



A childcare system for all

A vision that puts gender equality at the centre of Scotland's childcare strategy



**One Parent
Families Scotland**
changing lives, challenging poverty



Close the Gap

These principles for a childcare system that works for all are endorsed by:





Principles

- 1. A system of childcare that puts choice for all families at the heart of provision.**
- 2. A universal funded entitlement of 50 hours per week for children aged 6 months and above that is free at the point of use for all families.**
- 3. A high-quality service which delivers positive outcomes for children and realises children's rights.**
- 4. A diverse and skilled childcare workforce that is valued, fairly paid, and gender balanced.**
- 5. Flexible delivery that enables families to access childcare when they need and want it.**
- 6. Investment in childcare should be considered as necessary infrastructure for a sustainable wellbeing economy and a good society.**
- 7. Work towards a childcare system that is not based on profit making.**
- 8. Investing in childcare is good for the economy.**



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1. Executive summary

Introduction

The availability of accessible, affordable, and flexible childcare is critical to the realisation of women's equality, and to improving children's outcomes in Scotland. Childcare is vital social infrastructure which is key to meeting Scottish Government's child poverty targets. Childcare provision is of particular importance to the economic wellbeing and employment of single parents, 90% of whom are women. Close the Gap and One Parent Families Scotland have welcomed Scottish Government's focus on childcare as a flagship policy, including the introduction of the 1140 funded hours. Reforms have been a welcome step towards improving access to affordable, high-quality and flexible childcare in Scotland. However, current commitments should be the starting point, rather than the end point of reform.

This position paper presents a set of principles which should drive the next stages in the development of Scotland's childcare offer. These principles describe a system of childcare that promotes women's socio-economic and labour market equality, advances children's rights, and addresses child poverty.

Why childcare is important

The lack of affordable and flexible childcare reinforces women's social, economic and labour market inequality because it continues to be women who do the bulk of unpaid childcare. Women also account for 90% of single parents. Gendered patterns of childcare are deeply entrenched and have been slow to disrupt, with the unequal distribution of childcare remaining a key cause of the gender pay gap. Covid-19 exacerbated this, with evidence showing that women with caring roles reduced their paid working hours

substantially, and by more than their male counterparts. Reduced childcare services during the pandemic particularly deepened the inequalities single parents face.

Women are more likely to be in poverty, find it harder to escape poverty, and are more likely to experience persistent poverty. Single parents, especially young single mothers, disproportionately experience poverty. Women's poverty is also inextricably linked to child poverty, rendering action to tackle women's inequality in the labour market critical to addressing child poverty. As women's childcare roles are a key cause of the gender pay gap, equalising access to affordable and flexible childcare is both an enabler of women's employment and an important anti-poverty measure. At present, childcare provision often determines whether women have a job, the type of job they have, the hours they work, and the amount of pay they get. Research by One Parent Families Scotland and the Joseph Rowntree Foundation found that a consistent experience of single parents is a lack of affordable and wraparound childcare. In particular, the childcare system fails to meet the needs of children under the age of three and disabled children. The research highlighted that for single parents to have equal access to the labour market and break the cycle of poverty, there needs to be transformational change in Scotland's childcare provision.

The UK has some of the highest childcare costs in the world, with net childcare costs representing almost a third (29%) of income, compared to an OECD average of 10%. As a result, for many families childcare costs continue to present a significant barrier to reaching a living income and achieving financial security. Childcare costs are particularly prohibitive for single parents, constraining their labour market participation and driving their higher rates of poverty. A survey by One Parent Families Scotland in 2022 found that more than a fifth of single parents (21%) said they could no longer afford childcare at all. The high cost of childcare is compounded by a social security system based on increasingly stricter conditionality that does not meet their needs. The ongoing cost of living crisis also creates risks to women's financial wellbeing.

Childcare in Scotland: Current provision and existing commitments

Scottish Government's flagship early learning and childcare (ELC) policy is the extension of the funded childcare entitlement from 600 to 1140 hours a year for all three- and four-year-olds, and two-year-olds who meet eligibility

criteria. Further developments in Scottish Government's childcare offer were announced in the 2021/22 Programme for Government and the Tackling Child Poverty Delivery Plan, including the expansion of free ELC to one- and two-year-olds; building a system of school age childcare, with an expansion targeted at low-income families including single parents; and the publication of a strategic plan for childcare. Best Start: Strategic Early Learning and School Age Plan for Scotland 2022-26 was published in October 2022 and provides high-level information on the further development of the childcare offer. However, the detail of these commitments will sit in subsequent forthcoming documents, including the strategic framework for Scotland's childcare profession and the delivery framework for school age childcare, which makes it difficult to assess the effectiveness of these planned policy developments.

Limitations of the current system of childcare

Recent policy developments have had limited success in realising Scottish Government's ambitions around childcare and the needs of families across Scotland. 1140 hours of funded childcare still only amounts to the duration of the school day and therefore does not deliver sufficient provision to enable all women to work full-time should they need or want to. Moreover, the delivery of the funded hours at the local level is often insufficiently flexible to meet the needs of women, particularly single mothers, and their families. These rigid models of delivery do not align with an equally inflexible labour market and have a negative impact on the ability of mothers to start work or increase their working hours. This inflexibility has been compounded by a sharp decline in the number of childminders in Scotland, particularly in rural areas where this type of provision is essential.

The funded entitlement has not precluded the need for expensive top-up childcare, particularly for single parents and those who work atypical hours. While Scottish Government states that the 1140 hours have rendered top-up childcare more affordable, for many women the need to purchase additional hours remains an insurmountable financial barrier to education, training and employment. Financial barriers are especially pertinent for some groups of women including single mothers, parents of disabled children, disabled women and migrant women. Women in low-paid and insecure work often require childcare outside of the standard 9-5 provision. These women also face the "insecurity premium" when planning childcare around irregular shift patterns. Research conducted by Close the Gap found that racially minoritised migrant women also reported that the

absence of informal networks of family or friends close by to help with childcare increased the reliance on expensive formal childcare. Despite the fact that women's experiences of childcare will be impacted by the multiple intersecting inequalities they face, there is a lack of intersectional data on how childcare provision is meeting the needs of different groups.

The continued lack of access to affordable full-time childcare prevents many women from entering employment. Research found that free part-time childcare has only a marginal effect on the labour market participation of mothers whose youngest child is eligible. However, by contrast, expanding free childcare to full-time hours leads to significant increases in labour market participation and employment of mothers.

The strategic early learning and school age childcare plan is welcome as childcare commitments lacked specificity and coherence. The plan has a strong focus on the central importance of childcare to the Scottish Government's commitment to tackle child poverty. However, it is concerning that the plan does not reflect the broad-ranging importance of childcare to wider Scottish Government priorities, such as narrowing the gender pay gap. Recent childcare commitments, including those detailed in the Child Poverty Delivery Plan, are characterised by a lack of gender analysis and the strategic plan replicates this approach.

The extension of the funded entitlement and wider childcare commitments are welcome. However, there is a need for further action to create a system that is high quality, affordable, flexible, and accessible for all families in Scotland, including those on low incomes. The delivery of the 1140 hours and accompanying policy developments should therefore be viewed as the starting point, rather than the end point, of reform.



2. Introduction

The availability of accessible, affordable, and flexible childcare is critical to the realisation of women's equality and to improving children's outcomes in Scotland. Childcare is vital social infrastructure which is key to tackling women's economic and labour market inequality and meeting Scottish Government's child poverty targets. Childcare provision is of particular importance to the economic wellbeing and employment of single parents, 90% of whom are women.

Close the Gap and One Parent Families Scotland have welcomed Scottish Government's focus on childcare as a flagship policy, including the introduction of the 1140 funded hours. Reforms have been a welcome step towards improving access to affordable, high quality, and flexible childcare in Scotland. However, current commitments should be the starting point, rather than the end point, of reform.

