Citizen Participation and Public Petitions Committee Wednesday 30 October 2024 16th Meeting, 2024 (Session 6)

# PE2111: Fund early learning and childcare from 9 months

## Introduction

**Petitioner** Julie Fraser

**Petition summary** Calling on the Scottish Parliament to urge the Scottish

Government to provide families with financial support for early learning and childcare when their children reach 9 months old.

Webpage https://petitions.parliament.scot/petitions/PE2111

1. This is a new petition that was lodged on 2 July 2024.

- 2. A full summary of this petition and its aims can be found at **Annexe A**.
- 3. A SPICe briefing has been prepared to inform the Committee's consideration of the petition and can be found at **Annexe B**.
- 4. Every petition collects signatures while it remains under consideration. At the time of writing, 8,669 signatures have been received on this petition.
- 5. The Committee seeks views from the Scottish Government on all new petitions before they are formally considered.
- 6. The Committee has received submissions from the Scottish Government and the Petitioner which are set out in **Annexe C** of this paper.

## **Action**

7. The Committee is invited to consider what action it wishes to take.

Clerks to the Committee October 2024

# **Annexe A: Summary of petition**

#### PE2111: Fund early learning and childcare from 9 months

#### Petitioner

Julie Fraser

## **Date Lodged**

2 July 2024

## **Petition summary**

Calling on the Scottish Parliament to urge the Scottish Government to provide families with financial support for early learning and childcare when their children reach 9 months old.

#### **Background information**

Maternity pay ends after 9 months, which is when many women return to work. Many families need to pay for early learning/childcare for over 2 years and this is simply not an option for many others.

This cost often leaves many women having to give up work, and that leads to many families struggling to survive with mounting debt, stress and crossing over the poverty line.

We are asking the Scottish Government to implement funding for working families when their children reach 9 months of age, enabling more people to get back into work and have a better quality of life.

The SNP website has an extremely vague description of their plans for extending funding, but there are no dates or details on what their plans are.

In England, funding has become available for working families with children aged from 9 months old. We are asking them to take swift, decisive action and to implement the same policy.

https://www.snp.org/policies/pb-what-is-the-snp-doing-to-improve-childcare-and-early-years-education/

# **Annexe B: SPICe briefing on PE2111**



## 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 <u>Best Start: Strategic early learning and school age childcare plan for Scotland, 2022-26</u>. 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, <u>Best Start - strategic early learning and school age childcare plan 2022 to 2026</u>, 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 <u>2023-24 Programme for Government</u> 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 <u>School-age childcare delivery framework</u> 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 <u>Parliamentary Question (S6W-25667) in March 2024</u>, 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 <u>current ELC provision for younger children in Scotland</u> and the second <u>a literature review</u> 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, <u>Early learning and childcare (ELC)</u>: <u>provision for 1 and 2 year olds in Scotland published in January 2024</u> 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, <u>Preparations to extend early years entitlements for working parents in England</u>. 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, <a href="Paying for childcare">Paying for childcare in England</a>.

## 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 <u>Tax-Free Childcare (TFC) scheme</u>, 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 <u>childcare vouchers scheme through their</u> 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 <a href="mailto:spice@parliament.scot">spice@parliament.scot</a>

Every effort is made to ensure that the information contained in petition briefings is correct at the time of publication. Readers should be aware however that these briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

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## **Annexe C: Written submissions**

## Scottish Government written submission, 29 July 2024

## PE2111/A: Fund early learning and childcare from 9 months

## **Background**

High quality childcare that is flexible, accessible and affordable plays a critical role in our society. It is vital to giving children the best possible start in life, to supporting families to thrive, and to ensuring that parents and carers can work, train or study. That is why the Scottish Government has nearly doubled the hours of funded early learning and childcare (ELC) for eligible children, from 600 hours to 1,140 hours per year.

Scotland is the only part of the UK to already offer 1,140 hours a year of funded ELC to all three and four-year-olds and eligible two-year-olds regardless of their parents' working status – putting children first. This offer has been in place since August 2021 and equates to 30 hours per week term time, or 22 hours per week if used all year round. If families paid for our funded ELC offer themselves, it would cost them more than £5,500 per eligible child per year. Through the £1 billion a year we already invest in high quality ELC there is funding for councils to make the ELC offer available to around 25% of families with a two-year-old.

Uptake of funded ELC remains high – according to the ELC Census estimated uptake for 3- and 4-year-olds was 97% in 2023. Independent research has also shown that 97% of parents were satisfied with the quality of funded ELC they were receiving. In the representative Scottish Household Survey of 2022, over half (53%) of respondents with a child aged 0-11 found it was 'easy' or 'very easy' to afford childcare, while 14% said it was difficult or very difficult.

As the petition notes, the planned UK Government offer is not an expansion of universal childcare for all children under three. Under the previous UK Government's plans, the new entitlements for working parents with children under two should start to be offered to working families in England from September 2024 if sufficient numbers of staff are in post and places can be made available.

