

# Review of Scotland's Early Learning and Childcare Expansion

Implementing Parts 6, 7 and 8 of the Children and Young People (Scotland) Act (2014)



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### 1. Introduction and background

This report intends to give an initial review of the implementation of the Children and Young People (Scotland) Act 2014 ('the Act') with regard to Parts 6, 7 and 8, which relate to early learning and childcare (ELCC). The full impact of the Act on outcomes for children later in life cannot be tested for some time, but from our experience of registering the increased capacity in registered ELCC provision and from inspecting the expanded services, the Care Inspectorate can provide a national overview of the extent to which the aims and priorities of the Act are being achieved and the effect for children and their parents. This is intended to help practitioners, providers, commissioners and policy makers achieve these aims and priorities as fully as possible.

This review is aimed at highlighting and sharing good practice we are finding in order to help the sector implement the provisions in the Act relating to ELCC effectively and meet the needs of children and their parents. We hope that by sharing good practice, this review can act as a catalyst for improvement for local authorities and service providers in order to achieve maximum benefit for families. This will complement the work of Scottish Government and the Early Years Collaborative in establishing mechanisms for sharing good practice across the ELCC sector. It is also intended to enhance understanding by all stakeholders, including individual parents and practitioners, of the complexity of our current ELCC system and the factors involved in changing and improving it. It should also provide a valuable resource for Scottish Government to inform the development of ELCC policy, as well as informing the development of the Care Inspectorate's scrutiny of ELCC services.

The Statutory Guidance (1) that accompanies the Act states:

"The aim of Parts 6, 7 and 8 of the Act is to improve and integrate the role of early years support in children and families' lives by increasing the amount and flexibility of early learning and childcare; as a significant step towards wider ambitions to develop a high quality and flexible system of early learning and childcare which is accessible and affordable for all children, parents and families.

- improve outcomes for all children, especially our most vulnerable children - any expansion of early learning and childcare will focus initially on those most in need; and,
- support parents to work, train or study, especially those who need routes into sustainable employment and out of poverty in order to support their families."

All early years provision must be registered with the Care Inspectorate. As at October 2015, we regulate 13,900 services, of which 9,859 are early years services, including nurseries, playgroups, out of school care, and childminders. The proportion of the Scottish population affected is significant. For example, according to our Early Learning and Childcare Statistics 2014 (2) approximately 30% of Scotland's one-year-old children, 50% of two-year-olds, 95% of three-year-olds and all four-year-olds attend a registered service at any one time. All services are

subject to inspection in order to assess and improve quality of care, as well as provide protection and assurance.

We are working in partnership with the Scottish Government and Education Scotland to overcome the traditional divide between 'education' and 'childcare' provision to create a more holistic and integrated system of ELCC for the benefit of both children and their parents. For example, we were closely involved in developing the Statutory Guidance for local authorities and Building the Ambition, the National Practice Guidance on Early Learning and Childcare (3). The Act and the Statutory Guidance state:

“Early learning and childcare is defined as service, consisting of education and care, of a kind which is suitable in the ordinary case for children who are under school age, regard being had to the importance of interactions and other experiences which support learning and development in a caring and nurturing setting.” (4)

“The Act therefore introduces a new concept of early learning and childcare. The term seeks to remove an artificial divide between pre-school for three- and four-year-olds; and, childcare for 0–3 year-olds, or, pre-school and wrap around care for three- and four- year-olds; whereby pre-school is the educational element delivered in short blocks tied to a certain number of hours in a day; topped up by childcare or wraparound which can be seen as less important to learning.” (5)

While Education Scotland inspects all funded ELCC services, some as shared inspections with us, we have a statutory duty to regulate and inspect all registered ELCC services whether or not they currently receive funding. As the key statutory agency with comprehensive oversight of the complex range of current registered provision, we are instrumental in promoting, monitoring, reporting and improving how the new model is implemented in practice. Our registration team has supported a significant increase in the number of ELCC funded places. Through all our regulatory functions we have worked with providers to improve the quantity and the flexibility of current provision. We will be working with others to address the current variations in quality for children attending different types of ELCC provision, which is matched by the status of ELCC practitioners working in these different settings. Although examples of excellence can be found in all sectors, our inspection findings show that the local authority sector generally achieves higher grades than the private and voluntary sectors across all themes: quality of care and support, quality of environment, quality of staffing and quality of management and leadership. This report focusses on the expansion of ELCC from 475 to 600 hours per year for all 3 and 4 years olds and eligible 2 year olds. However it is intended to be a helpful resource to assist in the ongoing expansion, to 1140 hours per year by 2020, for all 3 and 4 year olds and an increased number of eligible 2 year olds.

As part of improving our inspection methodology, since April 2015 we have started assessing the impact on the outcomes of individual children receiving increased funded hours. Following on from this report, in due course we will produce a further national report reviewing the impact on children's outcomes from the evidence gained at service level inspections.

## 2. Key Findings

- From June 2014 to the end of October 2015 the Care Inspectorate undertook 1334 variations to conditions of registration for daycare of children services receiving ELCC funding, which has resulted in 2509 new places for eligible

two year old children, as well as significant extended provision for three and four year old children.

- Local authorities have generally succeeded in making available 600 hours for all eligible children. This is a significant achievement. Rates of take-up vary by local authority area, which may reflect both the way different local authorities have offered the entitlement and parental choice.
- The choice of provision available to parents varies depending on local authority, and location within each local authority, and in some cases would benefit from further flexibility. Local authorities could consider how additional flexibility around the timing of sessions and commissioning policies, which could bring more private nurseries, playgroups and childminders into ELCC partnership, could enhance flexibility and choice further.
- Where local authorities have been able to align the opening times of their own nursery and primary school provision, this has resulted in parental convenience and supported effective take-up of offered hours.
- The clear progress being made by local authorities to measure and meet parental demand for ELCC is welcome, and there is a need to embed effective and widespread methods for consulting parents.
- Local authorities should consider commissioning a wide range of services for 2 year olds, rather than relying on extending in-house provision. The needs of 2 year olds are best met when a service recognises and invests in this specific stage of child development, and wide range of settings, including childminders and playgroups, could support such provision. Take-up of the first phase of the funded places for eligible 2 year olds appears to have been lower to date compared to the high take-up of funded places for 3-5 year olds. For some eligible 2 year olds, private nurseries, playgroups and childminders should be considered as the preferred setting.
- Local authorities are applying different criteria with regard to the quality of services receiving ELCC funding. Whilst retaining the need for local authorities to make the choices that are right for their area, we recommend that a common threshold with regard to quality is considered for all services providing ELCC funded places in the future.

