

Briefing for the Citizen Participation and Public Petitions Committee on [PE2111](#): Fund early learning and childcare from 9 months, lodged by Julie Fraser

Brief overview of issues raised by the petition

The petition is seeking an expansion of support provided by the Scottish Government for Early Learning and Childcare(ELC). The petition references policy developments in England.

This paper sets out the current and planned policy in Scotland and the policy developments in England. It also sets out some of the other ways in which families may receive financial support for childcare.

Scotland

In August 2021, the number of hours of funded ELC rose to 1,140 hours per year. Funded ELC in Scotland has been around since 2002. Between 2014 and 2021, the number of funded hours was 600 hours per year.

Funded ELC is available to all three- and four-year-olds and some two- and five-year-olds. Eligibility for children under three is not currently universal, but is based on parents/carers [being in receipt of certain benefits or the child or parent/carer having experience of care](#). Funded ELC is available for all children up to the start of school – which is why some, but not all, five-year-olds will receive funded ELC.

On 6 October 2022, the Scottish Government published [Best Start: Strategic early learning and school age childcare plan for Scotland, 2022-26](#). This strategic plan set out the outcomes for the Scottish Government's childcare policies. These are:

- children's development improves and the poverty-related outcomes gap narrows
- family wellbeing improves
- parents' and carers' opportunities to take up or sustain work, training and study increase.

The Programme for Government in 2021-22 said that the government would, "work to expand funded early learning and childcare for children aged 1 and 2,

starting with low-income households within this Parliament.” The Scottish Government also plans to develop a “system of wraparound school age childcare, offering care before and after school and in the holidays, which will be free to families on the lowest incomes”.

The 2022 childcare strategy, [Best Start - strategic early learning and school age childcare plan 2022 to 2026](#), said—

“We will be taking the time to get policy design and engagement on our future childcare offers right, recognising that they must be appropriate to parents', carers' and families' needs and that these will differ depending on children's ages and stages, and families' circumstances. We will also work closely with providers in the public, private, third and childminding sectors throughout our design process.”

The [2023-24 Programme for Government](#) said that the expansion of childcare support would cover children from nine months old. This said the Government would—

“Work with Local Government and other partners to develop the local infrastructure and services needed to provide childcare from nine months to the end of primary school in specific communities in six local authority areas.”

The Government published a [School-age childcare delivery framework](#) in October 2023. This sought to define the Government’s “action areas for the next three years, describes our transformational approach – centred around people and place – and considers how we will measure and evidence the impact of early delivery.”

In answer to a [Parliamentary Question \(S6W-25667\) in March 2024](#), the Government stated—

“We have recently completed and published two key pieces of research to help us understand and identify what models of ELC are best for younger children. The first is a summary of work to map [current ELC provision for younger children in Scotland](#) and the second [a literature review](#) undertaken by Public Health Scotland. Evidence from this early insights work supports taking a considered approach to policy development in 2024-25, so that we understand what is right for families with under three’s.

“Over the next year we will continue to build on this early insights work by piloting new approaches via funding from the Whole Family Wellbeing Fund to test models of holistic family support and by engaging with the ELC sector to understand what is required to support an expansion.”

The first of those documents, [Early learning and childcare \(ELC\): provision for 1 and 2 year olds in Scotland published in January 2024](#) highlighted concerns about risks to the proposed expansion. These included ensuring that skills and experience of ELC practitioners and leaders were suited to younger children and that the facilities would be appropriate. The report also commented—

“The recruitment and retention of staff were emphasised as primary challenges in the sector, with stakeholders concerned there is not sufficient capacity in the current workforce to deliver a new offer.”

England

The approach to providing funded childcare has differed from Scotland. Up to April 2024, the UK Government funded three entitlements to free childcare in England:

- 15 hours entitlement per week for all children aged three and four
- 15 additional hours entitlement (30 in total) for working families with children aged three and four
- 15 hours entitlement for disadvantaged two-year-olds.

The hours here refer to the weekly number of hours based on term-time only places. 30 hours a week over 38 term-time weeks is 1,140 hours a year – however, like in Scotland, the place may be over more than 38 weeks but with correspondingly fewer weekly hours.

The key difference to the current Scottish policy is that the additional 15 hours per week/1,140 hours is based on minimum and maximum income thresholds – i.e. the policy for the extended hours in England is specifically designed to help people in work and to improve parental participation in the labour market. Broadly speaking the minimum income is equivalent to 16 hours at the national living wage and the maximum is an adjusted income of £100,000. The other difference is that the offer for disadvantaged two-year olds is currently around half of that in Scotland.

At the Spring Budget 2023, the then UK Government announced that the entitlement to 30 hours of free childcare, which is currently available to working families with children aged three and four, will be extended in stages to children aged nine months to three years. Eligibility will match the existing entitlement for the extended offer (i.e. for parents/carers working and with income minima and maxima). The expansion is planned over three stages—

- Since April 2024, eligible two-year-olds have been able to access 15 hours a week (570 hours a year).
- From September 2024, eligible children aged nine months to two years will be able to access 15 hours a week (570 hours a year). Eligible families have been able to apply since 12 May 2024.

- From September 2025, eligible children aged nine months to three years will be able to access 30 hours a week (1,140 hours a year).

The National Audit Office (NAO) published a report on the extension of the 30 hours entitlement to younger children, [Preparations to extend early years entitlements for working parents in England](#). This found:

“DfE has met its first milestone for the number of codes issued by the end of April and 79% of these have been validated. However, it has assessed its confidence in meeting milestones beyond April 2024 as “problematic”. It must now use available data to understand when it needs to intervene and consider how it will respond to risks should they materialise, particularly given the lack of contingency and flexibility in its fixed, ambitious timetable.

“In extending entitlements, the government’s primary aim is to encourage more parents into work. Even if DfE successfully navigates the significant uncertainties, it remains unclear whether the extension will achieve its primary aim, represent value for money and not negatively impact DfE’s wider priorities relating to quality and closing the disadvantaged attainment gap.”

The issues highlighted by the NAO that may affect delivery of the policy included the number of places and staff to support the expanded offer.

For more information on the policy developments in England, Members of the Committee may wish to read a recent House of Commons Library Briefing, [Paying for childcare in England](#).

Social security and tax-free childcare

Families may be able to get help with childcare costs through the childcare element Universal Credit (and legacy benefits).

Under the [Tax-Free Childcare \(TFC\) scheme](#), a parent or carer pays funds for childcare into a TFC account. The Government then tops up each £8 paid in with an extra £2, up to a maximum of £500 per child every three months, or £1,000 every three months for a disabled child. Money in the TFC account can then be used to pay for approved childcare.

TFC can be paid for any child under 12 years of age, or under 17 if they are disabled. The eligibility criteria are the same as the for the 30 hours entitlement in England (it is generally only available for working households). The scheme is UK-wide. Take up TFC is not routinely reported.

One cannot get Tax-Free Childcare at the same time as claiming Working Tax Credit, Child Tax Credit, or Universal Credit.

Some parents may also still be using the [childcare vouchers scheme through their employers](#). This scheme was closed to new entrants in 2018.

Ned Sharratt
SPICe Researcher

28/8/2024

The purpose of this briefing is to provide a brief overview of issues raised by the petition. SPICe research specialists are not able to discuss the content of petition briefings with petitioners or other members of the public. However, if you have any comments on any petition briefing you can email us at spice@parliament.scot

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