The Institute for Fiscal Studies (IFS) has made clear that, despite billions of investment in the new entitlements in England set out by the previous UK Government, 'the poorest one third of families will see almost no direct benefit from them. The IFS has also highlighted that "the new hours will also not apply for families who are in education, training or looking for work".

The Scottish Government has committed to working with local government and partners in the sector to expand our childcare offer, including developing a targeted one and two year old offer and work to start building a system of school age childcare. Supporting families is not only the right thing to do, it is critical to the First Minister's priorities of eradicating child poverty, providing excellent and sustainable public services and growing the economy by supporting parents and carers into work, and creating new employment opportunities.

## Progress on developing our offer for younger children

We are working on the initial stages of an expanded national offer for more families with two-year-olds, focusing first on those who will benefit most. We know that the needs of younger children are different to those aged 3 and 4 and in developing a new offer we will be guided by what the evidence tells us is best for children and families.

It is therefore important that the Scottish Government takes the time to get the design of a new offer for younger children right. In 2024-25 our focus is on insights and engagement, which includes piloting new approaches through the Whole Family Wellbeing Fund and learning from the six early adopter communities.

## Expanding the School Age Childcare early adopters and activities provision

On 22 May 2024, the First Minister announced new investment of £16 million over two years within six Early Adopter Community (EAC) projects to tackle poverty and help families give their children the best start in life by expanding access to childcare services.

We are already delivering innovative school age childcare services to around 600 children from 500 families through EAC projects in Glasgow, Inverclyde, Clackmannanshire, and Dundee through the Early Adopters. Over the next two years, we will continue to build on these projects – expanding into new communities in Fife and Shetland and supporting families with children from the early years to the end of primary school. We will explore the childcare needs of families in these communities to inform local systems of funded childcare for families who need it most. The EACs will be a leading source of evidence, data, insights and evaluation relating to the impact, approach, and economic outcomes associated with place-based, people-centred systems of childcare.

We are also doubling our investment in 2024/25 to a further £4 million to deliver free breakfast, afterschool and holiday clubs to around 3000 children across Scotland each week through our 'Extra Time' programme in partnership with the Scottish Football Association.

The recent Budget was one of the most difficult since devolution but we are moving as far and as fast as we can to deliver a further expansion to funded childcare, building on the £1 billion a year we already invest to provide high quality funded ELC. In this context, developing and delivering a high quality childcare offer will require decisions to be made about how best to target resource, ensuring that policies are clearly evidence based and are effective at reaching those families who will benefit most.

## Petitioner written submission, 15 October 2024

## PE2111/B: Fund early learning and childcare from 9 months

#### The case for funding early learning and childcare from 9 months

The average full day of private nursery costs around £80 per day in Scotland, which is exacerbating families' financial pressures, particularly after the recent inflationary period. To manage this cost, women often make the decision to reduce the amount of paid work they do after maternity leave. However, the increase in costs across the board means that a 2-income household is essential for most families. In the absence of this, it is becoming increasingly difficult for families to maintain a decent standard of living<sup>1</sup>.

While I started petition PE2111 based on my own life experience and the experiences of those around me, there is ample evidence that shows the benefits of further investing in childcare and the risks of perpetuating the status quo.

Below, I outline some of this evidence as well as the benefits that extending the funded childcare offer would bring about for women and the economy.

#### (Some of) The Economic Benefits of Funded Childcare

Having access to affordable childcare enables parents, especially mothers, to work more after maternity leave<sup>2</sup>. Working mothers contribute significantly to household income<sup>3</sup>, improving financial stability and reducing the risk of falling into poverty.

When mothers work, it increases overall workforce participation rates, contributing to economic growth<sup>4</sup>.

The lack of affordable childcare creates significant barriers for women<sup>5</sup>, impacting their employment, financial stability, and overall well-being<sup>6</sup>. Addressing this issue is crucial not only for individual families but also for fostering a more equitable and prosperous society.

Investing in funded childcare can contribute to long-term economic growth. Women attend university in greater numbers, which means that increasing women's participation in the labour market could lead to a more skilled workforce in the

<sup>&</sup>lt;sup>1</sup> <u>https://workingfamilies.org.uk/news-events/blogs/caught-in-the-middle-how-middle-income-families-are-managing-the-rising-cost-of-living/</u>

<sup>&</sup>lt;sup>2</sup> https://ifs.org.uk/sites/default/files/output url files/WP201622.pdf

<sup>&</sup>lt;sup>3</sup> https://www.ippr.org/articles/whos-breadwinning-working-mothers-and-the-new-face-of-family-support

<sup>4</sup> https://www.oecd-ilibrary.org/docserver/9ca9b221en.pdf?expires=1728642506&id=id&accname=guest&checksum=FD66A86679777A1475FA58FD084 53A73

<sup>&</sup>lt;sup>5</sup> https://www.theguardian.com/business/2023/mar/07/uk-women-work-childcare-pwc-budget

<sup>6</sup> https://www.swbg.org.uk/content/publications/Policy-Briefing---Childcare-Survey-2023.pdf

future<sup>7</sup>. Not to mention the many benefits early learning settings have on our children<sup>8</sup>.

