (cleaning their settings, undertaking professional learning, documenting quality assurance, keeping up-to-date with the latest guidance, administration, finance, liaising with parents, marketing etc).

Recognising these issues, and the risks posed by separate, dual inspections, an independent review of ELC had recommended in 2015 that “*in future, either a joint education and care inspection or one inspection conducted by one single inspectorate body for ELC should be standard*”<sup>xxv</sup>. In response to this the Scottish Government charged the Care Inspectorate and Education Scotland with developing a single/shared inspection. This work was very slow and the Care Inspectorate and Education Scotland failed to reach agreement on a single/shared inspection and continued to develop their own separate frameworks.<sup>xxvi</sup> While we do not under-estimate the challenges involved, this was very disappointing as we were aware from supporting childminders around Scotland of the adverse impact this was having on them.

It is now almost 7 years since a single/shared inspection was recommended and has still not been delivered. During this period childminders have had to absorb the consequences of this – an evolving, detailed quality framework (with self-evaluation and inspection) by the Care Inspectorate and a separate detailed learning framework by Education Scotland (with self-evaluation and possible local authority inspection based on this). In parallel both the Care Inspectorate and local authorities consider themselves the guarantors of quality under ELC and we are already aware of some local authorities who do not recognise the role of the Care Inspectorate and are planning to undertake their own twice-yearly inspections and self-evaluations (using a mix of indicators) in addition to what the Care Inspectorate is doing at a national level.

However, it is not just a matter of the model of inspection - which is only part of the problem; the other is the ever-increasing number of standards and frameworks (noted earlier), produced by different organisations each with their own detailed and methods of outcomes reporting, which require to be embedded into practice, documented and have layered on additional



requirements which are not sustainable for sole workers/practitioners. During this time SCMA's role in bridging the gap between policy and implementation in practice has become of increasing importance as without this support many childminders would struggle to keep up with the volume of official output with which they must comply.

SCMA undertook a large-scale membership survey in spring 2020 (1470 responses/38% response level). This survey found that the level of paperwork and bureaucracy associated with current childminding practice was the main reason that childminders had left the workforce (70%) and were considering doing so within the next five years (59%), closely followed by not being able to compete with local authority nursery expansion<sup>xxvii</sup>. The survey also found that

know  
if they would. We believe this data to be deeply worrying and compelling, as when running this data together we have the makings of a workforce crisis. And while we need to account and adjust for the age profile of the childminding workforce, the results indicated a strong opportunity to positively influence this if we could reduce the pressure on the childminding workforce - only 25% said that nothing could be done to change their minds.

SCMA used this powerful data constructively. This was instrumental in our advocating the need for and securing a new Action Plan on Childminding from the Scottish Government<sup>xxviii</sup>, <sup>xxix</sup>. However, despite an encouraging start in providing business sustainability grants to offset the financial impact of the pandemic, the Action Plan has faltered since. Our survey findings were also fed into independent research into the childminding workforce trends undertaken by Ipsos/MORI and overseen jointly by the Scottish Government, Care Inspectorate and SCMA. This research was published in April 2022 and largely reaffirmed our findings with concerns about bureaucracy and paperwork dominating the findings running through interviewees (from those considering becoming a childminder, through recent entrants to the childminding workforce, those mid-career and considering leaving and also those who had left the workforce)<sup>xxx</sup>. A separate SCMA survey also found that 86% of childminders involved in delivering funded ELC had reported a very significant or significant increase in paperwork and the level of paperwork associated with ELC is now becoming the main reason that more childminders do not wish to become involved<sup>ix</sup>.

We recognised that the reasons for the decline in the childminding workforce were multi-factorial and also included the childminding workforce was ageing (21% aged 55+) and that the requirement within the National Standard for all providers delivering funded ELC to have either obtained or be working towards the benchmark qualification could also be a contributory factor, particularly for more experienced childminders who may have been practising for over 20 years and had been consistently achieving high quality ratings through independent inspection by the Care Inspectorate without the benchmark qualification. As such, we had anticipated that there may some premature

skills loss in older age groups if childminders did not believe it was worth obtaining a qualification at this point in their career.