### **3. Basis of review and methodology**

This report gives a national overview on the ELCC expansion and highlights issues arising from implementation rather than providing a specific assessment of each local authority's implementation. A practice example taken from one local authority is therefore reported in order to illustrate a national theme rather than reflecting our view of that local authority's overall policy and practice regarding ELCC implementation.

The main evidence informing this review has come from the experience of specialist early years inspectors registering the increased capacity through variations (when a registered service changes its conditions of registration, such as increasing the numbers of children for which it is registered) and also inspecting ELCC services. Other key contributors have been our team managers in their role leading teams of

early years inspectors and as contact managers with each local authority. Joint inspections of children's services and strategic inspectors in their link role with local authority social work have provided further evidence. The review has also been informed by our knowledge gained from joint working with Education Scotland and our shared inspections of ELCC services. We have gained further knowledge and insight from working in partnership with the following umbrella organisations representing providers and service users, which are members of our Early Years Forum:

- Association of Directors of Education Services (ADES)
- Association of Heads and Deputies in Scotland (AHDS)
- Social Work Scotland (formerly Association of Directors of Social Work)
- National Day Nurseries Association Scotland (NDNA)
- Early Years Scotland (formerly Scottish Pre-School Play Association)
- Care and Learning Alliance (CALA)
- Scottish Childminding Association (SCMA)
- Children 1<sup>st</sup>
- Children in Scotland
- National Parenting Network
- Parenting across Scotland (PaS).

#### **4. Increasing ELCC provision to 600 hours**

The Act has resulted in a small increase in the opening times of many registered services and the numbers of places they provide for children. Just a small number of completely new services have been established specifically to meet the provisions of the Act to date, although many new playrooms within existing services have been built or brought into operation. The need for local authorities to deliver the increased hours within a tight timeframe meant that expanding existing provision was more realistic than providing or commissioning completely new services, though this is beginning to happen more frequently. Our registration team has prioritised registration and variation applications to extend hours and increase places to ensure there was no delay to the expansion of capacity.

From June 2014 to the end of October 2015 we undertook 1,334 variations to conditions of registration for daycare of children services receiving ELCC funding, which has resulted in 2,509 new places for eligible two-year-old children as well as extended provision for three- and four-year-old children.

#### **5. Availability of ELCC**

Local authorities have generally succeeded in making available 600 hours for all three- and four-year-olds and eligible two year olds. With the understandable focus on those parents who have experienced difficulties in accessing their entitlement, it is easy to overlook the significant achievement of local authorities in meeting their statutory obligations. Given the deadline and public sector finances, the efforts of local authorities in making 600 hours of ELCC available to parents have been considerable, irrespective of the different models of provision and commissioning used.

Fulfilling a commitment to make available 600 hours is different from children actually taking up the place on offer and rates of take-up vary considerably by local authority area. The reasons for differential take-up are complex, but will in part

reflect a mismatch between what is offered and what a child's parents decide is practical and preferable to take up. Parents may choose to keep their existing childcare arrangements if the only way of accessing the 600 hour entitlement is disruptive for their child. For example, if a child is currently cared for by a private nursery or childminder full time, then parents may decide not to change their child's day by taking up a part time local authority nursery place. Similarly, if the 600 hours are only available at some distance from home or the existing care arrangements, then parents might decide not to take up the place.

## **6. Flexibility of ELCC and choice for parents**

The Act provides a commitment and a framework for establishing a more integrated and joined up system of ELCC to meet the needs of children and families. The aim of improving the current arrangements for parents and their children to create more integrated service provision and overcome the traditional divide between part time education and full time childcare is set out in the Statutory Guidance and the Building the Ambition publications.

Currently, the choice of provision available to parents varies considerably depending on location and often lacks flexibility with regard to opening times and the type of service available. As this is the start of a major change programme, it is understandable that the emphasis has been on making the expanded places available rather than on providing flexibility and choice of service type for parents.

## **7. What kind of service?**

Parents may be offered the 600 hours with a local authority service or with a private or voluntary sector private provider, depending on where they live, the availability of existing services in the area and the approach taken by the local authority. The Early Learning and Childcare Statistics 2014 show that between 2013 and 2014 there was an increase in nurseries offering ELCC from 83% to 92%. Nationally the private sector had the smallest proportion of nurseries offering ELCC funded places compared to local authority and the voluntary and not-for-profit sector. In 2014 100% of local authority run nurseries were providing ELCC, compared to 78% of private and 90% of voluntary sector nurseries (see Table A below).