This position paper sets out a set of principles which should drive the next stages in the development of Scotland's childcare offer. These principles describe a system of childcare that promotes women's socio-economic and labour market equality, advances children's rights, and addresses child poverty. The principles are:

- 1. A system of childcare that puts choice for all families at the heart of provision.**
- 2. A universal funded entitlement of 50 hours per week for children aged 6 months and above that is free at the point of use for all families.**
- 3. A high-quality service which delivers positive outcomes for children and realises children's rights.**

- 4. A diverse and skilled childcare workforce that is valued, fairly paid, and gender balanced.**
- 5. Flexible delivery that enables families to access childcare when they need and want it.**
- 6. Investment in childcare should be considered as necessary infrastructure for a sustainable wellbeing economy and a good society.**
- 7. Work towards a childcare system that is not based on profit making.**
- 8. Investing in childcare is good for the economy.**

This paper begins by outlining the importance of childcare in efforts to reduce women's poverty, meet Scottish Government's child poverty targets, realise women's equality, and improve children's outcomes. It then assesses the extent to which current provision is meeting the needs of parents and families across Scotland, and whether existing commitments are delivering Scottish Government's intended outcomes. Finally, it sets out the need for each of the principles. Throughout the paper refers to both early learning and childcare (ELC) for pre-school children aged 0-5, and out of school and holiday care for school age children.¹

¹ The Commission for Childcare Reform (2015) *Meeting Scotland's Childcare Challenge: The report of the Commission for Childcare Reform*



3. Why childcare is important

The lack of affordable and flexible childcare specifically reinforces women's social, economic and labour market inequality because it continues to be women who are more likely to do the bulk of unpaid childcare. Women also account for 90% of single parents. Gendered patterns of childcare are deeply entrenched and have been slow to disrupt,² with the unequal distribution of childcare remaining a key cause of the gender pay gap.³ The latest time-use data for pre-pandemic Scotland shows that women in mixed-sex couples were undertaking approximately 68% of the housework and 68% of the childcare.⁴ Similarly, Scotland's Gender Equality Index shows that 85% of people aged 16-64 who were "economically inactive" due to caring were women.⁵ These trends were exacerbated by the Covid-19 pandemic⁶ with evidence showing that women with caring roles reduced their paid working hours substantially, and by more than their male counterparts.⁷ While inequality experienced by single parents pre-dated the pandemic, research by The Institute for Employment Studies shows that reduced childcare services during Covid-19 exacerbated the inequalities single parents faced. During the crisis, many single parents were forced to cope

² Thomson, E (2020) *Gender & Inclusive Growth: Inclusive Growth and its potential to improve gender equality*, Close the Gap and Engender, available at: <https://www.closesthegap.org.uk/content/resources/Gender-and-Inclusive-Growth---Making-inclusive-growth-work-for-women-in-Scotland.pdf>

³ Close the Gap (2021) Gender Pay Gap Statistics

⁴ Wishart, R., Dunatchik, A., Speight, S., and Mayer, M (2019) *Changing patterns in parental time use in the UK*. NatCen.

⁵ Scottish Government (2020) *Gender Equality Index*

⁶ Hupkau, C and Petrongolo, B (2020) *Work, care and gender during the Covid-19 Crisis*

⁷ Institute for Fiscal Studies (2020) *How are Mothers and fathers balancing work and family life under lockdown?*

with unsustainable pressure for months with serious knock-on effects on both their own and their children's mental health.⁸

The introduction of Shared Parental Leave was intended to facilitate more equal division of childcare between men and women. However, take-up has been extremely low, and there is unlikely to be any progress with equalising the distribution of unpaid care without interventions to disrupt gender norms.⁹ The prevalence of gender norms around childcare are evident within the British Social Attitudes Survey. In 2018, over 50% of respondents believed that it is better for fathers to work full-time while mothers work part-time or stay at home when a child is under school age.¹⁰ Moreover, four times as many respondents in 2018/19 were critical of the idea of a woman with young children working full-time than a man in a comparable situation.¹¹

Women's poverty is inextricably linked to child poverty, rendering action to tackle women's inequality in the labour market critical to addressing child poverty. As women's childcare roles are a key cause of the gender pay gap, equalising access to affordable and flexible childcare is both an enabler of women's employment and an important anti-poverty measure. Women's propensity to be primary caregivers and single parents continues to shape the way they engage with the labour market. At present, childcare provision often determines whether women have a job, the type of job they have, the hours they work, and the amount of pay they get.

Research by One Parent Families Scotland and the Joseph Rowntree Foundation found that a consistent experience of single parents is a lack affordable and wraparound childcare. In particular, the childcare system fails to meet the needs of children under the age of three and disabled children. This research highlighted that for single parents to have equal

⁸ Gingerbread (2021) *Caring without sharing: Single parents' journeys through the Covid-19 pandemic*, available at: https://cris.dev.brighton.ac.uk/ws/portalfiles/portal/24200847/Gingerbread_Caring_Without_Sharing_Final_Report.pdf

⁹ Close the Gap (2020) *Response to the UK Government's consultation on the Good Work Plan: Proposals to support families - Parental Leave and Pay*, available at: <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-response-to-UK-Government-Good-Work-Plan---Parental-Leave-and-Pay.pdf>

¹⁰ British Social Attitudes Survey 36 (2019) *Women and Work*, available at: https://www.bsa.natcen.ac.uk/media/39297/4_bsa36_women-and-work.pdf

¹¹ British Social Attitudes Survey 37 (2021) *Family Life: Attitudes to non-traditional family behaviours*, available at: https://www.bsa.natcen.ac.uk/media/39410/bsa37_family-life.pdf

access to the labour market and break the cycle of poverty there needs to be transformational change in Scotland's childcare provision.¹²

A recent survey by Working Families found that mothers were twice as likely as fathers to report that the availability of childcare had a "big impact" on their ability to work,¹³ and maternal employment in the UK continues to lag significantly behind the best performers in the OECD.¹⁴ Women who stay at home before Universal Credit conditionality applies when their child turns three are often forced into poverty by a social security system that does not meet their needs.

The UK has some of the highest childcare costs in the world, with net childcare costs¹⁵ representing about 29% of income, compared to an OECD average of 10%.¹⁶ As a result, for many families childcare costs continue to present a significant barrier to reaching a living income and achieving financial security.¹⁷ Across the UK, 9 in 10 working parents report that childcare costs affect their standard of living.¹⁸ Childcare costs are particularly prohibitive for single parents, constraining their labour market participation and driving their higher rates of poverty. A 2021 survey of over 20,000 parents, conducted by Mumsnet and parenting and campaigning organisations, found that more than one third (38%) of single parent respondents said childcare costs had caused them to accumulate debts, and a quarter (25%) said childcare costs had forced them to cut back on essential items such as food and heating.¹⁹ The risk of debt has been compounded by the social security system which until now has paid

¹² Joseph Rowntree Foundation (2021) *Freeing low-income single parents from in-work poverty's grip*, available at <https://www.jrf.org.uk/report/freeing-low-income-single-parents-work-povertys-grip>

¹³ Working Families (2022) *Working Families Index 2022: Families and Flexible Working post Covid-19*

¹⁴ Campbell, J., Elson, D., and McKay, A (2013) *The Economic Case for Investing in High Quality Childcare and Early Years Education*, Women in Scotland's Economy Research Centre

¹⁵ Within this study, net childcare costs assume a couple both on 67% of the average wage and raising two children aged 2 and 3.

¹⁶ Calver, T (2022) "The mothers who can't afford to return to work", *The Times*, 5 June 2022, available at: <https://www.thetimes.co.uk/article/held-back-the-mothers-who-cant-afford-to-return-to-work-r5r3k9bxl?shareToken=a4aa8da238225b93c153730817a3771a>

¹⁷ IPPR Scotland (2022) *Universal Basic Services: Building Financial Security in Scotland*, available at: https://www.ippr.org/files/2022-03/1646753753_universal-basic-services-scotland-march-22.pdf

¹⁸ Women's Budget Group (2021) "Mega survey of UK parents shows that childcare is failing families", available at: <https://wbg.org.uk/analysis/reports/mega-survey-of-uk-parents-shows-that-childcare-is-failing-families/>

¹⁹ Mumsnet (2021) "Mega survey of UK parents is showing that childcare is failing families", available at: <https://www.mumsnet.com/news/mega-survey-of-uk-parents-shows-that-childcare-is-failing-families>

childcare costs in monthly arrears, thereby requiring parents to pay costs upfront. However, from 28 June 2023 a portion of childcare costs will be paid upfront, although these payments will only be available to those who are entering work or “significantly increasing” their hours of work. The exact number of hours deemed significant is at the discretion of the work coach, and therefore not a right. This means there will be parents ineligible for upfront childcare costs, for example, if they are already in work, if their circumstances change and they want or need to use formal childcare, or if they are in training or education. Furthermore, as it does not cover 100% of childcare costs, financial barriers will remain for many low-income families.

Survey data²⁰ published by Scottish Government found that three fifths of parents reported having some difficulties affording childcare, including 16% reporting significant difficulties. Single parents were twice as likely as dual-earner households to report having significant difficulties paying for childcare, and more likely to raise concerns about paying fees, deposits and other costs upfront. Parents of children with additional support needs were most likely to report having significant difficulties with affording childcare costs.

Despite childcare becoming increasingly expensive, the level of childcare costs that can be claimed under Universal Credit has remained capped at a level set in 2003.²¹ However from 28 June 2023 the UK Government will raise the amount that parents can claim back monthly for their childcare costs on Universal Credit, up to £951 for one child and £1,630 for two or more children. The childcare element of Universal Credit only pays up to 85% of childcare costs, which means that a single parent with two children, one preschool and the other school age, would require gross earnings of £38,400 per year to cover their contribution to childcare costs and still meet the Minimum Income Standard.²² There are limited financial gains for parents in receipt of Universal Credit moving from part-time to full-time work, as they face increasing childcare costs as their working hours increase and receive lower Universal Credit payments as their earnings rise. This

²⁰ Scottish Government (2022) *Parents' views and use of early learning and childcare in Scotland 2022*, available at: <https://www.gov.scot/publications/parents-views-use-early-learning-childcare-scotland-2022/>

²¹ Women's Budget Group (2022) *Economic Challenges for Single Mothers*, available at: <https://wbg.org.uk/wp-content/uploads/2022/03/Economic-challenges-for-single-mothers-PBBs-Spring-2022-1.pdf>

²² Joseph Rowntree Foundation (2022) *A Minimum Income Standard for the UK 2022*, available at: <https://www.jrf.org.uk/report/minimum-income-standard-uk-2022>

effectively traps women, particularly single mothers, in low-paid part-time work.