Having accessible funded childcare will go a long way with stimulating local economies. It will have a ripple effect onto parents who will have more disposable income, which in turn will support local businesses.

#### Impact of lack of affordable and accessible childcare

The absence of affordable childcare can have significant negative impacts on women. Here are some key points to consider:

## 1. Reduced Workforce Participation

- **Career Interruptions**: Many women may leave the workforce or reduce their hours due to the high cost of childcare, leading to gaps in employment<sup>9</sup>.
- **Underemployment**: Women may take lower-paying or part-time jobs that offer flexible hours but do not match their skills or qualifications<sup>10</sup>.

#### 2. Financial Strain

- Increased Economic Vulnerability: Without affordable childcare, families may struggle financially, leading to increased financial strain and rising debt<sup>11</sup>.
- Limited Career Advancement: Women may miss out on promotions or opportunities for professional development due to their inability to balance work and childcare<sup>12</sup> <sup>13</sup>.

#### 3. Mental and Emotional Stress

- **Increased Anxiety**: Worrying about childcare can lead to heightened stress and anxiety, affecting overall mental health<sup>14</sup>.
- **Isolation**: The struggle to find care can result in feelings of isolation, as women may miss out on social interactions and support networks.

<sup>&</sup>lt;sup>7</sup> https://www.swbq.org.uk/news/blog/is-investing-in-childcare-worth-it-a-summary/

<sup>&</sup>lt;sup>8</sup> https://www.gov.uk/government/news/international-experts-highlight-the-importance-of-a-childs-early-years

<sup>&</sup>lt;sup>9</sup> https://www.swbg.org.uk/content/publications/Policy-Briefing---Childcare-Survey-2023.pdf

<sup>10</sup> https://www.fawcettsociety.org.uk/equal-pay-day-

<sup>2023#:~:</sup>text=Our%20data%20shows%20that%20women,UK's%20pernicious%20gender%20pay%20 gap.

<sup>&</sup>lt;sup>11</sup> https://pregnantthenscrewed.com/shocking-new-stats-about-the-cost-of-parenting/

<sup>&</sup>lt;sup>12</sup> https://www.closethegap.org.uk/content/resources/CtG-and-OPFS---A-childcare-system-for-all-FINAL.pdf

<sup>&</sup>lt;sup>13</sup> <a href="https://pregnantthenscrewed.com/4-in-5-mothers-in-scotland-say-childcare-costs-the-same-or-more-than-their-income/">https://pregnantthenscrewed.com/4-in-5-mothers-in-scotland-say-childcare-costs-the-same-or-more-than-their-income/</a>

<sup>14</sup> https://www.swbg.org.uk/content/publications/Policy-Briefing---Childcare-Survey-2023.pdf

#### 4. Imbalanced Domestic Responsibilities

 Unequal Burden: Without affordable childcare, women often bear a disproportionate share of caregiving and household responsibilities, perpetuating gender inequality<sup>15</sup> <sup>16</sup>.

## 6. Long-Term Economic Consequences

- **Career Stagnation**: Women who leave the workforce or work part-time may face long-term economic disadvantages, including lower lifetime earnings and reduced retirement savings<sup>17</sup>.
- Perpetuating Inequality: The inability to access affordable childcare can reinforce existing gender and economic inequalities, affecting future generations<sup>18</sup>.

## 7. Health Implications

- **Neglected Self-Care**: The stress of managing work and family without support can lead women to neglect their own health and well-being.
- **Increased Risk of Burnout**: The dual pressures of work and caregiving without adequate support can contribute to physical and mental exhaustion <sup>19</sup>.

Additionally, the lack of ELC can have an impact on children's development as children may miss out on early educational opportunities that foster cognitive and social skills<sup>20</sup>.

#### Conclusion

The lack of affordable childcare creates significant barriers for women, impacting employment, financial stability, and overall well-being. Further investing in funded ELC to make this available from 9 months is key to addressing this issue, supporting individual families but also fostering a more equal and prosperous society.

<sup>&</sup>lt;sup>15</sup> https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8406085/

<sup>16</sup> https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667(23)00050-6/fulltext

<sup>&</sup>lt;sup>17</sup> https://commonslibrary.parliament.uk/research-briefings/cbp-9517/

<sup>&</sup>lt;sup>18</sup> https://pregnantthenscrewed.com/its-an-unhappy-mothers-day-as-new-data-reveals-that-mums-earn-43-less-per-week-than-dads/

<sup>19</sup> https://www.bmj.com/content/374/bmj.n1972

 $<sup>{}^{20}\,\</sup>underline{\text{https://www.gov.uk/government/news/international-experts-highlight-the-importance-of-a-childs-early-years}$