### Time to Look Beyond Sustainable Rates and also at Sustainable Hours for Childminders

SCMA has historically captured data from members on the rates which they charge parents for the delivery of childminding services and the factors which influence this. This continued during ELC expansion alongside much wider data capture on ELC implementation, both through our published ELC Audits and a range of surveys. During the pandemic, and given the need to prioritise supporting members to continue to practice safely and to contribute to national recovery, we did not repeat this routine data capture on childminding rates, but we did undertake a wide range of activity and surveys linked to childminders' business sustainability including building the case for much-needed financial support for childminders during COVID-19 and contributing to the Scottish Government's Financial Health Check of the childcare sector (summer 2021)<sup>xxx1, xxx2, xxx3, xxx4</sup>. The Financial Health Check found that as a result of the sustained reduction in demand for childcare during the pandemic due to the official requirement for parents to work from home and/or parents being on furlough, childcare providers' concerns about their financial sustainability had increased significantly during COVID-19 and the two most financially vulnerable provider types were childminders and school-aged childcare settings.

We agree that the issue of sustainable rates is important to providers' business sustainability and we have received feedback from a number of members to indicate that for some childminders the level of rates offered by local authorities in some parts of the country are too low to make their participation in ELC delivery financially viable – particularly if only receiving a small number of hours. This matter has taken on greater prominence as a result of the cost of living increases experienced over this last year. As with other providers, the cost of delivering childminding services has increased and even before the current cost of living pressures, the Financial Health Check exercise found that many childminders were planning to hold their prices and not to pass costs on to parents as they felt this could adversely affect their already financially vulnerable childminding businesses due to COVID-19. SCMA is currently in discussion with COSLA and the Improvement Service regarding a Cost Collection survey of childminders, as was recently conducted of other ELC providers, to obtain a more up-to-date cost of the delivery of childminding services. However, to be meaningful it is essential that this captures data on the hidden costs of delivering childminding services (including increasing unpaid time in the evenings and at weekends in support of their businesses), so that a truer sustainable rate for childminding services is established. To date there has been a reluctance to explore this and to understand how childminding businesses actually operate.

However, sustainable rates are just one part of the sustainability equation and should not be considered in isolation. As noted earlier, despite the headline finding in the SCMA ELC Audit 2021 that the number of childminders involved in delivering funded ELC for 3 and 4 year olds has increased from 4 – 17% of the childminding workforce since 2019, the linked Childminder Survey found that 75% of childminders involved in

delivering funded ELC are mostly just involved on the basis of blended placements split between nurseries and childminders with a number of childminders and parents reporting that local authorities were continuing to require the bulk of the entitlement of funded hours to be taken with their own local authority nurseries and with childminders just receiving the remainder of the hours (either before or after nursery). This is not sufficient to support childminders' business sustainability; 67% of childminders believe delivering funded ELC is very important to their business sustainability, but only 30% believe there is a strong match between the offers made by local authorities and their business sustainability. As such, five years into ELC implementation we believe the time is long overdue for all local authorities to be required to involve childminders equitably in ELC delivery and with a level of hours which will support their business sustainability. Failure to act on this will only result in the further decline of childminding as a form of childcare.

### **The Need for Greater Scrutiny**

During ELC expansion a range of scrutiny activity has taken place, but this has focussed principally on progress with implementation (via the ELC Joint Delivery Board, Improvement Service, Scottish Parliament, Audit Scotland) and the financial cost of delivering the expansion (via the Scottish Parliament and Audit Scotland). In parallel, SCMA has been commissioned by the Scottish Government to undertake an annual audit of local authorities' progress in including childminders in ELC delivery in which we have made recommendations to the Scottish Government and shared our findings with COSLA, the Scottish Parliament and Audit Scotland. These annual audits and our ongoing work have reported recurring weaknesses or failings in policy implementation at a national and local level, with very limited response or responsibility taken.

It is also unclear who, if anyone, in Scotland is providing scrutiny on the secondary costs (or unintended consequences) of ELC expansion – an issue, from a public accountability perspective, as important as direct financial costs - and, in the case of the current problems caused by duplicative quality assurance and excessive bureaucracy, who is providing scrutiny to the scrutiny bodies (Care Inspectorate, Education Scotland) who gave up on delivering the single/shared inspection recommended by an independent review and requested by the Scottish Government, and on how they work with local authorities regarding quality assurance? These are important areas of public administration where it is difficult to see responsibility being taken. Meanwhile the childminding workforce continues to decline and there is an urgent need for action to redress this situation.