A survey by One Parent Families Scotland in 2022 found that more than a fifth of single parents (21%) said they could no longer afford childcare at all.²³ Single parents were asked about both early years and school age childcare, and a predominant theme in their responses was the struggle to afford childcare on a low income.

“I’m concerned about being able to keep my job as I can’t afford childcare anymore and I’m struggling to work flexibly as my job requires.”

“I work part-time and the job centre are continually asking me to work more hours, but childcare is too expensive.”

“A key issue for me is the cost of childcare and the major lack of provision for children with additional needs for after-school or weekend clubs. My daughter now attends two additional support needs clubs...she was on a waiting list for nearly five years for both.”

The cost of childcare is therefore likely to become an increasing financial barrier to parents entering employment and a more significant contributor to debt in low-income households. This is particularly true in the context of the ongoing cost of living crisis which is having a disproportionate impact on women because they are already more likely to be on low incomes, and be living in poverty. Childcare costs have been rising above the rate of inflation and wages for several years and are a particular point of financial pressure for single parents.²⁴ As household budgets become increasingly squeezed, childcare will become unaffordable for a growing number of low-income families.

²³ One Parent Families Scotland (2022) *Living Without a Lifeline*, available at: <https://opfs.org.uk/wp-content/uploads/2022/09/Living-without-a-lifeline-full-report.pdf>

²⁴ Women’s Budget Group (2022) *The gendered impact of the cost-of-living crisis*, available at: <https://wbg.org.uk/wp-content/uploads/2022/03/The-gendered-impact-of-the-cost-of-living-crisis.pdf>

The advance payment to be introduced by UK Government may help some low-income parents but it is accompanied by stricter conditionality. This is in spite of a five-year study on conditionality which showed that benefits sanctions were not only ineffective, but also caused stress, anxiety and depression and pushed people into poverty and sometimes crime.²⁵ The UK Government also announced an expansion of funded childcare in England, which will not be fully implemented until September 2025. The increased funding will result in Scottish Government receiving £320m through Barnett consequential. It is critical that Scottish Government use this to improve childcare in Scotland, in line with this set of principles.

²⁵ Butler, P (2018) *"Benefit sanctions found to be ineffective and damaging"*, *The Guardian*, 22 May 2018, available at: <https://www.theguardian.com/society/2018/may/22/benefit-sanctions-found-to-be-ineffective-and-damaging>



4. Childcare in Scotland: Current provision and existing commitments

There have been a number of developments in childcare policy in Scotland in recent years. Scottish Government's flagship early learning and childcare (ELC) policy is the extension of the funded childcare entitlement from 600 to 1140 hours a year for all three- and four-year-olds, and two-year-olds who meet eligibility criteria.²⁶ Following a delay to implementation due to Covid-19, the extended funded entitlement was rolled out in August 2021. The expansion of the funded childcare entitlement has three stated policy aims:

- to improve child development and narrow the poverty-related attainment gap;
- provide more parents with the opportunity to be in work, training or study; and
- increase family resilience through improved health and wellbeing of parents and children.²⁷

While there is local variation in uptake rates²⁸, national-level data from the Scottish Government shows that 97%²⁹ of eligible three- and four-year olds

²⁶ Two-year-olds who are under local authority or kinship care, or in a low-income household are entitled to a funded childcare place.

²⁷ See Scottish Government (2022) *Best Start: Strategic early learning and school age childcare plan for Scotland 2022-26* and Scottish Government (2021) *Expansion of Early Learning and Childcare – Reinstatement of 1140 statutory duty - Fairer Scotland Duty Assessment*

²⁸ Joseph Rowntree Foundation and Save the Children (2022) *Delivering for Families? JRF and Save the Children's response to Best Start, Bright Futures*, available at: <https://www.jrf.org.uk/file/59179/download?token=7uqyQuTG&filetype=full-report>

²⁹ Children registered to receive funded ELC at more than one centre may be counted more than once, so this will slightly overestimate true uptake. Children may also attend centres outside of the local authority they live in, which would also affect these figures.

were registered for funded ELC in 2021.³⁰ A quarter (25%) of two-year-olds meet the eligibility criteria for funded ELC. The latest data for 2021 shows that around 13% of all two-year-olds were registered for funded ELC, a 4% increase on the previous year.³¹ Engagement with parents in Scotland has highlighted challenges around awareness of provision and eligibility criteria for two-year-olds.³² Knowledge of eligibility criteria and the stigma associated with the provision of childcare on a mean-tested basis may therefore be inhibiting uptake. However, of the children aged between two and five receiving funded ELC in April 2022, 97% were reported to be accessing more than 600 funded hours, and 87% were reported to be accessing the full entitlement of 1140 funded hours.³³

Further developments in Scottish Government's childcare offer were announced in the 2021/22 Programme for Government³⁴ and the Tackling Child Poverty Delivery Plan.³⁵ These commitments include the expansion of free ELC to one- and two-year-olds; building a system of school age childcare, with an expansion targeted at low-income families including single parents; and the publication of a strategic plan for childcare. Best Start: Strategic Early Learning and School Age Childcare Plan for Scotland 2022-26 was published in October 2022 and provides high-level information on the further development of the childcare offer. However, the detail of these commitments will sit in forthcoming documents, including the strategic framework for Scotland's childcare profession and the delivery framework for school age childcare, which makes it difficult to assess the effectiveness of these planned policy developments. The forthcoming Parental Transition Fund may also improve access to formal childcare for low-income families where upfront costs represent a barrier to employment, education and training³⁶.

³⁰ Scottish Government (2021) *Children, Education and Skills - Summary statistics for schools in Scotland*, available at: <https://www.gov.scot/publications/summary-statistics-schools-scotland/>

³¹ Ibid.

³² Scottish Government (2022) *Decisions influencing early learning and childcare use: understanding social policies and social contexts*, available at: <https://www.gov.scot/publications/decisions-influencing-early-learning-childcare-elc-use-scotland-understanding-social-policies-social-contexts/>

³³ Improvement Service (2022) *Early Learning and Childcare Expansion Delivery Progress Report*, available at: https://www.improvementservice.org.uk/__data/assets/pdf_file/0022/35635/ELC-Delivery-Progress-Report-May-22.pdf

³⁴ Scottish Government (2021) *A fairer, greener Scotland: Programme for Government 2021-22*, available at: <https://www.gov.scot/publications/fairer-greener-scotland-programme-government-2021-22/>

³⁵ Scottish Government (2022) *Best Start, Bright Futures: Tackling Child Poverty Delivery Plan 2022-26*, available at: <https://www.gov.scot/publications/best-start-bright-futures-tackling-child-poverty-delivery-plan-2022-26/>

³⁶ Ibid.



5. Limitations of the current system of childcare

Recent policy developments have had limited success in realising Scottish Government's ambitions around childcare and the needs of families across Scotland. 1140 hours of funded childcare still only amounts to the duration of the school year and therefore does not deliver sufficient provision to enable all women to work full-time should they need or want to. Moreover, the delivery of the funded hours at the local level is often insufficiently flexible to meet the needs of women, particularly single mothers, and their families.³⁷ Research by Scottish Government³⁸ found that of those parents who do not use all of their funded entitlement, almost a quarter (23%) of those with children aged three to five years, and a fifth (20%) with children aged two years, said they were unable to get the days/hours at their preferred setting. A recent survey by the Scottish Women's Budget Group found that, of women with children who were entitled to the 1140 hours, two thirds reported that the delivery of these hours do not cover their childcare requirements due to a lack of flexibility in delivery.³⁹ This calls into question the extent to which the 1140 hours have met the intermediate outcomes outlined in Scottish Government's strategic plan including being sufficiently flexible to meet parents' needs, and being affordable for all parents.⁴⁰

³⁷ Audit Scotland (2018) *Early Learning and Childcare*, available at: <https://www.audit-scotland.gov.uk/publications/early-learning-and-childcare>

³⁸ Scottish Government (2022) *Early Learning and Childcare – Parents' Views and Use: Survey findings 2022*, available at: <https://www.gov.scot/publications/parents-views-use-early-learning-childcare-scotland-2022/>

³⁹ Scottish Women's Budget Group (2022) *Women's experiences of childcare shared through our survey*, available at: <https://www.swbg.org.uk/news/blog/womens-experiences-of-childcare-shared-through-our-survey/>