**Table A:** Table A: Nurseries providing funded early learning and childcare (ELCC) as at 31 December 2013 and 2014

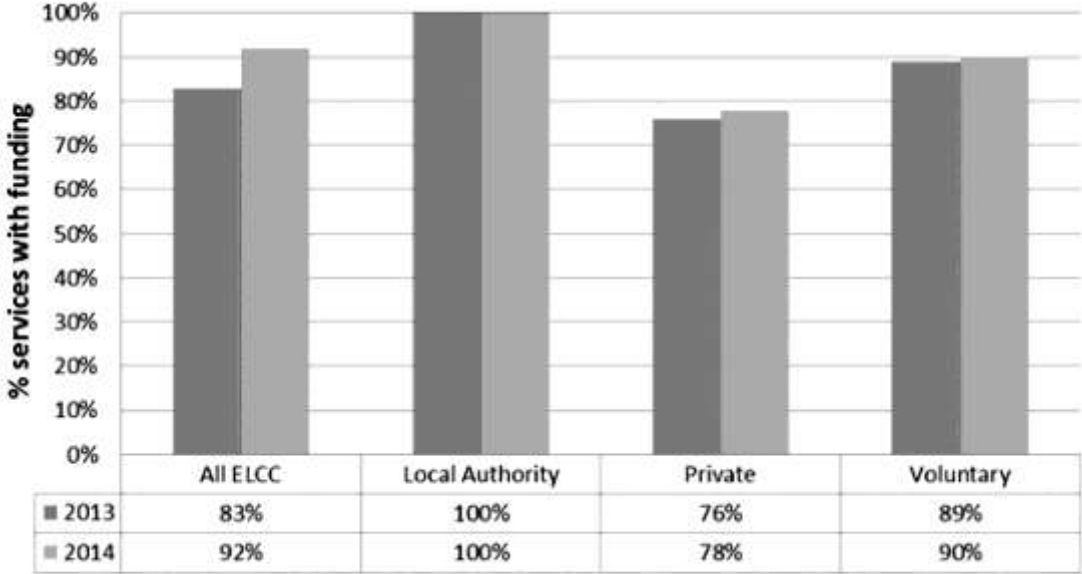


Table B below shows ELCC provided by other service types. There has been an increase in children and family centres providing funded ELCC from 58% in 2013 to 76% in 2014. There was a slight increase in playgroup services offering ELCC from 67% in 2013 to 69% in 2014. Slight increases in ELCC provision were seen in private sector and voluntary sector playgroup services, rising from 62% to 64% in private sector run services and from 69% to 71% in voluntary sector services.

**Table B:** Proportion of services providing funded early learning and childcare as at 31 December 2013 and 2014

	All services providing early learning and childcare		% of local authority services offering funded early learning and childcare		% of private services offering funded early learning and childcare		% of voluntary services offering funded early learning and childcare	
	2013	2014	2013	2014	2013	2014	2013	2014
Children and family centre	58%	76%	90%	96%	83%	65%	29%	36%
Nursery	61%	92%	100%	100%	76%	78%	89%	90%
Playgroup	67%	69%	33%	64%	62%	64%	69%	71%

However the balance of local authority and private/voluntary provision varies considerably depending on location, ranging from East Dunbartonshire and Moray providing less than half of nursery places in-house to Clackmannanshire, East Ayrshire, Eilean Siar, Falkirk, Fife, Orkney, Shetland and West Lothian providing more than 80%. These differences reflect not only rurality, but also market variations, with private nurseries being more available in affluent and urban areas, and the policy priorities within each local authority. With regard to rurality, Table C from the Early Learning and Childcare Statistics 2014 report that approximately 15% of all children living in towns and urban areas attend a nursery, while this drops to 11% for accessible rural areas and 8% for remote rural areas.

**Table C:** Children attending early learning and childcare services (during the last full week before 30 November 2014) as a percentage of the population aged 0-15 years old, by urban-rural category and deprivation category

Children attending										
Urban-rural category	All early learning and childcare	All childcare services excluding childminding	Childminding	Children/family centre	Crèche	Holiday play scheme	Nursery	Out of school care	Playgroup	Other service
Large urban areas	24.3%	22.5%	1.9%	1.4%	–	0.2%	14.3%	5.6%	0.4%	0.1%
Other urban areas	29.2%	24.5%	4.7%	1.2%	–	0.2%	17.7%	4.1%	0.7%	0.2%
Accessible small towns	29.0%	23.4%	5.6%	0.6%	–	0.0%	15.8%	4.8%	1.4%	0.0%
Remote small towns	29.5%	24.9%	4.6%	0.8%	–	1.6%	15.8%	2.0%	2.4%	0.0%
Accessible rural	19.8%	15.6%	4.3%	0.1%	–	0.0%	11.4%	2.7%	1.2%	0.0%
Remote rural	13.9%	10.7%	3.1%	0.1%	–	0.1%	8.8%	0.5%	1.0%	0.0%
<b>Scotland</b>	<b>25.2%</b>	<b>21.7%</b>	<b>3.6%</b>	<b>1.0%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>14.8%</b>	<b>4.2%</b>	<b>0.8%</b>	<b>0.3%</b>

With regard to the differences between local authorities in the proportion of ELCC places provided in-house or contracted to the private/voluntary sector, these reflect varying levels of deprivation and the approach of each local authority and availability due to the different ways that private and voluntary provision has developed in each local authority. Local authorities with higher levels of deprivation tend to have fewer private nurseries to go into partnership with for providing ELCC places and more children and family centres. Some of these local authorities have extended opening hours for their own nurseries, which partly compensates for the relative lack of private nursery provision. This picture is confirmed by our Early Learning and Childcare Statistics 2014, which report that 49.0% of all daycare of children services in the most deprived areas are run by the local authority sector, 28.0% by the voluntary and 23.1% by the private sector. This compares to the least deprived areas, where 45.0% of all daycare of children services are run by the private sector, 28.4% by the voluntary and 26.6% by the local authority sector. Children in more deprived areas are more likely to use a children and family centre (3.2%) than those in the least deprived (0.4%). In the most deprived areas, 13.1% of children use a nursery, and 14.9% of children in the least deprived areas do so.

With local authority services consistently achieving higher average Care Inspectorate grades than private or voluntary sector services, on a general level it can be argued that on one level it makes sense for local authorities to provide ELCC in-house rather than contracting it out to private/voluntary providers. Although some local authority-run nurseries have traditionally operated more limited opening hours than those services in other sectors, we have identified examples of local authorities working with parents to provide flexibility regarding the hours of care available. Opening times will be one factor that can influence parental choice to meet their needs, circumstances and wishes, but not the only one. Some parents might require



childcare for long period of the day and throughout the year, others might want a service near to where they live or work, and some might prefer to use a particular setting such as a playgroup or childminder. These options are not generally met by the traditional primary school nursery. Providing ELCC solely via local authority nurseries also means children not being funded to attend high quality private/voluntary sector services. Local authority services may be achieving particularly high grades on average, but there are many very good and outstanding private and voluntary services and many factors which parents will consider when selecting which service to use.

