

## Project scope

# Early learning and childcare



ACCOUNTS COMMISSION 

AUDITOR GENERAL 

Prepared by Audit Scotland  
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The Scottish Government has committed to improving and increasing high quality, flexible early learning and childcare (ELC) which is accessible and affordable for all children and families. Its priorities are:

- improving outcomes for children, especially those who are more vulnerable or disadvantaged
- supporting parents to work, train or study, especially those who need routes into sustainable employment and out of poverty.

The Children and Young People (Scotland) Act 2014 (the Act), made changes to ELC provision in Scotland. From August 2014, entitlement to ELC rose from 475 hours per year to 600 hours per year (around 16 hours per week during term time) for three and four year olds and 15 per cent of two year olds. This was extended to 27 per cent of two year olds from August 2015.<sup>1</sup> There are plans to increase this entitlement to 1,140 hours per year (about 30 hours per week during term time) by 2020.

<sup>1</sup> Two year olds are eligible if they are looked after, have a kinship care order, a parent appointed guardian or their parent receives qualifying benefits. The range of qualifying benefits increased in August 2015.

## Why is this audit important?

ELC is important for supporting young children to develop their potential. The Scottish Government has emphasised ELC should nurture, care and develop children's social and emotional abilities, physical and cognitive skills and wellbeing. Widening access to ELC is part of the Scottish Government's policy to reduce the attainment gap for children currently living in poverty or experiencing deprivation. Access to affordable ELC is also important for enabling parents to continue to work, study or train, which may impact on Scotland's economically active workforce.

In 2014/15, councils reported spending about £346 million<sup>2</sup> on pre-primary education. The increase in entitlement to 1,140 hours will have a financial impact on councils. It will also require councils to assess demand, and commission and provide flexible services to better meet parents' needs. There are also potential challenges for councils, private and third-sector ELC providers in expanding the workforce and extending buildings and facilities.

## What will the scope of the audit be?

The overall aim of the initial audit is to answer the question: How effectively are the Scottish Government and councils working together to improve outcomes for children and support parents by expanding access to funded ELC?

Our audit will look at:

- What are the objectives of, and evidence underpinning, the policy of increased public funding of ELC, and how does this link with wider Scottish Government policy goals?
- How effectively are the Scottish Government and councils working together to deliver the policy objectives of expanding funded hours of ELC, and how are they assessing the cost and impact?
- How is 600 hours of ELC being implemented locally and what are the views of parents and carers about the impact it has on their lives?
- What are the main challenges around expanding provision to 1,140 hours and are there plans in place to address these?

2 This is gross expenditure from local financial returns.

Outcomes for children can only be assessed over the longer term, as the child develops. Our audit will not be able to look at longer-term outcomes, such as performance at school, but it will look at the more immediate impact on families. It will not assess the quality of the funded ELC that is being provided, but it will comment on how this is assessed by the Care Inspectorate and Education Scotland, and how councils use this information. This audit is focused on publicly funded provision of ELC for children who are under school age and it will not include childcare for children who are at school, such as after-school care.

## How will we carry out the audit?

We will use a range of methods including analysing data, reviewing documents and conducting interviews. Our fieldwork will involve the Scottish Government, a small sample of councils and umbrella organisations, private and third-sector nursery providers and childminders. We will review research evidence from Scotland, the UK and other countries. An important part of the audit is assessing the impact on families and we will engage with people from a range of backgrounds and with different needs. The views of parents and carers have informed our initial scoping, and we collected these through an online survey.

## What impact will the audit have?

Our audit will provide an independent assessment of progress with expanding ELC. It will also assess the cost of the expansion and the impact on families, councils and other service providers. An important focus will be on the lessons that can be learnt as changes are implemented. We will also focus on the risks and challenges as the Scottish Government and councils work on further expansion. We anticipate undertaking further audit work to assess the longer-term implementation and impact of this important policy.

## Audit timetable and contacts

We plan to publish a report in autumn/winter 2017. Audit Scotland is carrying out the work on behalf of the Auditor General for Scotland and the Accounts Commission. If you have any questions, please get in touch with Shelagh Stewart, Audit Manager, on 0131 625 1812 or at [sstewart@audit-scotland.gov.uk](mailto:ssewart@audit-scotland.gov.uk) .



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN  
T: 0131 625 1500 E: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)   
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) 

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