⁴⁰ Scottish Government (2022) *Best Start: Strategic early learning and school age childcare plan for Scotland 2022-26*

Parents are struggling to access the 1140 hours in a way that enables them to enter employment.⁴¹ Engagement with parents conducted by Save the Children and Joseph Rowntree Foundation shows that nearly all parents reported an inability to flex how they accessed their funded hours. These rigid models of delivery do not align with an equally inflexible labour market and have a negative impact on the ability of mothers to start work or increase their working hours.⁴² This inflexibility has been compounded by a sharp decline in the number of childminders in Scotland, particularly in rural areas where this type of provision is essential. Care Inspectorate data shows that the number of practising childminders across Scotland declined by over a third from 2012 to 2021.⁴³

The funded entitlement has not yet negated the need for expensive top-up childcare, particularly for single parents and those who work atypical hours. While Scottish Government state that the 1140 hours have rendered top-up childcare more affordable⁴⁴, for many women the need to purchase additional hours remains an insurmountable financial barrier to education, training and employment. In Scotland, families are still paying on average £212 per week for a full-time (50 hours a week) place in a nursery for a child under three years.⁴⁵ One single parent responding to a survey by One Parent Families Scotland in 2022 said that *“childcare costs are very costly, when my child was in childcare it felt like I was working to pay that bill at the end of the month.”*⁴⁶

Financial barriers are especially pertinent for some groups of women including single mothers, parents of disabled children, disabled women

⁴¹ See Education, Children and Young People Committee papers – 15th meeting 2022, Wednesday 25th of May 2022; Joseph Rowntree Foundation and Save the Children (2022) *Delivering for Families? JRF and Save the Children’s response to Best Start, Bright Futures; Employability OPFS; Scottish Women’s Budget Group (2022) Women’s experiences of childcare shared through our survey*

⁴² Joseph Rowntree Foundation and Save the Children (2022) *Delivering for Families? JRF and Save the Children’s response to Best Start, Bright Futures*, available at: <https://www.jrf.org.uk/file/59179/download?token=7uqyQuTG&filetype=full-report>

⁴³ Goodwin, K., and Matijevic, P (2022) ‘Call for support for childminders as figures show “worrying” decline’, *The Ferret*, August 24 2022, available at: <https://theferret.scot/call-for-support-for-childminders-as-figures-show-worrying-decline/>

⁴⁴ Scottish Government (2022) *Decisions influencing early learning and childcare use: understanding social policies and social contexts*, available at: <https://www.gov.scot/publications/decisions-influencing-early-learning-childcare-elc-use-scotland-understanding-social-policies-social-contexts/>

⁴⁵ One Parent Families Scotland (2022) *Living Without a Lifeline*, available at: <https://opfs.org.uk/wp-content/uploads/2022/09/Living-without-a-lifeline-full-report.pdf>

⁴⁶ One Parent Families Scotland (2022) *Consultation Survey August 2022: Early Years, School Age and Holiday childcare*

and migrant women. Parents of disabled children face higher than average childcare costs which creates a barrier to employment and contributes to the higher rate of poverty among families with a disabled member. Three quarters of parents and carers of disabled children have reduced their hours or left their job because of difficulties accessing appropriate childcare.⁴⁷ Women in low-paid and insecure work often require childcare outside of the standard 9-5 provision. These women also face the “insecurity premium” when planning childcare around irregular shift patterns.⁴⁸ Research conducted by Close the Gap found that racially minoritised migrant women also reported that the absence of informal networks of family or friends close by to help with childcare increased the reliance on expensive formal childcare.⁴⁹

Despite the fact women’s experiences of childcare will be impacted by the multiple intersecting inequalities they face, there is a lack of intersectional data on how childcare provision is meeting the needs of different groups. Childcare is a key area of action in the Child Poverty Delivery Plan but there is a lack of data to measure how provision is meeting the needs of priority family groups. While the Commission for Childcare Reform made a number of recommendations around data relating to childcare in 2015, there has been little action to address these data gaps. Scottish Government’s recently published strategic plan contains a commitment to ensuring that policy ambitions are underpinned by robust data.⁵⁰ Similarly, the early learning and childcare expansion programme evaluation strategy also outlines action to address the lack of data in a number of key areas.⁵¹ These commitments are critical to addressing long-standing data gaps and to demonstrating how the childcare offer is meeting the needs of different groups in Scotland.

The continued lack of access to affordable full-time childcare prevents many women from entering employment. Research found that free part-time childcare has only a marginal effect on the labour market participation of mothers whose youngest child is eligible. However, by

⁴⁷ UK Parliament (2014) *Report of the parliamentary inquiry into childcare for disabled children*

⁴⁸ Living Wage Foundation (2021) *The Insecurity Complex: Low-paid workers and the growth of insecure work*

⁴⁹ Close the Gap (2019) *Still Not Visible: Research on Black and minority ethnic women’s experiences of employment in Scotland*

⁵⁰ Scottish Government (2022) *Best Start: Strategic early learning and school age childcare plan for Scotland 2022-26*

⁵¹ Scottish Government (2022) *Early Learning Childcare Expansion Programme: Evaluation strategy*, available at: <https://www.gov.scot/publications/early-learning-childcare-expansion-programme-evaluation-strategy/>

contrast, expanding free childcare to full-time hours leads to significant increases in labour market participation and employment of mothers.⁵² The current conceptualisation of wraparound childcare in existing policy commitments does not satisfy the needs of all parents. Childcare provision does not yet meet Scottish Government's stated aim of supporting parents into work, study or training, as the 1140 hours does not enable sufficient choice for women around managing childcare with employment.

The strategic early learning and school-age childcare plan is welcome as childcare commitments lacked specificity and coherence. The plan has a strong focus on the central importance of childcare to the Scottish Government's commitment to tackle child poverty. However, it is concerning that the plan does not reflect the broad-ranging importance of childcare to wider Scottish Government priorities, such as narrowing the gender pay gap. Recent childcare commitments, including those detailed in the Child Poverty Delivery Plan, are characterised by a lack of gender analysis and the strategic plan replicates this approach. While the plan does contain a marginal reference to the particular importance of childcare to women's employment and the promotion of gender equality, this is very far from embedding a gender mainstreaming approach. Similarly, the ELC expansion programme evaluation strategy has a focus on "parents" with limited analysis around the specific critical importance of childcare to women's economic and labour market equality.

⁵² Brewer, M., Cattan, S., Crawford, C., and Rabe, B (2022) 'Does more free childcare help parents work more?', *Labour Economics*, volume 74, available at: <https://www.sciencedirect.com/science/article/pii/S0927537121001354?via%3Dihub>



6. Principles for an affordable, flexible, and accessible childcare system

The extension of the funded entitlement and wider childcare commitments are welcome. However, there is a need for further action to create a system that is high quality, affordable, flexible and accessible for all families in Scotland, including those on low incomes. The delivery of the 1140 hours and accompanying policy developments should be viewed as the starting point, rather than the end point, of reform.

The following principles develop Scotland's existing commitments to affordable, flexible and accessible childcare. They are a set of challenges and calls that are rooted in evidence. The principles should underpin a system of childcare that promotes women's socio-economic and labour market equality, advances children's rights, and addresses child poverty.

- 1. A system of childcare that puts choice for all families at the heart of provision.**
- 2. A universal funded entitlement of 50 hours per week for children aged 6 months and above that is free at the point of use for all families.**
- 3. A high-quality service which delivers positive outcomes for children and realises children's rights.**
- 4. A diverse and skilled childcare workforce that is valued, fairly paid, and gender balanced.**

- 5. Flexible delivery that enables families to access childcare when they need and want it.**
- 6. Investment in childcare should be considered as necessary infrastructure for a sustainable wellbeing economy and a good society.**
- 7. Work towards a childcare system that is not based on profit making.**
- 8. Investing in childcare is good for the economy.**

1. A system of childcare that puts choice for all families at the heart of provision.

Like the current entitlement⁵³, 50 hours a week of funded childcare should be offered on a voluntary basis with parents and carers not being mandated to take this up. There should be no obligation on families to increase their use of formal, funded childcare and they only need to access the hours they require. However, while this entitlement is not necessary for all families, these additional funded hours should be available for those who need or want them. 50 hours a week of flexible childcare would extend the principle of choice to all families, regardless of income, ensuring that women on low incomes have equal access to full-time childcare. School age childcare should also be offered on a universal basis so that all families can access this service when they need it.

In its final report, the Commission on Childcare Reform stated that “choice should be made by parents based on their own views and circumstances” and acknowledged that the state should make it easier for parents to make that choice.⁵⁴ At present, the childcare marketplace does not yet adequately or equitably support parental choice.⁵⁵ The Commission stipulated that “when high-quality childcare is only accessible to, or affordable by, relatively well-off families, it can exacerbate poverty and other inequalities”.⁵⁶ This remains pertinent as the 1140 hours has not provided low-income families with choice around how they balance employment with childcare.