## 8. Opening times and accessibility

While some local authorities do provide full day, full year care and provide care for children aged 0-5 years, generally local authority provision is part day and part year for children aged 3–5 years. According to the Early Learning and Childcare Statistics 2014, 94% of daycare of children services in the private sector gave the option of both whole day and part day attendance compared to 21% in local authority services and 56% in voluntary services. Services in the local authority and voluntary sectors are more likely to offer part time only sessions, 80% and 41% respectively, compared to the private sector where only 3% of services are part time only services. These mainstream local authority services have traditionally been focussed on providing 'education' for children. When most local authorities provide full day care all year round, this tends to be targeted to meet the needs of particularly vulnerable children in the form of children and family centres. Some local authorities commission the voluntary sector to provide children and family centres. The voluntary sector also provides part day and part year playgroups, which give parents a choice of a less formal setting which are run by parents, with traditionally a focus on play and parental involvement rather than education. While some local authorities do provide full-time care, full day and full year care and care for 0-3 years is more usually provided by private nurseries, independent schools, childminders and nannies within the private sector. These private services have traditionally been focussed on providing 'childcare' for parents. This means that parents with children aged 3 to 5 years have had a choice of different types of provision in a mixed economy of care. Our Triennial Review, *Inspecting and improving care and social work in Scotland: findings from the Care Inspectorate, 2011-2014* (6), and the Early Learning and Childcare Statistics 2014 highlight differences in the quality and geographical distribution between local authority nurseries, private nurseries, playgroups and childminders. These publications demonstrate that the availability of full day and full year care depends on geography, with more private nurseries being available in the least deprived communities. Cost is also a significant factor affecting accessibility, with the 2014 Scottish Childcare Report from the Family and Daycare Trust (7) showing that costs for childcare have continued to rise and that there are substantial variations in prices between local authority areas,

Many local authorities are identifying the geographical inflexibility regarding the availability of specific forms of provision in specific communities and are addressing the gap. For example, some local authorities such as North Ayrshire are actively recruiting new childminders and supporting their applications to register in order to create an alternative to the traditional local authority provision in these areas. However, the process of scoping, recruiting and commissioning new services takes time and many local authorities required to use and expand their own provision in the first instance in order to meet the statutory deadline. For example, the options open to very rural local authorities such as Argyll and Bute and Highland were

limited due to there being relatively few private nurseries, playgroups and childminders available in many communities. For 3 and 4 year olds, Highland expanded the service already being provided by their own network of nurseries by recruiting new staff and redeploying some existing staff in order to maintain the quality of care provided by retaining experienced staff at each nursery. Highland has also worked well with CALA to understand the private/voluntary sector and work across traditional sector silos.

The opening times of council run nurseries differ by local authority, with some local authorities having already extended the nursery day to increase accessibility for working parents. However in many local authority areas, parents whose working arrangements require them to need care for long periods of the day will be likely to place their children in a private nursery because of their longer opening times. In some cases, parents have used more than one service in order to realise their funded entitlement. Some parents have also chosen this as they want their children to attend the school nursery class of the primary school their child will attend. Some local authorities decided to cap the number of ELCC funded places in existing partner providers, sometimes because there was current capacity in-house. In some cases, parents have moved to use a different care service, or have arranged a split placement to access the ELCC funding. In contrast, other local authorities have adopted a more flexible approach, with more places available with partner providers and ELCC funded hours able to be accessed by parents on 2 full days per week in private nurseries rather than 5 part days per week in local authority nurseries.

Similarly, the exact length of a 'full day' has affected flexibility. Taking into account travel time and working patterns, some working parents need a long 'full day' for childcare and those local authorities that have been able to offer funded places over a day lasting for 8 hours or more, such as Aberdeen, have been able to provide more flexibility for parents. Some local authorities such as Edinburgh have increased the length of the funded day in response to parental needs.

## **9. Offering families flexibility and diversity**

Under Section 45 of the Public Services Reform (Scotland) Act 2010, the Care Inspectorate is required to work to specific principles, one of which is that "diversity in the provision of social services is to be promoted with a view to those persons being afforded choice".

We welcome local authorities commissioning a range of different types of services, not only as a practical step to meet their obligations to provide 600 hours, but also to meet the differing needs of individual children, their parents and communities. For example, the Early Learning and Childcare Statistics 2014 show that childminders and playgroups are often more accessible geographically for parents than local authority or private/voluntary nurseries, especially for many very remote communities. They also provide a different kind of care and learning experience for children. Childminders can provide flexible, family based care from one caregiver and often provide a highly nurturing experience with a strong bond developing between childminder and child. Professor Siraj's Independent Review of the Scottish Early Learning and Childcare (ELC) Workforce and Out of School Care (OSC) Workforce (8) describes childminding as a "unique and important part of the ECEC (Early Childhood Education and Care) system". It offers reasons why this is the preferred choice for many parents, including the small, home-like setting, a desire to have the same person look after their child for the whole day, an appreciation of the opportunity provided for children to interact with those of different ages, a perception

that childminding is better suited to their child's temperament and the low adult to child ratios, with one-to-one for children under the age of 1 year in Scotland. The Review also cites Stephen and Minty's (9) research highlighting the benefits of community childminding, such as one-to-one attention and "a less formal and more nurturing relationship between childminder and child".

We welcome local authorities, such as Scottish Borders, where childminders have been commissioned as partner providers and childminding is considered as a potentially suitable placement for some 3 and 4 year olds as well as 2 year olds.

Community-based voluntary playgroups provide a less formal transition from home to group care than nursery and high levels of parental involvement can support children and parents in a different way from other settings and cultures. Some playgroups have increased their opening times and lowered their age range in order to provide funded ELCC places. However with ELCC funding increasing to 1,140 hours, this will raise further questions for the sustainability of part-time playgroups going forward if parents choose take up all of their entitlement with a single provider, or if local authorities cannot support more flexible commissioning approaches.

Providing and commissioning a range of different kinds of ELCC service within one local authority area does not always lead to genuine parental choice. Currently most local authorities are commissioning private and voluntary sector providers to fill gaps in their own provision due to geography and opening times. Some local authorities have been able to offer parents an element of choice regarding the service at which their child can receive a funded place.