### **Attempting to Lead Change**

Against this background, we recognised that leadership was required and we launched our own new 3-year strategy in May 2021, midway through the pandemic, to promote recovery, strengthen childminding, support families and increase choice<sup>xxxv</sup>. Central to this has been the need to develop a more sustainable childminding workforce and we have been leading nationally on tackling the issues which affect retention and on recruitment. We engaged early with the independent expert group on Education

Reform to share evidence of the adverse effects of duplicative quality assurance on the childminding workforce, given that the Scottish Government had decided to remove the inspection function from Education Scotland and the group was asked to consider what should replace this. Recognising that childminding shortages were having a greater adverse impact in remote and rural areas we also convened a national and local stakeholder strategic discussion on childminder recruitment in remote and rural areas last November which has led to the establishment of the Scottish Rural Childminding Partnership, launched in late March 2022. This partnership, led by SCMA with financial support from Highlands & Islands Enterprise, South of Scotland Enterprise, Skills Development Scotland and the Scottish Government and delivered in partnership with 10 local authorities aims to recruit 100 childminders in remote and rural areas where they are urgently needed and to pilot a demographically-targeted recruitment campaign (including induction support through registration, a package of training and £750 start-up grants) which SCMA believes needs to be extended and rolled out nationally across Scotland. We are also currently piloting the delivery of training to support childminders with their quality assurance requirements (with a Scottish Government grant) and to reduce some of the pressure while we continue to engage nationally and work to reduce duplicative quality assurance systems and excessive bureaucracy.

### **Implications for Delivery of Programme for Government**

The decline in the childminding workforce not only has implications for existing ELC delivery and parental choice, but also for the delivery of Scottish Government commitments within the Programme for Government to extend ELC to one year-olds and all two year-olds, and to develop a new system of wraparound school-aged childcare. These are both areas of childcare in which childminders play a vital role. Childminders provide unparalleled continuity of care for children from 0-12 (or 16 years in the case of children with additional support needs). Approximately 50% of the 32,000 children in childminding settings annually are in the pre-school age range (0-4) and 50% in the school-aged childcare age range (5-12/16). Parents using childminding services do so for many reasons and make an informed choice. This includes a home-based form of childcare, delivered in small groups and in which children of different ages learn and play together (which can benefit a number of aspects of development). Childminders have extensive experience of providing nurturing care to babies and one year-olds which could play a key role in informing the development of the Scottish Government's offering for one year-olds which it has been recognised will be fundamentally different in nature to and not simply a roll down of existing ELC provision. Childminders also have extensive experience of providing school-aged childcare. In simple terms, if our workforce continues to contract this will have direct implications for the delivery of these new commitments.

### **Potential for Programme for Government, Education Reform and the National Care Service to Compound Problems for Childminding**

We welcome the recommendation from Prof Ken Muir's report on Education Reform that a single/shared inspection for ELC should be delivered and the Scottish Government's acceptance of this recommendation and commitment to consult on this over the next few months<sup>xxxvi, xxxvii</sup>. However, we also note that it was recommended

to replace Education Scotland with not one, but two new bodies which feels contrary to reducing bureaucracy. We believe there is still potential for duplicative quality assurance to continue, as the need for a single/shared inspection was previously recommended and accepted 7 years ago, but not delivered and also as a number of local authorities are continuing to develop their own local systems of quality assurance. Childminding businesses cannot withstand duplicative inspection and quality assurance. This must be addressed as a matter of urgency and will require a commitment from all stakeholders (including the Scottish Government, Care Inspectorate, the bodies which replace Education Scotland, local authorities, local government representative bodies and provider organisations) to deliver change. In parallel, there is a pressing need to reduce the layering and paperwork which has built up during ELC expansion and is not sustainable nor proportionate to childminding.

To compound matters further, childminding businesses could face the prospect of duplicative quality assurance increasing further if it was to be decided that either or both of the Programme for Government commitments on one year-olds or school-aged childcare also require additional quality assurance, self-evaluation, inspection or qualifications. Many childminders have mixed business models in which they may provide childcare to babies and one year-olds, pre-school childcare to 2-4 year olds and school aged-childcare to 5-12/16 years. It would not be credible or sustainable if they were expected to comply with different quality assurance, inspection and qualification requirements for each of these policy areas. The situation could be even worse for childminders who also currently deliver community childminding. This is a specialised early intervention and form of family support which has supported over 900 vulnerable families in Scotland in the last three years and for which demand is increasing. Currently the proposals for the development of the National Care Service (NCS) do not include ELC, but they do include children's social care under which community childminding falls. The consultation on the NCS made clear that it is intended to develop standards, quality assurance and consider qualification requirements for all NCS providers. As such, this could layer on further requirements of community childminders making their roles unsustainable and lead to the loss of vital family support when demand is increasing.