⁵³ Education, Children and Young People Committee papers – 15th meeting 2022, Wednesday 25th of May 2022

⁵⁴ The Commission for Childcare Reform (2015) *Meeting Scotland's Childcare Challenge: The report of the Commission for Childcare Reform*

⁵⁵ Ibid.

⁵⁶ Ibid.

2. A universal funded entitlement of 50 hours per week for children aged 6 months and above that is free at the point of use for all families.

Close the Gap and One Parent Families Scotland have called for a further increase in the funded entitlement to 50 hours for children aged 6 months and above. This call has also been supported by the First Minister's National Advisory Council on Women and Girls⁵⁷, the Poverty and Inequality Commission⁵⁸, the Social Renewal Advisory Board⁵⁹, Poverty Alliance⁶⁰, and the Child Poverty Action Group⁶¹. The extension of the funded entitlement would have a number of benefits for families in Scotland, including tackling in-work poverty by enabling women to work additional hours, ensuring eligibility criteria and stigma do not function as a barrier to uptake, advancing women's equality, and reducing women's risk of poverty in the longer term.

There is a broad base of support for a funded entitlement of 50 hours. However, it is important to note an area of tension around what ultimately might be better for children. There is evidence supporting the view that children under the age of one benefit from being cared for at home by a parent, and thus that full-time formal childcare will not always be the best option. Existing structural inequalities means that it tends to be the mother on whom this caring responsibility would fall. Ensuring increased workplace flexibility, improving pay in the labour market, and flexibility in how any funded entitlement is offered are essential in tackling child poverty and allowing parents to have an element of choice in how best to create an environment that will facilitate the development of their child. It is indeed

⁵⁷ National Advisory Council on Women and Girls (2018) *2018 Report and Recommendations*, available at: <https://onescotland.org/wp-content/uploads/2021/03/2018report.pdf>

⁵⁸ Poverty and Inequality Commission (2021) *Child Poverty Delivery Plan progress 2020-2021 Scrutiny by the Poverty and Inequality Commission*, available at: <https://povertyinequality.scot/wp-content/uploads/2021/06/Child-poverty-scrutiny-report-2020-21-Report-to-Scottish-Government-22-June-2021-003.pdf>

⁵⁹ Social Renewal Advisory Board (2021) *If Not Now, When? The Social Renewal Advisory Board Report*, available at: <https://www.gov.scot/publications/not-now-social-renewal-advisory-board-report-january-2021/>

⁶⁰ Poverty Alliance (2021) *A Scotland for All of Us: Poverty Alliance 2021 Scottish Parliament Election Manifesto*, available at: <https://www.povertyalliance.org/wp-content/uploads/2021/03/A-Scotland-for-all-of-us-Poverty-Alliance-2021-Scottish-Parliament-election-manifesto.pdf>

⁶¹ Child Poverty Action Group Scotland (2021) *Early Years and Childcare: 1140 hours and beyond – MSP briefing*, available at: <https://cpag.org.uk/policy-and-campaigns/briefing/early-learning-and-childcare-%E2%80%93-1140-hours-and-beyond-msps-briefing>

the case that increasing both working hours and hourly rates of pay is key to tackling child poverty in Scotland.⁶² However, women face a range of gendered barriers to increasing their hours which effectively traps them in in-work poverty. Furthermore, the current devolution settlement prevents Scottish Government from taking substantive action on employment conditions, such as legislative change on flexible working, job security and low pay. Improving the affordability and availability of childcare is therefore a critical anti-poverty measure that can be taken in Scotland.⁶³ Currently, in order to balance earning with childcare, women are significantly more likely to work part-time than men.⁶⁴ This reinforces women's low pay as most part-time work is found in the lowest-paid jobs and sectors of the Scottish economy. The lack of affordable childcare provision and insufficient flexibility in the labour market also makes it difficult for women to find a job that is commensurate with their skill level, or to enter more senior roles which are less likely to be offered on a flexible basis.

An increased funded entitlement will be of greatest benefit to the low-income families, but it will also contribute to the advancement of gender equality for medium- and higher-earning households. Gendered inequalities in intra-household distribution constrains women's access to resources, and in mixed-sex households childcare costs are often set against the woman's pay. The extent of women's poverty, and therefore child poverty, is masked by household statistics, which wrongly assume an equal distribution of household income. Women's financial dependence on men increases their risk of poverty, and for victim-survivors of domestic abuse, it makes it more difficult to leave an abusive relationship. Improving access to affordable childcare will improve women's financial independence and resilience, and reduce their risk of poverty by both reducing outgoings and enabling broader access to working hours. In this way, additional funded hours bring positive longer-term benefits to women's equality by challenging gender roles and other inequalities within the home.

⁶² Joseph Rowntree Foundation (2022) *Poverty in Scotland 2022*, available at: <https://www.jrf.org.uk/report/poverty-scotland-2022>

⁶³ Resolution Foundation (2022) *Low Pay Britain 2022: Low Pay and Insecurity in the UK Labour Market*, available at: <https://economy2030.resolutionfoundation.org/reports/low-pay-britain-2022/>

⁶⁴ Scottish Government (2020) *Economy and the Labour Market: Regional Employment Patterns in Scotland*

3. A high-quality service which delivers positive outcomes for children and realises children's rights.

In the Child Poverty Delivery Plan, the Scottish Government recognises the importance of a childcare system that meets the needs of both children and those that care for them.⁶⁵ A range of evidence highlights that high-quality childcare has important benefits for children's cognitive and social development.⁶⁶ Scottish Government's strategic plan notes that the quality of services is "fundamental to children's outcomes and the provision of funded services".⁶⁷ These benefits are derived from both the child's participation in formal care and through the wider advantages of enabling parents to enter employment. There are particular benefits for children in low-income households⁶⁸ with high-quality ELC helping to close the poverty-related attainment gap, reduce inequalities and foster benefits that last throughout a child's life.⁶⁹ However, as access to ELC often remains constrained by income, children who would benefit the most from high-quality childcare are less likely to have access.⁷⁰ A recent report by Audit Scotland noted that the expansion of funded ELC has a dual role in terms of both preventing children living in poverty and reducing its impact, including tackling the poverty-related attainment gap.⁷¹ In supporting parents to enter or

⁶⁵ Scottish Government (2022) *Best Start, Bright Futures: Tackling Child Poverty Delivery Plan 2022-26*

⁶⁶ See Cooper, K., and Stewart, K (2020) *Does Household Income Affect children's Outcomes? A Systematic Review of the Evidence*; NHS Health Scotland (2018) *Child Poverty in Scotland: health impact and health inequalities*; Joseph Rowntree Foundation (2014) *Reducing poverty in the UK: A collection of evidence reviews*.

⁶⁷ See Scottish Government (2022) *Best Start: Strategic early learning and school age childcare plan for Scotland 2022-26*

⁶⁸ OECD (2017) *Starting Strong 2017: Key OECD Indicators on Early Childhood Education and Care*; Passaretta, G., Rözer, J. J., Skopek, J., van Huizen, T., and van de Werfhorst H. G (2019) *Inclusive Education and Social Support to Tackle Inequalities in Society (ISOTIS): Integrative Report (WP 1) Lessons and Policy Implications*

⁶⁹ See Fawcett (2022) *Childcare and early education systems: A comparative literature review of liberal welfare states*, available at: <https://www.fawcettsociety.org.uk/Handlers/Download.ashx?IDMF=88773740-12ac-40d8-9921-217f3228363d>; Women's Budget Group (2020) *Childcare and gender*, available at: <https://wbg.org.uk/analysis/uk-policy-briefings/2019-wbg-briefing-childcare-and-gender/>; IPPR Scotland (2022) *Universal Basic Services: Building Financial Security in Scotland*, available at: https://www.ippr.org/files/2022-03/1646753753_universal-basic-services-scotland-march-22.pdf and Institute for Fiscal Studies (2014) *The economic effects of pre-school education and quality*, available at: <https://ifs.org.uk/publications/economic-effects-pre-school-education-and-quality>

⁷⁰ Women's Budget Group (2020) *Childcare and gender*, available at: <https://wbg.org.uk/analysis/uk-policy-briefings/2019-wbg-briefing-childcare-and-gender/>

⁷¹ Audit Scotland (2022) *Tackling Child Poverty Briefing*, available at: https://www.audit-scotland.gov.uk/uploads/docs/report/2022/briefing_220922_child_poverty.pdf

progress in work, greater availability of childcare also assists in increasing household incomes which stands to improve child outcomes further still.⁷² Data from the Growing Up in Scotland survey, analysed at the University of Edinburgh⁷³, shows that children whose mother is a single parent are less at risk of severe socio-emotional problems if their mother is in work. The beneficial effects associated with employment are particularly pronounced for children whose mothers work full-time, and for those whose mothers work in intermediate- or higher-status occupations (such as clerical or professional occupations).