Giving parents the option of choosing the setting in which their child receives their entitlement in a mixed economy of care would involve significant reorganisation of our current system. For example, parents currently place their three- and four-year-old children in a range of different settings, including:

- local authority primary school nursery class
- local authority nursery school (not part of a primary school)
- local authority children and family centre
- voluntary sector nursery or children and family centre
- voluntary sector playgroup
- private nursery
- independent school nursery
- childminder
- nanny
- relative.

We contributed to the Building the Ambition guidance and Professor Siraj's ELCC Workforce Review. These landmark publications explore the issues associated with the current complex mixed economy of early learning and childcare and identify the need to overcome the traditional divide and the differences in status between local authority 'education' and private/voluntary 'childcare'.

While the Act does not require parents to be provided with a choice, we note that some local authorities have been able to introduce some element of choice for parents between different types of provision. For example, areas including Aberdeen, Dumfries and Galloway, Edinburgh, Glasgow, Moray and West Lothian have been able in different ways to provide some element of genuine choice for parents. The extent to which local authorities are providing choice reflects in large part the development of the previous partnership working and how embedded private and voluntary sector providers already were in the planning process. Indicators of the extent to which partner providers are embedded within each local

authority's processes include funded liaison posts and the level of training and support made available to partner providers. For example, Dumfries and Galloway fund a development post with Early Years Scotland and West Lothian with SCMA and are aimed at providing greater flexibility and choice for parents. Similarly, the levels and type of support provided by local authorities to partner providers varies considerably. Some local authorities, including Angus, Fife, and Renfrewshire, provide hands-on peripatetic teacher support and full access to local authority training.

## 10. What do parents actually want?

For the first time the Act introduces a statutory duty on local authorities to consult with parents and the original timescale for introducing this duty was relaxed to allow local authorities to prioritise providing the 600 hour entitlement. Parenting across Scotland (PaS)'s report, Summary of Responses to Local Authority FOI Requests (10), demonstrates that currently local authorities struggle to consult parents, particularly traditionally hard-to-reach working parents. While there are some examples of good practice, there is a need to establish effective and widespread methods for consulting parents across local authorities.

At the same time, clear progress is being made by local authorities to measure and meet demand for ELCC. The 2014 Scottish Childcare Report by the Family and Childcare Trust (11) reports that 82% of local authorities undertook assessments to assess demand and supply, which compared to only 44% in 2013. 68% of local authorities were planning further analysis of gaps in provision. The Report also identified that eight local authorities in Scotland had no data on childcare supply and demand.

Some local authorities with relatively small populations and fewer population changes may find it easier to have good knowledge of demand and supply in their communities and this may have been reflected in how the ELCC expansion has been delivered. Further evidence would be required to assess the impact of this on quality.

PaS's report gives a national overview of how local authorities consulted parents. 30 of the 32 local authorities carried out consultations, with all conducting a survey (online and/or paper) and 21 also carrying out some form of face-to-face meetings with parents, either via focus groups, drop-in sessions or public meetings. For example, Dumfries and Galloway sent 4,000 questionnaires to all parents with children aged under four years, which parents could return using a pre-paid envelope, online link or the council call centre. This achieved a 50% response rate.

In Fife, methods of consultation with parents included on-line parental questionnaires, use of social media and face to face meetings with nine parent focus groups. Over 900 responses were received covering 1,154 children. The consultation showed that the current model of delivery consisting of sessions of 3 hours and 10 minutes per day was the preferred option for 52% of respondents with full day sessions of 7 hours and 55 minutes identified as the preferred option of 30% of respondents, while sessions of almost 4 hours Monday to Thursday either morning or afternoon, were identified by 23% of respondents as their preferred model.

Some local authorities have established an ongoing mechanism for sharing good practice regarding parental consultation and matching demand with supply. National umbrella organisations representing parents, including the National Parent Network,

PaS and Parent Network Scotland could play a helpful role in this process. The knowledge and resources of local authority Childcare/Family Information Services should also be harnessed. ELCC planners within local authorities could tap more effectively into the existing local authority expertise in local needs analysis in the same way as financial and procurement expertise has been used. Considerable efficiencies and improvements could be gained from setting up a practice sharing forum or equivalent, which can draw upon the experience gained from other parts of the UK.

**11. Quality of care**

Evidence from our inspections suggests that local authority ELCC services and those services that operate in partnership tend to have high grades and provide a very good quality of care. The grades given by us show that local authority services achieve higher than average grades across all quality themes when compared to all registered children’s daycare services. Local authorities are also commissioning services from the private and voluntary sector, which achieve better grades across all quality themes than the national average for children’s daycare services (see Table D below).

**Table D:** Grading for partnership and non-partnership services as at 31 March 2015

<b>Services working in partnership as at 31 March 2015</b>						
	Unsatisfactory (1) or weak (2) across all themes		Very good (5) or Excellent (6) across all themes		Mix of grades across all themes	
	Number of services	% with 1 or 2 across all themes	Number of services	% with 5 or 6 across all themes	Number of services	% with mix of grades
Private	1	0.2%	262	43.8%	335	56.0%
Voluntary	0	0.0%	163	43.4%	213	56.6%

<b>Services not working in partnership as at 31 March 2015</b>						
	Unsatisfactory (1) or weak (2) across all themes		Very good (5) or Excellent (6) across all themes		Mix of grades across all themes	
	Number of services	% with 1 or 2 across all themes	Number of services	% with 5 or 6 across all themes	Number of services	% with mix of grades
Private	5	1.3%	96	25.5%	275	73.1%
Voluntary	2	0.4%	142	29.2%	343	70.4%

Whether a child attends a high quality service or not is significant. The Effective Provision of Pre-School Education longitudinal study (12) confirmed that pre-school children experience better outcomes from attending a high quality children’s day care service than if they had not used any service. The same research also shows that these benefits are not experienced by children attending a poor quality service. This is also supported by research on ratios, group size and staff qualifications and training in early years and childcare settings carried out by the Thomas Coram Research Unit (13).

