

Election FACT SHEET



Childcare in Scotland

Childcare is a central part of family life and critical to the economy. Early education is a crucial stage of a child's education, with the potential to improve outcomes, particularly for the most disadvantaged children. Both parents in the majority of families now work which means that both the individual parents and the economy as a whole require access to affordable, flexible childcare.

Despite the importance of childcare, the Scottish childcare system is not working:

1. Families pay more for childcare than in any other country in Europe except for Switzerland. Part-time childcare for 2 children under 5 costs more than the average mortgage. For many parents on low and middle incomes this means choosing between paying high childcare costs, reducing their hours at work or giving up their job altogether.
2. Much more free early education is offered in nursery classes in schools in Scotland, compared with England, usually in 3 hour slots, over 5 days every week, which creates difficulties for working parents, who usually need care over the full day. In some areas, where there is a shortage of places in 'partnership nurseries' in the private and not-for-profit sectors, working parents are unable to take up free early education.
3. There are big gaps in childcare provision that are more acute in Scotland than in England. Only 15% of local authorities said they had enough childcare for parents who work full-time in 2015, compared with 43% in England.

Who uses childcare?

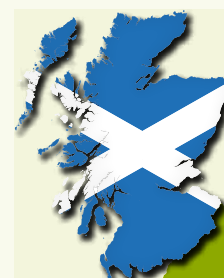
- ▶ About 75% of families with 3 year old children use childcare in Scotland and 50% pay for it.
- ▶ About 10% of 7-11 year olds use out-of-school childcare.
- ▶ As children get older they are more likely to access 'de facto' childcare such as out of school and holiday activities including hobby and sports clubs.
- ▶ Informal childcare use is higher in Scotland than in England and Wales, with at least 50% of families regularly using grandparents to provide childcare.

Who provides childcare?

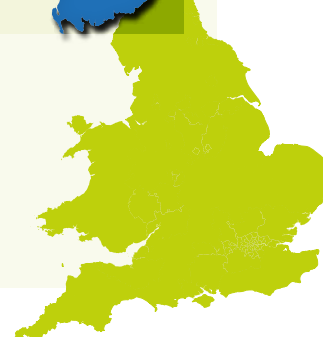
- ▶ There are about 190,000 childcare places in Scotland. These are offered in 2,400 nurseries and nursery classes in schools that offer free early education, by 350 pre-schools, 90 sessional creches, 5,700 childminders and 1,000 out-of-school clubs.
- ▶ Some 61% of nursery provision offering free early education is run by local authorities in Scotland, compared with 56% in England.
- ▶ The number of childcare places has stayed constant over the last 5 years in Scotland.
- ▶ Unlike in England, childminder numbers are not falling in Scotland, because more parents use multiple forms of childcare.

Is there enough childcare in Scotland?

- ▶ Local authorities must have a "strategic view of childcare accessibility", and also have to consult and publish plans for both under-5s and out-of-school care. These duties are outlined in the 2008 Early Years Framework and the Children and Young People (Scotland) Act 2014. Despite these legal obligations, 8 local authorities in Scotland had no data on the supply of and demand for childcare. This means they cannot effectively intervene to fill gaps.
- ▶ Just 15% of local authorities had enough childcare for working parents in 2015, compared with 23% in 2014.



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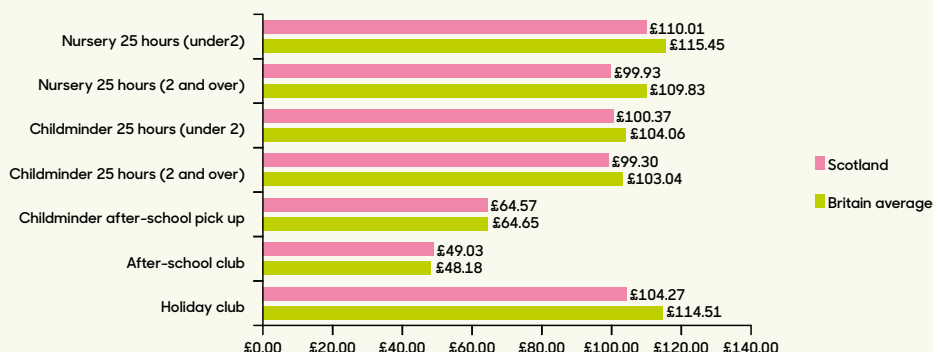


- ▶ Only 7% of local authorities had enough childcare for disabled children in 2015.
- ▶ The biggest shortages of childcare are usually in deprived neighbourhoods where it can be difficult for private and not-for-profit providers to break even and where these providers may be under-cut by subsidised public sector provision.

How much do parents pay for childcare?

- ▶ The amount each family will pay towards childcare varies widely depending on the age of their child, their family income and the amount of formal childcare they use.
- ▶ The cost of a nursery place has increased by 27% in Scotland over the course of this Parliament.

Average weekly childcare prices Scotland and Britain, 2015



What support is there for parents with the costs of childcare?

- ▶ All 3 and 4 year olds receive 600 hours per year (typically 12 hours per week over 50 weeks or 15 hours per week over 40 weeks). This was extended to 8,400 2 year old children in workless households in August 2014 and is being further extended in August 2015 to cover 2 year olds entitled to free school meals (about 27% of their age cohort).
- ▶ Tax credits cover up to 70% of the cost of childcare. Under Universal Credit, this support will be increased to 85% in April 2016.
- ▶ From autumn 2015, childcare vouchers will be superseded by the tax-free childcare scheme, in which the government tops up 20% of the cost of childcare for parents, up to £2,000 each year per child.

How much does the government spend on childcare?

The UK government spends approximately £6 billion a year on childcare on:

- ▶ Tax credits and universal credit (£1.7 billion)
- ▶ Employer supported childcare voucher (£800 million)
- ▶ Tax-free childcare scheme (£1 billion)
- ▶ Free early education, including Barnett Formula transfers to Scotland to deliver this provision. The Scottish Government spends £480 million on free early education and other support for childcare.

How could the childcare system be improved?

All parties have put forward childcare proposals, but none of these will fully answer the problems that families are facing. The Family and Childcare Trust has called for an independent review of childcare funding so that all parts of the UK can have a childcare system that delivers for children, for parents, for providers and for our economy.

Sources:

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