Funded childcare also makes a direct contribution to reducing household costs which can lessen the risk of poverty and promote family wellbeing. For example, Scottish Government estimates that if eligible families were to purchase the 1140 hours of funded childcare provided by the Scottish Government, it would cost them around £5,000 per eligible child per year.⁷⁴ An expanded funded entitlement would further reduce the financial burden on families.

The incorporation of the UN Convention of the Rights of the Child (UNCRC) into Scots law through the UNCRC Incorporation (Scotland) Bill provides an important opportunity to realise children's rights. Children's rights advocates have highlighted the potential of incorporation to make transformative progress on tackling poverty.⁷⁵ UNCRC also provides a legal framework to lever the delivery of good-quality funded childcare services which meet the needs of all children and families, irrespective of income.⁷⁶

⁷² IPPR Scotland (2022) *Universal Basic Services: Building Financial Security in Scotland*, available at: https://www.ippr.org/files/2022-03/1646753753_universal-basic-services-scotland-march-22.pdf and Scott, E., and Scobie, G (2015) *Evidence briefing on the impact of out of school care*.

⁷³ Fiori, F (2020) *Briefing paper: Living with a lone mother in Scotland. Do children fare better if mothers are in work?*, available at: <https://www.understanding-inequalities.ac.uk/publications-and-outputs/briefing-paper-living-with-a-lone-mother-in-scotland-do-children-fare>

⁷⁴ Scottish Government (2022) *Best Start: Strategic early learning and school age childcare plan for Scotland 2022-26*

⁷⁵ Children in Scotland (2019) *UNCRC incorporation 'to the max' is right and welcome*, available at: <https://childreninscotland.org.uk/uncrc-incorporation-to-the-max-is-right-and-welcome/>

⁷⁶ For example, article 27 provides for an adequate standard of living, article 24 provides for the best possible health, article 3 provides for the best interests of the child, and article 1 provides for non-discrimination in application of the Convention including in relation to family background. See UNICEF *"How we protect children's rights"*, available at: <https://www.unicef.org.uk/what-we-do/un-convention-child-rights/>

4. A diverse and skilled childcare workforce that is valued, fairly paid, and gender balanced.

Work by the Commission for Childcare Reform concluded the primary factor that determines the quality of childcare is the staff who work with children in childcare settings.⁷⁷ Having highly-qualified staff in ELC settings is also a well-evidenced indicator of quality which leads to positive developmental outcomes for children.⁷⁸ International evidence also shows that valuing the workforce produces better outcomes for children, and highly-qualified childcare staff, with sufficient staff-to-child ratios, results in positive developmental outcomes for children.⁷⁹ Scottish Government's strategic plan notes that the quality of service is determined by a range of factors including staffing levels and aspects of their working conditions, staff qualifications and staff development.⁸⁰ Despite this, the ELC workforce is undervalued and underpaid. Improving the status and pay of the workforce is critical to closing the gender pay gap, meeting demand for labour in the sector, and improving children's outcomes.

Women account for 96% of the ELC workforce in Scotland.⁸¹ The low pay associated with childcare is driven by the sector-wide undervaluation of the predominantly female workforce, and is a central cause of the sector's recruitment and retention problem. In economics, the undervaluation of "women's work" means that there is evidence of lower returns to women's productive characteristics, which means that will get less pay for investing in new skills.⁸² The undervaluation of the childcare workforce is sustained by

⁷⁷ The Commission for Childcare Reform (2015) *Meeting Scotland's Childcare Challenge: The report of the Commission for Childcare Reform*

⁷⁸ See Scottish Government (2022) *Early Learning and Childcare Expansion Programme: Evaluation Strategy*; Fawcett (2022) *Childcare and early education systems: A comparative literature review of liberal welfare states*, available at: <https://www.fawcettsociety.org.uk/Handlers/Download.ashx?IDMF=88773740-12ac-40d8-9921-217f3228363d> and Siraj, I., and Kingston, D (2015) *An independent review of the Scottish early learning and childcare workforce and out of school care workforce*

⁷⁹ Fawcett (2022) *Childcare and early education systems: A comparative literature review of liberal welfare states*, available at: <https://www.fawcettsociety.org.uk/childcare-and-early-education-systems>

⁸⁰ Scottish Government (2022) *Best Start: Strategic early learning and school age childcare plan for Scotland 2022-26*

⁸¹ Scottish Government (2021) *International Mechanisms to Revalue Women's Work: Research Exploring and Evaluating International Mechanisms that Aim to Revalue or Result in the Revaluation of Women's Work*

⁸² Grimshaw, D., and Rubery, J (2007) *Undervaluing Women's Work, Equal Opportunities Commission*

stereotypes around gender roles and assumptions and women’s and men’s capabilities and interests. There is a widespread assumption that caring and other unpaid work done in the home is better suited to women because historically it has been their role. This drives the undervaluation of this work when it is done in the labour market, with the idea that women are intrinsically more caring used to justify the low pay attached to care work in the labour market. Women’s perceived job satisfaction is often viewed as a substitute for fair pay.⁸³ Despite evidence that the earliest years see the most rapid development in the human brain than at any other period in the life course, those who work with children at this critical stage generally have the lowest level of qualification and the worst pay and conditions in the children and young people’s workforce.⁸⁴

The Independent Review into the Scottish ELC Workforce found that staff retention across the sector has been an abiding issue.⁸⁵ In a recent survey, 71% of ELC providers reported facing recruitment challenges and 62% faced “significant challenges” in retaining staff.⁸⁶ These challenges have serious implications for the quality of childcare provision. Reflective of the variable pay and terms and conditions that exist across the childcare sector, the recruitment and retention challenge is particularly acute in the private, voluntary and independent (PVI) sector.⁸⁷ The delivery of the 1140 hours has heightened competition for staff, with increasing reports of staff leaving PVI providers to enter local authority settings for financial security and better terms and conditions.⁸⁸ Given the well-established links between the workforce and the quality of care delivered, increasing workforce challenges in the PVI sector may further entrench the reported gap in quality between local authority nurseries and settings delivered in partnership with the local authority.⁸⁹

⁸³ See Education, Children and Young People Committee papers – 15th meeting 2022, Wednesday 25th of May 2022, and Folbre, N (2012) *Should Women Care Less? Intrinsic Motivation and Gender Inequality*

⁸⁴ Siraj, I., and Kingston, D (2015) *An independent review of the Scottish early learning and childcare workforce and out of school care workforce*

⁸⁵ Ibid.

⁸⁶ Scottish Government (2021) *International Mechanisms to Revalue Women’s Work: Research Exploring and Evaluating International Mechanisms that Aim to Revalue or Result in the Revaluation of Women’s Work*

⁸⁷ Ibid.

⁸⁸ Education, Children and Young People Committee papers – 15th meeting 2022, Wednesday 25th of May 2022

⁸⁹ Siraj, I., and Kingston, D (2015) *An independent review of the Scottish early learning and childcare workforce and out of school care workforce*

While terms and conditions are typically better within local authority providers, low pay remains a key challenge across the sector. If more men are to work in the ELC sector, which is necessary to reduce occupational segregation and meet staffing requirements, there needs to be an economic imperative to do so. This requires appropriately remunerated jobs with clear progression pathways as evidence that it is a good career choice. Prior to the expansion, the vast majority (over 80%) of childcare professionals delivering funded ELC were paid below the real Living Wage⁹⁰, and Scottish Government has committed to pay the real Living Wage to all childcare workers delivering the 1140 hours. This is a positive step, but this commitment does not go far enough. Research by Scottish Government in 2021 found that over 88% of private and third sector providers delivering funded ELC planned to pay all staff in their setting, not just those delivering the 1140 hours, the real Living Wage from August 2021. Scottish Government should gather data from providers to measure the extent to which this has been implemented in practice. The national funding model should enable all ELC providers in partner settings to pay the Living Wage to all ELC staff, not just those delivering the funded entitlement. In addition, payment of the Living Wage alone is inadequate to address the sector-wide undervaluation. Given the inextricable link between the workforce and service quality, Scottish Government should commit to a more ambitious target around pay. Sectoral collective bargaining in the sector would support improvements to pay and terms and conditions.

Action on pay and terms and conditions should be accompanied by wider action to diversify the ELC workforce. Women comprise 96% of the ELC workforce and are relatively young, although the average age of workers in the private sector (28 years) is significantly lower than in the public sector (40 years).⁹¹ This reflects the loss of private provider staff to the public sector to access better terms and conditions and career development opportunities.⁹² Data from the Scottish Social Services Council shows that disabled people are vastly under-represented in the childcare workforce and only 2% of the ELC workforce identify as being from a mixed, black or Asian ethnic

⁹⁰ Scottish Government (2022) *Best Start: Strategic early learning and school age childcare plan for Scotland 2022-26*

⁹¹ Scottish Social Services Sector (2022) *Report on 2021 workforce data*, available at: <https://data.sssc.uk.com/images/WDR/WDR2021.pdf>

⁹² Skills Development Scotland (2017) *Skills Investment Plan: Prospectus for Scotland's early learning and childcare sector*, available at: <https://www.skillsdevelopmentscotland.co.uk/media/43127/early-learning-and-childcare-sip-digital.pdf>

minority group.⁹³ Close the Gap's research with racially minoritised women found that one third of survey respondents reported that a lack of cultural diversity, specifically the under-representation of racially minoritised people among childcare staff, and a lack of cultural sensitivity in service delivery prevents them from using paid-for childcare services.⁹⁴ In helping to create a culturally-competent ELC service, improving the diversity of the workforce would have benefits for the quality of childcare and the ability of ELC settings to meet the needs of all children. However, workforce diversity alone will not deliver equality-competent services. Building capacity in the workforce in key areas such as gender norms and stereotypes, anti-racist practice, and human rights incorporation will also be necessary to ensure good quality service delivery.