All quality themes assess the impact on children’s outcomes from the quality of the care and support provided, to the environment, staffing and the management and leadership of the service. However, particular weighting should be given to the

grades awarded for the quality of care and support. Scotland's longitudinal research project, Growing Up in Scotland (GUS) (14), has tracked a large cohort of children and analysed their outcomes against the pre-school setting they attended. While the greatest impact on children's outcomes was family background, significantly this research demonstrated a positive correlation between the grades we are awarding services and the outcomes of the children attending these services. Specifically, GUS highlighted that the quality of care and support in a day care service, as evidenced by our grades, has a measurable impact on children's outcomes, particularly the critical language and communication skills. GUS research also suggests that high quality care may be beneficial in reducing social or behavioural problems, though the findings are not conclusive. The relevance of the quality of care and support to positive outcomes, in light of the GUS research, was highlighted

In Professor Siraj's ELCC Workforce Review:

"While the responses from the Review suggested that the culture of children's rights and collaborative and inclusive working is becoming embedded within Scotland, many practitioners and stakeholder institutions felt that, given this firm foundation, the time was right to focus on relational and intentional pedagogy. More recent policy (for example, Building the Ambition, Scottish Government, 2014a) also suggests that, as Scotland moves into its next phase of improvement, a stronger focus on those aspects of pedagogy and practice known to impact on children's outcomes would be welcomed.

'Positive outcomes depend on the quality of relationships and interactions between young children and the adults caring for them, both within families and in settings outwith their home.'

(The Care Inspectorate, Response to the hub first call)

"Consideration of the recent research and in particular the GUS report confirms this direction. The Care Inspectorate's Care and Support theme, which was found to be associated with children's outcomes, focuses on the behaviours, interactions and experiences of the children within the settings. It allows for consideration of the individual child and how the setting is providing for their individual needs. In addition, the Care Inspectorate's inspections are underpinned by the National Care Standards where the focus on interactions, understanding child development and assessing and planning for individual learning is very clear. The Care Inspectorate is aware of the power of this particular theme as they always inspect against it even though they rotate other themes routinely."

While it is too early to systematically evidence the impact of the expansion on children's outcomes, initial feedback from inspectors is that extending the length of the daily session for three- and four-year-olds is resulting in them experiencing more in-depth play and more time for better quality outings and other activities. Our second overview report will consider on the extent to which these changes are resulting in the expected improvement in children's outcomes against the SHANARRI indicators (Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible and Included), which are part of the Scottish Government's GIRFEC (Getting It Right for Every Child) approach.

The impact of the ELCC expansion is currently greatest on those two year olds starting nursery for the first time because of this additional funding. With take-up of available places likely to increase in the future and with the percentage of eligible two year olds having gone up from 18% to 27% this year, with further expansion planned, this impact will become more significant. Meeting outcomes for this age range of children is addressed in a separate section below. For 3-5 year-olds, the

increase in hours from 475 to 600 often translates as less than half an hour additional time per day. The greater increase to 1,140 hours will have a relatively greater impact.

With the focus on expanding mainstream provision and bringing in a new cohort of two year olds to receive funded ELCC places, it will be important to ensure that the specialist services for children with additional support needs are maintained and developed. For example, there is increasing pressure on children and families to increase the number of funded places they provide for eligible two-year-olds and it will be important that this does not negatively affect children with additional support needs who have traditionally benefitted from these services. Services for children with additional support needs was highlighted by Professor Siraj's ELCC Workforce Review and the Care Inspectorate has agreed with Scottish Government in responding to the Review's recommendations that further research considering the impact of ELC and out-of-school care for children from disadvantage and/or with additional learning needs in Scotland would be beneficial.

## **12. Consistency and continuity of care**

The barriers to flexibility described above have resulted in some children experiencing changes to their previous care arrangements or entering into multi-provider placements in order to access ELCC funding. For example, a child already attending a private nursery, playgroup or childminder might also start a part time placement at a local authority nursery in addition to their current care arrangements. While multi-provider placements are not necessarily detrimental to children, disrupting continuity of care should generally be avoided unless this is clearly in the best interests of the individual child. Where local authorities have been able to align the opening times of their own nursery and primary school provision, this has resulted in better continuity of care for children. We welcome initiatives by some local authorities to mitigate the impact of differing opening times, such as providing a parents' room in the school, offering activity classes or picnic tables outside. This means parents, childminders and others can engage in meaningful activity, but aligning nursery and school opening times may provide a more sustainable solution.

## **13. Outcomes for two-year-olds**

We would advise local authorities to consider using existing provision for this age range rather than automatically extending their in-house provision by setting up a new room or group, which could risk inadvertently stigmatising those in receipt of certain benefits. Services already caring for two-year-olds are likely to have the staff experience, training and culture to meet the particular needs of this age group. They will have a flexible programme of activities and will adjust the pace of the day to suit the needs of this age group. These services will also have the physical facilities needed for toilet training and naps.

We find that for services caring for children aged 0-5 years, the needs of two-year-olds are best met when the service recognises and invests in this specific stage of child development. Two-year-olds can traditionally be overlooked and be seen as 'tweenies' in between baby and pre-school stages. Evidence from inspection indicates that resources and expertise can, in some services, be concentrated in baby rooms and pre-school rooms within nurseries. For local authority nursery classes (attached to primary schools) and nursery schools (stand alone), admitting two-year-olds for the first time demands a different skill set from practitioners who

have been used to working with older children. Services which positively invest in staff skills and celebrate what two-year-olds bring to a nursery are in a better position to meet their needs. For example, Education Scotland highlighted the Headteacher of Banchory Primary School Nursery Class in Clackmannanshire talking about the energising effect of two-year-olds joining the whole school community (15). The Building the Ambition guidance builds on the previous Pre-Birth to Three national guidance (16) to promote good practice working with two-year-olds and includes helpful case studies. Two-year-olds have particular needs and benefit from being placed in smaller groups than older children, with consistent care and support from a keyworker. Local authorities expanding their own provision by creating new playrooms for two-year-olds have responded to advice from us to ensure that the group size and the programme of activities are suitable for this age range.

