

Audit scope

Early learning and childcare

Progress report on delivery of 1,140 hours expansion

ACCOUNTS COMMISSION 

AUDITOR GENERAL 

Prepared by Audit Scotland

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Background

The Scottish Government has committed to providing high-quality, flexible early learning and childcare (ELC) that is accessible and affordable for all families. The expansion to 1,140 hours of funded ELC for three- and four-year-olds and eligible two-year-olds is primarily intended to deliver the best outcomes for children, particularly those who are the most vulnerable or disadvantaged, and help close the poverty-related attainment gap.¹ The expansion is also intended to promote greater choice and flexibility for parents and carers in how they access the funded entitlement.

The Scottish Government has emphasised that providing high-quality ELC will be necessary to achieve the desired outcomes for children. Funded ELC is provided in councils' own settings, by private and third sector providers and by childminders.

From August 2021, entitlement for funded ELC almost doubled from 600 to 1,140 hours per year (equivalent to around 30 hours per week during school term time). This expansion was initially planned to take effect from August 2020, but the impact of the Covid-19 pandemic meant it was delayed by a year.

The Scottish Government and councils agreed a multi-year settlement to fund the expansion in April 2018. This provided additional annual revenue funding for ELC totalling £567 million by 2021/22. Between 2017/18 and 2020/21 the Scottish Government also provided £476 million of capital funding to councils for the expansion.

¹ Two-year-olds are eligible if they are, or ever have been since their second birthday, looked after, subject to a kinship care order, or had a parent-appointed

guardian, or if they have a parent with experience of care or a parent who receives a qualifying benefit.

Why is this audit important?

Funded ELC is a key Scottish Government policy intended to improve outcomes for children and their families and help reduce inequalities. As well as improving children's development and family wellbeing, it aims to increase parents' opportunities to take up work, training or study.

Given the scale of changes to funded ELC, we are carrying out a series of audits to understand and assess progress with the expansion and its impact. It is too early to assess the impact of the policy on outcomes for children and their families. This third audit in our series will assess the plans in place to allow the impact to be assessed in future. We plan to undertake a further audit, in the longer term, which will examine the impact of the expansion on the outcomes for children and their families.

Our previous audits, published in February 2018 and March 2020, highlighted the challenges facing the Scottish Government and councils including risks around getting enough staff and buildings in place to deliver the expansion. This third audit will examine progress with addressing these risks and delivery of the expansion.

How will we carry out this audit?

We will gather information using methods including:

- analysing data collected by the Scottish Government, the Improvement Service and the Scottish Futures Trust on delivery and cost of the expansion
- reviewing documents such as parental surveys, meeting papers of the national groups overseeing the expansion, council committee papers and published guidance
- interviews with a range of stakeholders including the Scottish Government, COSLA and bodies representing private and third sector funded providers.

What do we want to happen as a result?

The audit will provide an independent assessment of progress in addressing the key risks and delivering the expansion of funded ELC. We will make recommendations for the Scottish Government and councils if required, as they plan for further ELC expansion for younger children and childcare for school-age children, and for how they will evaluate the impact of the expansion to 1,140 hours on the intended outcomes.

Timetable

We plan to publish this audit in spring 2023.

Contact

If you have any questions, please get in touch with Rebecca Smallwood, Audit Manager, on 0131 625 1852 or at rsmallwood@audit-scotland.gov.uk

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