SCMA has engaged constructively with the consultations on Education Reform and the NCS and submitted detailed written evidence to these exercises warning of the further serious risks which these policy agendas present to the sustainability of childminding in Scotland<sup>xxxviii, xxxix</sup>. We have also advised the Scottish Government of the urgent need to review the wider scrutiny landscape BEFORE creating any additional scrutiny through Education Reform, the National Care Service and the development of the Programme for Government's commitments to extend ELC to one year-olds and to develop a new system of wraparound school aged childcare.

## **Recommendations for Change**

As should be clear from the detail contained within this submission, the expansion of ELC and the manner in which it has been implemented nationally and locally in Scotland has had a devastating effect on the childminding workforce which has declined by 26% (1457 childminders) during the last 5 years and the implementation

of '1140 by 2020'. This decline is continuing to accelerate and cannot be sustained. It should also be clear that over the course of the last five years there has been a series of weaknesses or failings in implementing the expansion of ELC policy and that existing measures to support childminding within ELC expansion are inadequate.

Our ELC Audit 2021 included a series of recommendations to the Scottish Government including –

- the principle of Provider Neutrality is not working in practice and should be replaced as a matter of urgency to incorporate a minimum childcare provider mix which all local authorities must meet, guaranteeing equitable opportunity to participate in funded ELC delivery (and taking into account remote and rural challenges). All 32 local authorities should be required to report on this and to evidence annually their equitable inclusion of childminders and other childcare providers alongside their own provision. However, if the principle of Provider Neutrality is to be maintained, then it is essential that the Scottish Government and local authority representative bodies accept responsibility to ensure this is implemented fairly, equitably and consistently and that local authorities who fail to implement this principle in practice are held to account;
- it is clear that much work remains to be done in ensuring all local authorities promote childminding equitably to parents, alongside local authority nursery provision, as an option for receiving their funded ELC entitlement. While the promotion and encouragement of good practice has been the favoured approach to date, this has not been working as much as hoped and there is a need for the Scottish Government to step in, to move beyond encouragement to requiring and ensuring that this now happens;
- urgent, and immediate, action is required by the Scottish Government to reduce the level of bureaucracy associated with ELC expansion which has played a significant role in the reduction of the childminding workforce. Many childminders' workloads have become unsustainable and a range of ongoing policy proposals present a risk of compounding this further. The Scottish Government should undertake an urgent review of the wider scrutiny landscape BEFORE creating any additional scrutiny through Education Reform, the National Care Service and the development of the Programme for Government's commitments to extend ELC to one year-olds and to develop a new system of wraparound school aged childcare;
- the Scottish Government should work with SCMA, the Care Inspectorate, Association of Directors of Education and COSLA in reducing the duplicative quality assurance systems, nationally and locally, which have arisen as a result of ELC expansion with a view to streamlining, increasing consistency, standardising data capture and reporting which reflect childminder settings;
- the Scottish Government should commission SCMA to work with statutory stakeholders to develop standardised documentation and templates to help

reduce bureaucracy and support the participation of professional childminders in delivering funded ELC (by, for example making quality assurance and self-evaluation more childminding-specific and helping childminders to evidence their practice);

- the Scottish Government should financially support the scaling up of the ongoing childminder recruitment pilot in remote and rural areas and its extension nationally (including into urban areas).

Within this submission to the F&PA Committee we would also add the following specific recommendation:

- it is essential that we look beyond sustainable rates to also include sustainable levels of hours for childminders and that all local authorities must be required to include childminders in ELC delivery at a level of hours which supports childminders' business sustainability.

The Scottish Government has also recently received two research reports undertaken by Ipsos/MORI – the first reporting parents' perceptions of childminding in improving children's and family outcomes and the second on our declining workforce trends – both also containing a series of recommendations for change including the need for Scottish Government to prioritise and take forward work to positively promote the many benefits of childminding, to promote childminding as a career and to tackle the levels of bureaucracy and other issues which have contributed to our workforce decline<sup>xl, xxx</sup>.

After five years of activity to support ELC expansion, the problems caused by the implementation of '1140 by 2020' and the disproportionate effect this has had on childminding are well-defined and understood. There is a need for recognition from all of the responsibility to prioritise additional support for childminding nationally and locally; the Scottish Government has received a series of constructive evidence-based recommendations to redress these issues and there is a need for an urgent step change in action to prevent the further decline of childminding as a unique form of childcare and family support.