Scottish Government's strategic plan for childcare says very little about the ELC workforce. It highlights that the daycare of children workforce has grown by 34% since 2011, reflecting the expansion over this period. At the same time, childminding services have declined by 29% between 2016 and 2021. It is also noted that the number of staff with degree-level qualifications has increased by 29% between 2017 and 2021. Increasing the proportion of skilled and qualified staff in the sector is welcome, but there remains a lack of action to ensure that those skills and qualifications are appropriately valued and remunerated. There is also a lack of detail on how workforce challenges, including recruitment and retention issues, will be addressed, and no recognition that the undervaluation of the workforce is driven by gender. Instead, action on the workforce will be detailed in the forthcoming Strategic Framework for Scotland's Childcare Profession. Scottish Government notes that this framework will include "a range of actions that will support a sustainable, diverse, highly skilled workforce to serve the whole childcare sector" and the Government will "strive for professionals to be valued and recognised for their crucial role in providing the highest quality learning and care".⁹⁵

In order to meet these ambitions, the strategic framework should set out

⁹³ Scottish Social Services Sector (2022) *Report on 2021 workforce data*, available at: <https://data.sssc.uk.com/images/WDR/WDR2021.pdf>

⁹⁴ Close the Gap (2019) *Still Not Visible: Research on Black and minority ethnic women's experiences of employment in Scotland*

⁹⁵ Scottish Government (2022) *Best Start: Strategic early learning and school age childcare plan for Scotland 2022-26*

action to improve the status, pay, and terms and conditions of the ELC workforce, including more ambitious targets on pay which go beyond the real Living Wage, increasing the qualification requirements for early-years staff, and the introduction of national terms and conditions. These actions will enable ELC employers to attract and retain a quality workforce, which will ultimately improve the quality of childcare in Scotland with far-reaching benefits to children's outcomes.

5. Flexible delivery that enables families to access childcare when they need and want it.

One of the fundamental challenges at the heart of the childcare debate is how to deliver flexible high-quality childcare that is affordable or free at the point of use for families, and does not impact the sustainability of providers. Parents have consistently reported that they need childcare that is available at the times that they need it, and is responsive to their work patterns. Many parents work outwith "regular" working hours, and many have variable working hours.

Over the years, One Parent Families Scotland and other third sector providers have delivered a range of childcare services to attempt to plug the gaps in mainstream childcare provision, for example, childcare at home/sitter services. While this has supported parents who lived in the local areas where funding for these services were available, it has not been as part of a comprehensive national programme to make childcare flexible.

A model of flexible daycare was developed and tested by One Parent Families Scotland and is now delivered through Flexible Childcare Services Scotland. Early evaluations of the service showed how vital it is for parents to be able to study, secure work, increase their hours and progress in work.⁹⁶ The adoption of this approach in delivering 50 hours of childcare in each local authority, tailored to local demographics, would provide a lifeline for families on low incomes.

⁹⁶ One Parent Families Scotland (2017) *Families House: Flexible daycare – the social impact of a family-friendly approach to childcare*, available at: <https://opfs.org.uk/wp-content/uploads/2020/01/Families-House-flexible-daycare-2016-17.pdf>, and One Parent Families Scotland (2018) *Flexible Childcare Service Scotland: Our social impact 2017/18*, available at: https://opfs.org.uk/wp-content/uploads/2020/02/OPFS_Social_Impact_Report_2017-18.pdf

Research by Flexibility Works and Flexible Childcare Services Scotland demonstrates how flexible working patterns and flexible childcare are key to distancing families from poverty⁹⁷. Key findings from the research suggest:

- A flexible childcare setting is vital for helping parents in lower-income households to navigate the ongoing demands of paid work and childcare. It allows parents with unpredictable or fluctuating working patterns to find childcare that suits their individual needs, at the same time as minimising their childcare costs and maximising the time they spend with their children.
- Flexibility at work and flexible childcare are essential to help parents in low-income households, particularly women, remain in employment after having children.
- Employers should focus on how they can better support employees whose work flexibility is limited because of the nature of their role, particularly those who work irregular shift patterns and who therefore experience additional challenges in organising childcare.

6. Investment in childcare should be considered as necessary infrastructure for a sustainable wellbeing economy and a good society.

Covid-19 highlighted the importance of childcare and social care infrastructure to women's ability to sustain employment, and to the wider economy. The closure of schools and nurseries exacerbated gendered patterns of unpaid childcare. Childcare and social care is critical infrastructure which enables women's labour market participation, and is a necessary step in realising women's wider economic equality.⁹⁸ However, mainstream economics frames spending on caring professions as current consumption, as opposed to capital investment, while unpaid care is not

⁹⁷ Flexibility Works and Flexible Childcare Services Scotland (2021) *Exploring parents' experiences of flexible working and flexible childcare in lower income households*, available at: https://www.fcsc.org.uk/wp-content/uploads/2022/05/Exploring-parents-experiences-of-flexible-working-and-flexible-childcare-in-lower-income-households_FINAL-2.pdf

⁹⁸ Close the Gap and Engender (2020) *Gender and Economic Recovery*

included at all.⁹⁹ Evidence from Scotland¹⁰⁰ and internationally¹⁰¹ finds that investment in care infrastructure stimulates job creation, community regeneration, and increased opportunities for under-employed women.¹⁰²

Despite the significance of the care economy to women's equality, it continues to be overlooked in economic policymaking in Scotland. The National Strategy for Economic Transformation does not engage with care or its importance to the economy.¹⁰³ Care is also not designated a key growth sector of the Scottish economy. Instead, Scottish Government's economic policy continues to focus on male-dominated sectors such as energy, manufacturing, financial and business services, and life sciences. Similarly, despite evidence from the UK Women's Budget Group¹⁰⁴ showing that investment in care is less polluting than equivalent investment in construction and would produce 2.7 times as many jobs, care work is not identified as a "green job" by Skills Development Scotland¹⁰⁵. There is also no mention of the care economy in the Climate Emergency Skills Action Plan.¹⁰⁶ In Scottish Government's wider work on the transition to net zero, little consideration has been given to opportunities to implement large scale investment in all forms of green social infrastructure, including childcare and social care, and the importance of this. In its initial report¹⁰⁷, the second Just Transition Commission highlights the

⁹⁹ Waring, M (1988) *If Women Counted: A New Feminist Economics*

¹⁰⁰ Lapniewska, Z (2016) *Growth, Equality and Employment: Investing in Childcare in Scotland*, WiSE Research Centre

¹⁰¹ De Henau, J., Himmelweit, S., Lapniewska, Z., and Perrons, D (2016) *Investing the Care Economy: A gender analysis of employment stimulus in seven OECD countries, Report for the UK Women's Budget Group for the Internal Trade Union Confederation*, ITUC Research Centre

¹⁰² Lapniewska, Z (2016) *Growth, Equality and Employment: Investing in Childcare in Scotland*, WiSE Research Centre

¹⁰³ Scottish Government (2022) *National Strategy for Economic Transformation*, available at: <https://www.gov.scot/publications/scotlands-national-strategy-economic-transformation/>

¹⁰⁴ De Henau, J., Himmelweit, S., Lapniewska, Z., and Perrons, D (2016) *Investing the Care Economy: A gender analysis of employment stimulus in seven OECD countries, Report for the UK Women's Budget Group for the Internal Trade Union Confederation* ITUC Research Centre

¹⁰⁵ Rubio, C., Jeisson, C. W., and Anderson, P (2022) *Green Jobs in Scotland: An inclusive approach to definition, measurement and analysis*, available at: <https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/climate-emergency-skills-action-plan-implementation-plan/green-jobs-in-scotland/>

¹⁰⁶ Skills Development Scotland (2020) *Climate Emergency Skills Action Plan*, available at: <https://www.skillsdevelopmentscotland.co.uk/media/47336/climate-emergency-skills-action-plan-2020-2025.pdf>

¹⁰⁷ Scottish Government (2022) *Making the Future: Initial report of the 2nd Just Transition Commission*, available at: <https://www.gov.scot/publications/making-future-initial-report-2nd-transition-commission/documents/>

importance of high-quality social infrastructure to a just transition, and notes that investment in social infrastructure has many positive multiplier effects including tackling the systemic inequality experienced by women and other marginalised groups. The Commission makes a number of recommendations around investing in social infrastructure including improving terms and conditions of social infrastructure workers. At the time of writing, Scottish Government had not yet responded to the Commission's report.