Their need for secure bonding in a small nurture group is normally met within a separate playroom rather than mixing with a large group of pre-school children. Two-year-olds behave and explore their environment in different ways from pre-school children and it can cause frustration for all if there is too wide an age range in a large group. While we do not have a policy that two-year-olds should be grouped separately in a daycare service, we find that only high quality services with experience of mixing different stages in small nurture groups can do this well.

The 2014 report from the Sutton Trust, Sound Foundations (17), reviewed the research evidence on the quality of early childhood education and care for children under three and the implications for policy and practice. The report recommended that to ensure good quality provision settings needed to "ensure that their physical environments are appropriate for two-year-olds", with "small group sizes appropriate to age/stage, within a calm environment which promotes individual care and attention". According to the report, groups should comprise no more than 12 children. The report also states that structural aspects such as "adult-child ratios, staff qualifications, group sizes and characteristics of the physical space" are often identified as key in facilitating very young children's learning and development. The report cites a number of research studies on the impact of group size on child outcomes. Although it notes that the evidence is not particularly clear, it states that "it is consistently argued that the impact of ratios and group sizes is even greater for babies and toddlers than for older children" and specifies that ideal group sizes for two- to three-year-olds are between 10 and 12 children. Our practice is to only register larger groupings than this by exception where there is a clear suggestion that this will lead to good outcomes for children.

Two-year-olds need consistent caregivers (sometimes called keyworkers) who understand and enjoy their age and stage, who make sense of their play and are ready to give the emotional and physical support they need. They need keyworkers who are skilled and experienced in helping children start to share and socialise. Staff who are in tune with two-year-olds understand their play as purposeful rather than being chaotic and know how to extend and develop their play and curiosity at the child's pace. Similarly, skilled staff will respond sympathetically to the emotional highs and lows of a two-year-old's day and their anxiety about being separated from their primary carer rather than this being seen as disruptive and a negative aspect of this stage.

We recognise local authorities which have proactively taken steps to spread the existing expertise across the early years workforce working with two-year-olds in different settings. Many local authorities have made use of Scottish Government funding to train staff in working with this age range. For example, West Lothian has promoted joint working between its children's centre and nursery managers in order



to share knowledge of working with this age range across different parts of the local authority.

When considering hours of attendance of funded places for two-year-olds in nurseries, ensuring that they have the same drop-off and pick-up times as the older children can reduce the risk of stigma, as well as avoiding disrupting the session for the other children and being more convenient for parents. For many two-year-olds without previous experience of group settings, their needs may best be met by small scale family based support or being placed in a domestic setting with an experienced childminder. Many two-year-olds optimally learn to share, socialise, make sense of the world and test boundaries with one-to-one care or in a small group. For many two-year-olds, the transition from a small homely setting to a larger more formal setting is a challenging process and many children aged 0-5 years can benefit from gradual transitions between starting off in the family home as a baby and entering Primary 1. We therefore highlight as good practice local authorities which have commissioned childminders to provide funded places for two-year-olds. For instance, Aberdeen, Moray and West Lothian provide parents with a list of approved childminders, who achieve positive grades, and then let parents choose from this list to match their specific needs. Many other local authorities have commissioned childminders to fill gaps in daycare provision. For example, Inverclyde has provided funded hours for eligible two-year-olds through a combination of expanding their own children's centres and childminders. North Lanarkshire, East Ayrshire, North Ayrshire and South Ayrshire have also commissioned childminders for two-year-olds.

Most local authorities already either directly employ or commission some childminders to provide support to the most vulnerable families, which is usually called 'community childminding'. Community childminding is generally provided as a local authority social work department service (and sometimes education department) to children and families. While these relatively small community childminding schemes cannot cater for the larger numbers of children under the wider eligibility for 2 year olds, they do provide an existing model for local authorities to engage childminding services.

The Act and Statutory Guidance stipulate that local authorities must provide eligible two-year-olds with a place at a registered provider, but for some children the best service may come from other types of non registered support. In some cases, facilitated family support in the child's home working alongside the parent/s may be a more effective intervention for some very vulnerable families than attending a registered service. When further expansion of ELCC is being considered, policy makers may wish to consider widening the types of care and support that can be provided under the arrangements, reflecting the fact that there are mixed views about the best care approaches for this age range, as highlighted in The Sutton Trust's report. These issues will need to be addressed by ELCC commissioners, scrutiny bodies, providers and practitioners alike, particularly with the number of two-year-olds entering nurseries and playgroups for the first time expanding as the eligibility criteria widen, including children entitled to free school meals. Having a large cohort of two-year-olds joining groups for 30 hours per week under the 1,140 hour entitlement will have a significant impact on services as well on the experience of all children and their parents.

Initial indications are that take-up of the first phase of the funded places for eligible two-year-olds has been relatively low compared to the high take-up of funded places for 3-5 year-olds. The reasons for this relatively low take-up are not fully known at present, but there may be a range of reasons. For example, some parents may prefer to keep their two-year-old at home. Other parents may only want to access

some sessions rather than the full 600 hours. Some parents may not be aware that a place is available. Other parents may decide that taking up a nursery place is not worth disrupting the existing arrangements with relatives, a childminder or keeping them at home. Some vulnerable families may also be hard to reach. The fact that there is significantly higher use of grandparents in childcare in Scotland compared to the rest of the UK, as reported in the 2014 Scottish Childcare Report, is perhaps a significant factor. According to NDNA's Annual Nursery Survey 2015 (18), only 16% of their members are currently funded to provide ELCC places for two-year-olds. Significantly, 60% of members report more part time children, 25% report more children using funded hours only and 45% report more use of informal care by family and friends.

We have noted that some local authorities, such as Inverclyde, appear to have achieved higher rates of take-up through close working with Job Centre Plus. East Lothian has achieved high take-up by proactively reaching out to parents and providing ELCC staff to meet parents individually and accompany them on an introductory visit to the service.