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<sup>i</sup> Children & Young People (Scotland) Act 2014, Scottish Parliament, 2014

<sup>ii</sup> *A Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland*, Scottish Government, October 2016

<sup>iii</sup> Early Learning & Childcare Statistics, Care Inspectorate, July 2021

<sup>iv</sup> A Fairer, Greener Scotland: Programme for Government 2021-22, Scottish Government, September 2021

<sup>v</sup> Early Learning & Childcare: Report on the current state of childminding services in Scotland to deliver funded Early Learning & Childcare to eligible two-year-olds, SCMA, September 2017

<sup>vi</sup> Early Learning & Childcare Report: Report on the current state of childminding services in Scotland to deliver funded Early Learning & Childcare to eligible two, three and four-year-olds, SCMA, August 2018

<sup>vii</sup> Early Learning & Childcare Audit 2019, SCMA, October 2019

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- viii Early Learning & Childcare Audit 2021, SCMA, November 2021
- ix Early Learning & Childcare Audit 2021: Childminder Survey, SCMA, November 2021
- x Early Learning & Childcare Audit 2021: Parent Survey, SCMA, November 2021
- xi Early Learning and Childcare Expansion Delivery Progress Report, Improvement Service, September 2021
- xii National Day Nurseries Association 18/19 Workforce Survey Scotland, NDNA, August 2019
- xiii Implications of Labour Markets for the Social Care Workforce, Ekosgen, Scottish Government, 2019
- xiv Getting it Right for Every Child, Scottish Government, 2006 (to be refreshed 2021)
- xv Building the Ambition, Education Scotland, 2014
- xvi Curriculum for Excellence, Scottish Government, 2010 (refreshed 2019)
- xvii National Health & Social Care Standards, Scottish Government, 2016
- xviii Realising the Ambition, Education Scotland, 2020
- xix National Standard for Early Learning & Childcare, Scottish Government, 2018 (updated 2021)
- xx Setting the Table - nutritional guidance and food standards for early years childcare providers in Scotland, NHS Health Scotland 2018.
- xxi Out to Play – creating outdoor play experiences for children: practical guidance, Scottish Government, 2020
- xxii How Good Is Our Early Learning & Childcare, Education Scotland, February 2016
- xxiii Quality Framework for Daycare of Children, Childminding and School Aged Childcare, Care Inspectorate, June 2021
- xxiv Early Learning & Childcare Statistics, Care Inspectorate
- xxv Independent Review of Scotland’s Early Learning and Out of School Care Workforces, Scottish Government, 1 June 2015
- xxvi Update on the Shared Inspection Framework, Care Inspectorate and Education Scotland, 11 September 2019
- xxvii #TellSCMA: Childminding & You Survey 2020, SCMA, May 2020 (unpublished)
- xxviii Childminding on the Edge: SCMA Response to Scottish Government Consultation on ‘Action Plan: A Vibrant Childminding Sector in Scotland’, September 2020.
- xxix Our Commitment to Childminding in Scotland, Scottish Government, January 2021
- xxx Childminding workforce trends: qualitative research report, Ipsos/MORI (on behalf of Scottish Government), April 2022
- xxxi COVID-19, Restrictions on Blended Placements and the Impact on the Childminding Workforce, Children, Families & Parental Choice. Briefing Paper, SCMA, July 2020
- xxxii COVID-19: Financial Support for Childminding. Briefing Paper, SCMA, September 2020
- xxxiii COVID-19: Self-isolation and Charging Fees. Briefing Paper, SCMA, April 2021
- xxxiv Financial sustainability health check of the childcare sector in Scotland, Scottish Government, August 2021
- xxxv Changing the Narrative: strengthening childminding, supporting families and increasing choice, SCMA strategy 2021-24, SCMA, May 2021
- xxxvi Putting Learners at the Centre: Towards a Future Vision for Scottish Education, Report by Prof Ken Muir, March 2022
- xxxvii Putting Learners at the Centre: response to the independent advisor on education reform’s report, Scottish Government, March 2022
- xxxviii SCMA Response to Scottish Government Consultation on Education Reform (on behalf of the Independent Expert Group), SCMA, November 2021
- xxxix SCMA Response to Scottish Government Consultation: National Care Service, October 2021
- xl Perceptions of the impact of childminding services on child, parent and family outcomes, Ipsos/MORI (on behalf of Scottish Government), September 2021