Investment in childcare should be considered as necessary infrastructure for a sustainable wellbeing economy and a good society. Spending on childcare and care should be viewed as infrastructure investment as it is an enabler of paid work, but it also supports the realisation of women's equality and rights, and children's rights.¹⁰⁸ It is of particular economic and social benefit to the poorest families, including those headed by single mothers.¹⁰⁹ Designating childcare, alongside social care, as priority sectors would drive the policy focus and allocation of resources necessary to grow these sectors, and address the systemic undervaluation of "women's work" by reorientating strategic focus to women's position in the economy as workers and as carers.

7. Work towards a childcare system that is not based on profit making.

In the longer term, provision of ELC in Scotland should be run on a not-for-profit basis with services being delivered by local authorities and the third sector. This is critical to securing the longer-term sustainability of the sector and ensuring that parents have access to high-quality services, regardless of their income, and where they stay in Scotland.

International evidence finds that not-for-profit childcare providers offer higher-quality services and greater cognitive and social developmental

¹⁰⁸ See: De Henau, J., Himmelweit, S., Lapniewska, Z., and Perrons, D (2016) *Investing in the Care Economy: A gender analysis of employment stimulus in seven OECD countries*, International Trade Union Confederation, available at: https://www.ituc-csi.org/IMG/pdf/care_economy_en.pdf and Lapniewska, Z (2016) *Growth, Equality and Employment: Investing in Childcare in Scotland*, WISE Research Centre, Glasgow Caledonian University, available at: <https://www.gcu.ac.uk/wise/media/gcalwebv2/theuniversity/centresprojects/wise/98178%20WISE%20BRIEFING%20PAPER%204%20August.pdf>

¹⁰⁹ Women's Budget Group (2020) *Childcare and gender*, available at: <https://wbg.org.uk/analysis/uk-policy-briefings/2019-wbg-briefing-childcare-and-gender/>

outcomes for children than their for-profit counterparts¹¹⁰. The marketisation of childcare provision risks the growth of a two-tier system, with less access to the highest-quality childcare in the most deprived areas. Large private nursery chains often have an explicit strategy of targeting more affluent residential areas for expansion, whereas more deprived areas tend to be dominated by smaller, short-lived nursery businesses.¹¹¹ This is compounded by providers in the most deprived areas being more reliant on the hourly rate received from government, with less income being received via top-up fees from parents purchasing additional hours.¹¹² Before the pandemic, 17% of nurseries in the poorest parts of the UK were facing closure.¹¹³ Given the link between quality of service and children's outcomes, the disparity in the system is likely to have negative implications for child development in the most disadvantaged areas of Scotland.

It is estimated that the for-profit childcare market in the UK is worth £5.5 billion.¹¹⁴ However, there is a lack of transparency in how public money is being spent in these settings with limited information on the operation of private sector providers.¹¹⁵ Within the social care sector, some private sector providers have undertaken large scale expansions by accumulating high levels of debt.¹¹⁶ This has increased the volatility of the sector by increasing the vulnerability of providers to collapse, with clear implications for service

¹¹⁰ Fawcett (2022) *Childcare and early education systems: A comparative literature review of liberal welfare states*, available at: <https://www.fawcettsociety.org.uk/Handlers/Download.ashx?IDMF=88773740-12ac-40d8-9921-217f3228363d>

¹¹¹ Penn, H (2018), 'Why parents should fear childcare going the way of Carillion', *The Guardian*, 14th May 2018, available at: <https://www.theguardian.com/commentisfree/2018/may/14/parents-carillion-childcare-collapse-nursery-provider>

¹¹² See McBain, S (2020) 'Why Britain's childcare system is on the brink of collapse', *New Statesman*, 22 September 2022, available at: <https://www.newstatesman.com/long-reads/2020/09/why-britains-childcare-system-brink-collapse> and Penn, H (2018) "Why parents should fear childcare going the way of Carillion", *The Guardian*, 14th May 2018, available at: <https://www.theguardian.com/commentisfree/2018/may/14/parents-carillion-childcare-collapse-nursery-provider>

¹¹³ London School of Economics (2019) *'Free Childcare: the party manifestos and the extensive privatisation of childcare'*, available at: <https://blogs.lse.ac.uk/politicsandpolicy/free-childcare-pledges-ge2019/>

¹¹⁴ Ibid.

¹¹⁵ Ibid.

¹¹⁶ See McBain, S (2020) 'Why Britain's childcare system is on the brink of collapse', *New Statesman*, 22 September 2022, available at: <https://www.newstatesman.com/long-reads/2020/09/why-britains-childcare-system-brink-collapse>, and Penn, H (2018) "Why parents should fear childcare going the way of Carillion", *The Guardian*, 14th May 2018, available at: <https://www.theguardian.com/commentisfree/2018/may/14/parents-carillion-childcare-collapse-nursery-provider>

users. There appear to be risks for the sustainability of the childcare sector in similar expansions and take-overs.

Private sector childcare providers are also associated with poorer rates of pay and poorer terms and conditions for staff.¹¹⁷ While there is a lack of data on the childcare sector, research by the Scottish Trade Union Congress into social care found that privately-owned care homes spend 58% of their revenue on staffing, compared to 75% in not-for-profit care homes. In addition, over the last six years, the public sector has paid on average £1.60 more per hour to care workers than other sectors.¹¹⁸

A childcare system which is not based on profit making would be accountable to the families and children it serves, its broader community and its funders. This accountability is key to ensuring that the principles of quality, accessibility and affordability are equally prioritised. In the longer term, this model is critical to realising a number of the principles outlined in this paper including a fairly-paid workforce, choice for all families, and a high-quality service which delivers positive outcomes for children.

8. Investing in childcare is good for the economy.

The Commission on Childcare Reform stated in its final report in 2015 that “even in a period of constrained public finances, it is essential that we make concerted progress.”¹¹⁹ This sentiment is particularly relevant in the current context of a severe cost of living crisis in which women, especially single parents, are being disproportionately affected. Women and men had different levels of economic wellbeing before Covid-19, and this has been deepened by the pandemic. Equality must be core to economic recovery, with a focus on rebuilding and transforming the economy to realise women’s equality in the labour market, and in wider society.¹²⁰

Investment in childcare infrastructure is good for the economy and is a stimulus for growth. There is evidence of a strong return on investment with

¹¹⁷ London School of Economics (2019) *Free Childcare: the party manifestos and the extensive privatisation of childcare*, available at: <https://blogs.lse.ac.uk/politicsandpolicy/free-childcare-pledges-ge2019/>

¹¹⁸ Scotland’s Trade Union Congress (2022) *Scotland’s Social Care Rip Off - Why Scotland Can’t Afford Privatised Social Care*, available at: <https://stuc.org.uk/media-centre/news/1659/scotland-s-social-care-rip-off-why-scotland-can-t-afford-privatised-social-care>

¹¹⁹ The Commission for Childcare Reform (2015) *Meeting Scotland’s Childcare Challenge: The report of the Commission for Childcare Reform*

¹²⁰ Close the Gap and Engender (2020) *Gender and Economic Recovery*

data from Canada finding that every dollar invested in childcare generated between \$1.50 and \$2.80 in return for the economy.¹²¹ A key factor in the strong return on investment is that childcare enables women to enter employment. Analysis by Close the Gap found that the cost of women's labour market inequality in Scotland is £17 billion a year.¹²² Effective utilisation of women's skills is a catalyst for economic growth. Higher female labour market participation contributes to increased economic growth and reduced rates of poverty, including child poverty. The positive impact of high-quality ELC on closing the poverty-related attainment gap also prevents the need for more costly interventions in the future. Analysis from the Centre for Progressive Policy estimates that if women had access to adequate childcare services, and were able to work the hours they wanted, they would increase their earnings by between £7.6bn and £10.9bn per annum, generating up to £28.2bn in economic output per annum.¹²³ Women increasing their earnings would translate into greater tax revenue for the Government, stimulate economic activity, and lower benefit spending.¹²⁴

¹²¹ Calver, T (2022) 'Held Back: the mothers who can't afford to return to work' *The Times*, 5th June 2022, available at: <https://www.thetimes.co.uk/article/held-back-the-mothers-who-cant-afford-to-return-to-work-r5r3k9bxl>

¹²² Close the Gap (2016) *Gender Equality Pays: The economic case for addressing women's labour market inequality*

¹²³ Centre for Progressive Policy (2022) *Women in the labour market boosting mothers' employment and earnings through accessible childcare*, available at: <https://www.progressive-policy.net/downloads/files/PPP-report-women-in-the-labour-market-Oct-2021-2.pdf>

¹²⁴ Ibid.



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