As the policy matures and develops, it will be important to compare the approach in Scotland with that in other parts of the UK and internationally. The knowledge hub for achieving two-year-olds in England, as a forum that provides some good practice examples and case studies, is a helpful resource:

<https://knowledgehub.local.gov.uk/web/achievingtwoyearolds>

#### **14. Commissioning quality**

Under Section 53 of the Public Services Reform (Scotland) Act 2010, the Care Inspectorate is required to inspect and report on "the organisation and co-ordination of social services". As part of scrutinising commissioning practice, we note that local authorities are applying different criteria for private/voluntary sector providers going into partnership to receive the ELCC funding. While this variation might be appropriate and meeting local needs, the Care Inspectorate notes that there is a wide range of differing criteria with regard to the quality of services receiving ELCC funding. For example, some local authorities require services to achieve a certain minimum level of grades from us, while others apply a different threshold or none at all. Local commissioning makes sense for meeting local needs and we would not recommend that decision making on eligibility for services to receive ELCC is transferred to the scrutiny body as in England. At the same time, we recommend that a common threshold with regard to quality is considered for all services providing ELCC funded places in the future.

Other aspects of commissioning could be made more efficient and sustainable. For example, a considerable amount of resources is spent by all parties negotiating annual fees and contracts. Some local authorities such as Fife have started issuing three-year contracts and adding this element of stability is welcomed by those providers who are in partnership. With variation across different local authorities, further clarity is needed on the relationship between public sector procurement arrangements and ELCC commissioning.

Innovative types of provision can also be commissioned by local authorities in order to provide more flexibility and overcome the traditional divide between part time local authority and full time private nurseries. In Glasgow, community enterprise funded nurseries provide full time and high quality care for children aged 0-5 years.

## 15. Conclusion

Although further comprehensive information is needed regarding the supply and take-up of places, it is clear that local authorities have generally fulfilled their obligation to offer all eligible children their entitlement. This is a significant achievement in itself. Local authorities need to address issues of flexibility and access to the entitlement, although the expansion to 1,140 hours may in itself address some of the elements of this issue.

At the same time local authorities need to ensure that each eligible child, whose parent/s want this, can realistically receive their entitlement. This can be achieved by local authorities allowing more flexibility regarding the length of sessions and bringing more private nurseries, playgroups and childminders into ELCC partnership. For two-year-olds, local authorities should consider private nurseries, playgroups and childminders as potentially optimum placements for some individual children.

In the medium to long term, local authorities should consider whether and how parents can be offered a genuine choice between different types of ELCC service. The Care Inspectorate and Education Scotland are committed to working together to build capacity in the ELCC sector to provide for this expansion. Our collective aim is also to assist in ensuring that the increased provision will be of a high quality, with the focus on achieving the best possible outcomes for children, and that commissioners and providers are committed to delivering flexible choices for parents.

The findings from this review point to the need for the complex ELCC system to be strategically managed and co-ordinated as a whole at a national as well as local authority level. This need has already been identified and local authority Childcare Partnerships were an example of a more integrated approach. Where they are still functioning, we have found them effective in co-ordinating the different worlds of local authority, private and voluntary provision for the benefit of children and parents. The need to bridge the current cultural divisions within ELCC is also a theme running through Professor Siraj's ELCC Workforce Review.

The needs of parents and children are not exactly the same and inevitably there is some tension in trying to meet both. However there is sufficient common ground to build on the broad consensus that has welcomed the initial ELCC expansion and to move the focus from short term implementation issues to medium and long term aims. Scotland needs to agree collectively our direction of travel and what we want ELCC to look like in the 2020s and beyond.

Decisions on the medium and long term aims of the ELCC expansion that command continuing national consensus require to be taken. What this will mean for children and parents then needs to be clearly articulated so that local authorities can work with parents, practitioners and other stakeholders to put it into practice. This will build on the clear vision from the Early Years Framework (19) that Scotland will become 'the best place to grow up'.

We will produce a further national overview report on how ELCC is implemented and actually experienced by children from the perspective of an individual service but also a wider local authority level. The way we inspect is increasingly focussing on assessing how the SHANARRI outcomes are met. We now assess the experience of individual children attending a service rather than measuring provider inputs. This means that we are able to focus on individual children and report on the extent to which children attending a service are benefitting from receiving their entitlement.

We inspect services caring for children aged under three years more frequently and the next national report will be focused particularly on the impact of ELCC funding for eligible two-year-olds, many of whom are the most vulnerable children. We will also highlight examples of good practice regarding ELCC provision on The Hub, our knowledge and improvement website ([hub.careinspectorate.com](http://hub.careinspectorate.com)).

From regulating individual services, we can report how children are receiving ELCC funding in each local authority and the outcomes they experience. This will inform, and be informed by, our joint inspections of services for children and young people in Community Planning Partnership areas. The next national review will be able to report in more detail how local authorities are implementing ELCC and how this is reflected in the grades achieved by different types of services delivering expanded hours.

This review is intended as a helpful contribution to the development of ELCC for all agencies involved, with an emphasis on improving the overall outcomes for children rather than individual service compliance. From our position as the scrutiny body overseeing the whole ELCC system, which last year involved us carrying out 1,736 inspections of children's daycare services as well as strategic inspections, the Care Inspectorate aims to act as a catalyst for improvement.

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### **17. Relevant websites**

[www.adescotland.org.uk](http://www.adescotland.org.uk)

[www.ahds.org.uk](http://www.ahds.org.uk)

[www.careandlearningalliance.co.uk](http://www.careandlearningalliance.co.uk)

[www.careinspectorate.com](http://www.careinspectorate.com)

[www.childminding.org](http://www.childminding.org)

[www.children1st.org.uk](http://www.children1st.org.uk)

[www.childreninscotland.org.uk](http://www.childreninscotland.org.uk)

[www.earlyyearsscotland](http://www.earlyyearsscotland)

[www.educationscotland.gov.uk](http://www.educationscotland.gov.uk)

[www.growingupinscotland.org.uk](http://www.growingupinscotland.org.uk)

[www.hub.careinspectorate.com](http://www.hub.careinspectorate.com)

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[www.parentingacrossscotland.org](http://www.parentingacrossscotland.org)

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[www.socialworkscotland.org](http://www.socialworkscotland.org)

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