FAIR FUNDING FOR OUR KIDS REPORT
DELIVERY OF 600 HRS OF FREE EARLY YEARS AND CHILDCARE TO 3-5 YEAR OLDS IN 2017/18

INTRODUCTION

In 2014, the Scottish Government increased the entitlement to free childcare for 3-5 year olds from 475 to 600 free hours per year. The hours are due to increase again, to 1,140 hours a year by 2020. One of the key aims of the Scottish Government’s policy is to

“support parents to work, train or study, especially those who need help with finding sustainable employment.”

The Fair Funding for our Kids campaign was set up in 2014 by parents frustrated at being unable to access their entitlement. Many of us found that local authorities would only offer us half day places at council nurseries, and would not allow us to pay for our child to remain at that nursery for the rest of the day. This is an impossible situation for many working parents. Many of us also found that, while we could place our children in private nurseries which would take care of them for the full day, local authorities were not always prepared to fund these places, even where the nurseries were in partnership with the local authorities.
This report is based on Freedom of Information requests (FOIs) submitted to local authorities, to establish the extent of the problem. We published similar reports in 2015 and 2016.

**KEY POINTS**

- 70% of all free childcare places for 3-5 year olds in Scotland were offered in council run nurseries.
- 68% of all council nursery places for 3-5 year olds were half days only
- 48% of all nursery places in Scotland were half days only
- 16% of all nursery places are for full days in term time only
- Less than 3% of all nursery places are for full days all year round
- Over 90% of all nursery places are term time only
- Local authorities in Scotland were underfunding places in private nurseries by up to £461 per child
- 21 of Scotland’s 32 local authorities were offering an hourly rate below the national average cost of a nursery place
- 95% of half-day nursery places were term time only
- There was an increase in the number of local authorities who could not tell us how many places were offered on a half day basis
- Near total lack of data on children attending formal childcare settings but not accessing their entitlement makes it impossible to judge the success of Scotland’s childcare policy.

**METHODOLOGY**

We submitted Freedom of Information requests (FOIs) to all 32 of Scotland’s local authorities between July-September 2018. Five local authorities (East Lothian, Fife, Midlothian, South Lanarkshire and West Dunbartonshire) had not responded by the time we began analysis in September.

**MODELS OF PROVISION**

Our research has found that in 2017/18, over two-thirds of Early Years and Childcare places made available in Scotland were offered in council-run nurseries. This is a reduction from 2016, when almost three-quarters of places were in the council sector. Over two-thirds of council nursery places were for half days only, while close to half of all nursery places in Scotland were for half days. This is an improvement on 2016, when 90% of council places and 65% of all places in Scotland were offered on this basis.

However, given that parents do not normally have the option of paying for their child to remain at the same nursery for the rest of the day, this means that many parents
are being offered just over 3 hours of childcare per day, which offers little or no useful support.

The percentage of all nursery places being offered for full days (term time only) increased from 3% in 2016 to 16% in 2017/18. However, the percentage that are offered for full days, all year round, stood at 2.8% in 2017/18 compared to 1% in 2016: a tiny improvement. Of the almost 40,000 half-day nursery places reported, 95% were term time only. A half day nursery place during school term only is extremely difficult for a working family to make use of.

It’s interesting to note an increase in the number of councils who said they could not report how many places were offered on a part-time, full time, term-time only or year-round basis, because this was being done flexibly in accordance with parent demand. If parents are being given more choice then this is positive - but we believe local authorities should still record the type of places that are being taken up, to help them learn what kind of provision best suits parents.

As a result of the reliance on half-day places, many parents who work, train or study must go to the private sector to find full day childcare. All local authorities pay for funded sessions in Private, Voluntary and Independent (PVI) nurseries with whom they have entered into a partnership agreement. These settings can offer flexible childcare that meets working family’s needs, but only just under a third of all Government funded childcare places were made available in partnership settings. This figure is broadly the same as last year.

![CHART 1: CHILDCARE PROVISION ACROSS SCOTLAND](chart.png)
UNDERFUNDING OF PARTNERSHIP PLACES

Each local authority in Scotland sets its own rate for the value of a funded partnership place.

The national average rate for a nursery place for children aged three and four in Scotland, according to the Family And Childcare Trust’s annual Childcare Costs Survey 2018\(^1\), was £4.03 per hour (based on 50 hours of childcare per week).

Based on 600 hours of provision, our FOI requests reveal that 21 of Scotland’s 32 local authorities are offering an hourly rate below the national average cost.

The worst performing local authority in this regard was Dundee City where a funded partnership place was valued at £1957 for 600 hours compared to an average, based on the Family and Childcare Trust’s figures, of £2,418: underfunding of £461 per child per annum. Glasgow paid the fourth lowest rate, at £3.33 per hour.

\(^1\) Family and Childcare Trust, [Childcare Survey 2018](https://www.familyandchildcare.org.uk/childcare-costs-survey)
Just five local authorities paid more than the national average rate: Shetland Islands, Stirling, Argyll and Bute, Orkney Islands and Aberdeen City.

Note that Perth and Kinross stated it did not hold this information, so is not included in the table above.

CHILDREN ATTENDING NON-PARTNERSHIP PVI SETTINGS

Children attending PVI settings outwith the partnership scheme are unable to access their entitlement to 600 free hours of childcare. Our FOI requests have revealed that none of Scotland’s local authorities hold any data on eligible children attending Care Inspectorate registered childcare settings who are not in partnership with their local authority. This situation is unchanged since 2015.

Without this data, it is impossible to assess the number of children whose parents or carers are paying for formal childcare but who are not able to access the financial support that the Government has promised them.

CONCLUSION

Our FOI report uncovers some good news, with more places being offered on a full-day basis. We welcome this move and urge councils to move faster to phase out half-day places except where specifically requested by parents. However, over two-
thirds of council places are still provided for half-day only, with all the difficulties that presents for working parents. And over nine out of ten places are term time only. What’s more, the majority of Scotland’s councils continue to underfund nursery places by as much as £461 per child. So we are still some distance from the fully funded, flexible, child-centred system that we need. With less than two years until the entitlement is due to increase to 1,120 hours, we need a strong focus on improving our childcare sector so that it works for all families.