

News release

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Early learning and childcare expansion delivered but sector fragile

The Scottish Government, councils and partners did well to increase early learning and childcare (ELC) provision to 1,140 hours a year per child, despite the challenge of the Covid-19 pandemic. But the sector remains fragile.

Councils completed most of the building projects needed by the deadline of August 2021, and have recruited significantly more ELC staff. The numbers of three and four-year-olds receiving ELC remains high, more two-year-olds are now participating, and most parents are happy with the flexibility available.

But there are risks to the sector that could affect flexibility and choice for families. These include budget pressures, workforce recruitment challenges, and the ability of funded providers such as private nurseries and childminders to stay in business. Data gaps exist, including whether funded providers pay the living wage. There have also been further delays in developing software needed to improve the management and monitoring of ELC services.

The Scottish Government has developed plans to assess the policy, and whether it has improved children's lives and helped parents to work, study or train. But that evaluation work will be more difficult because of the impact of Covid-19 on children's development and their families' financial situations.

Stephen Boyle, Auditor General for Scotland, said:

"The Scottish Government has worked well with its partners to expand early learning and childcare hours. But the sector is fragile, which could affect flexibility and choice for families if funding and workforce risks are not addressed.

"An important next step for ministers is to effectively evaluate whether the policy has improved the lives of children and parents and delivered value for money. But that task has been made tougher by the effects of the pandemic."

Sophie Flemig, a member of the Accounts Commission, said:

"Councils have done well to complete most of the early learning and childcare building projects, despite the significant challenges of the Covid-19 pandemic.

"Councils now need to work with the Scottish Government and other stakeholders across the private and voluntary sectors to agree a long-term workforce plan that makes sure future demand for ELC can be met and that all children can thrive in their settings."

For further information contact Patrick McFall Tel: 0131 625 1663 / 07786660171
pmcfall@audit-scotland.gov.uk or media@audit-scotland.gov.uk

Notes to Editor:

1. It is too early to say whether the flagship policy has led to better outcomes for children and helped parents to work, study or train.
2. By August 2022, councils had completed about 90 per cent of the 911 ELC infrastructure projects planned. Councils are forecasting spending over £100 million more on capital projects than was allocated by the Scottish Government.
3. The Scottish Government allocated over £1 billion to councils for funded ELC in 2021/22. The government reduced funding for ELC in 2022/23 (by £15m) and in 2023/24 (by £9.1m).
4. Many more two-year-olds are eligible for funded ELC than are currently receiving it. However, the Scottish Government and partners have made progress with data sharing arrangements to allow councils to identify more eligible two-year-olds.
5. Audit Scotland has prepared this report for the Auditor General for Scotland and the Accounts Commission. All Audit Scotland reports published since 2000 are available at www.audit-scotland.gov.uk
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