



OFFICIAL REPORT
AITHISG OIFIGEIL

Public Audit and Post-legislative Scrutiny Committee

Thursday 17 May 2018

Session 5



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Pàrlamaid na h-Alba

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PUBLIC AUDIT AND POST-LEGISLATIVE SCRUTINY COMMITTEE
13th Meeting 2018, Session 5

CONVENER

*Jenny Marra (North East Scotland) (Lab)

DEPUTY CONVENER

*Liam Kerr (North East Scotland) (Con)

COMMITTEE MEMBERS

*Colin Beattie (Midlothian North and Musselburgh) (SNP)

*Bill Bowman (North East Scotland) (Con)

*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

*Iain Gray (East Lothian) (Lab)

*Alex Neil (Airdrie and Shotts) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Vicki Bibby (Convention of Scottish Local Authorities)

Alison Cumming (Scottish Government)

Joe Griffin (Scottish Government)

Paul Johnston (Scottish Government)

Jane O'Donnell (Convention of Scottish Local Authorities)

CLERK TO THE COMMITTEE

Lucy Scharbert

LOCATION

The James Clerk Maxwell Room (CR4)

Scottish Parliament

Public Audit and Post-legislative Scrutiny Committee

Thursday 17 May 2018

[The Convener opened the meeting at 10:00]

Decision on Taking Business in Private

The Convener (Jenny Marra): Good morning, and welcome to the 13th meeting of the Public Audit and Post-legislative Scrutiny Committee in 2018. I ask everyone to switch off their electronic devices or to switch them to silent so that they do not affect the committee's work this morning.

Under agenda item 1, I ask the committee to agree to take items 3 and 4 in private. Do we agree to do so?

Members *indicated agreement.*

“Early learning and childcare”

10:00

The Convener: Under agenda item 2, we will take evidence as part of our inquiry into early learning and childcare. I welcome our witnesses from the Scottish Government and the Convention of Scottish Local Authorities. From the Scottish Government, we have Paul Johnston, the director-general for education, communities and justice; Joe Griffin, the director for early learning and childcare; and Alison Cumming, the programme lead for early learning and childcare. From COSLA, we have Vicki Bibby, the chief officer for finance, and Jane O'Donnell, the chief officer for children and young people.

Before we take evidence, I place on record the fact that I know Vicki Bibby in a personal capacity.

I understand that our witnesses wish to make short opening statements on behalf of the Scottish Government and COSLA.

Paul Johnston (Scottish Government): Good morning, and thank you for the opportunity to give evidence to the committee this morning.

The expansion of early learning and childcare is one of the most significant investments that the Scottish Government will make in the current parliamentary session in terms of the financial sums that are involved and the transformative potential. Our leadership and management of the programme will only be strengthened through scrutiny by and support from Audit Scotland and the Parliament.

The expansion of entitlement to funded early learning and childcare to 1,140 hours for eligible two-year-olds and for all three and four-year-olds is central to the Government's mission to give all our children the best start in life and to close the poverty-related attainment gap.

The Scottish Government and local government have worked hard to implement 600 hours of funded early learning and childcare. We are proud of what has already been achieved, although we recognise that improvements can always be made. We are applying the learning from that to the implementation of the 1,140-hour entitlement, particularly through more clearly specifying and measuring the outcomes of the expansion from the outset.

Our plans for 1,140 hours are progressing well and we remain on track. That is not to say that there are no challenges ahead of us, particularly in recruiting and training the required number of new entrants to the workforce. I am confident that we have robust programme management systems in

place that will help us to identify and manage the risks that are ahead of us in the next two years.

The agreement of a funding package with COSLA at the end of April has allowed local authorities to progress their local expansion plans without delay. It has also demonstrated exemplary collective leadership, which has been a real and encouraging feature of our work in this area. Within the Scottish Government, I recently strengthened the senior leadership of the early learning and childcare programme by the appointment of a director-level lead, Joe Griffin, who sits alongside me today. He is supported by a team of 30 colleagues from the civil service and other agencies. I am grateful to them for their focus, which is firmly on delivery and on realising the benefits of the programme.

We can implement the expansion only through positive collaboration with our partners—not only local authorities, but providers in the private and third sectors and the many bodies that support the training and development of the workforce.

The expansion is an enormous collective endeavour. It is challenging, but let us welcome the ambition and commitment to deliver improved outcomes for all Scotland's children.

Jane O'Donnell (Convention of Scottish Local Authorities): COSLA officers extend our thanks to the committee for the opportunity to provide information on the recent Audit Scotland report "Early learning and childcare". COSLA has a children and young people board, which is comprised of elected members from all 32 local authorities. The board and the COSLA leaders forum have oversight of the policy work surrounding the early learning and childcare services that are delivered by local authorities and partners across Scotland. I am the lead officer for the policy side and my colleague Vicki Bibby is the lead officer for local government finance.

COSLA is clear that, in all areas of delivering children's services, our focus remains on the principles of getting it right for every child and on fully embodying the Christie commission's vision of a whole system working together on early intervention and prevention strategies via the provision of high-quality public services.

The report from Audit Scotland offers an important opportunity to reflect on the work that has been done so far in partnership between the Scottish Government, local government and other partners, as well as to identify some useful points for the expansion. The report shows that councils remain by far the main guarantors of quality of learning, and it recognises that we have been expanding the flexibility of our provision since the 600 hours implementation date of August 2014. That is a testament to the efforts by councillors

and local government officers to keep children at the centre of all our decision making.

Following the successful delivery of the 600 hours policy, the Care Inspectorate has reported that over 95 per cent of local authority establishments receive good or better inspection reviews. In addition, many councils have been increasing the offer to children and young people, with additional hours and flexibility offered locally.

The expansion of free early learning and childcare to 1,140 hours by 2020 is no doubt a significant and challenging area of work. However, it is a once-in-a-lifetime opportunity to make a difference to the lives of our youngest children, and COSLA has supported the Scottish Government's policy intentions in that respect since the publication of the blueprint, in March 2017. Scotland's councils now face an ambitious expansion programme, but we are confident that we can deliver it in partnership with the Scottish Government and our other partners.

Colin Beattie (Midlothian North and Musselburgh) (SNP): I would like to explore some workforce planning issues. There are several elements in the Auditor General's report that I would like some comments on—I will take them one by one. In paragraph 26 of the report, the final sentence reads:

"There is no available information on children's attendance or the numbers of hours of funded ELC they receive."

Is that not a big gap in the figures that you need in order to project the workforce requirements?

Paul Johnston: We are currently addressing that area. I invite my colleague Alison Cumming to say more about the work that is under way on that.

Alison Cumming (Scottish Government): That statement refers to the national statistics on child registrations, which we collect each year, rather than the registrations with the service. We have a data transformation project that is well under way, which will see us move to the collection of data at child level, with an anticipated full start date of May 2021. However, we have started trialling that approach already.

It would not necessarily be for national statistics to collect detailed information about individual children's attendance at individual ELC settings. However, we recognise the need for more information, and moving to child-level collection will enable us to gain a lot more information about the patterns of provision that children are receiving through their funded ELC and whether it is split between more than one provider.

Much of the work behind the assumptions that we have made on uptake has been carried out at the level of the local authorities. As they have

prepared their expansion plans, all local authorities have produced very thorough analyses of what we might call supply and demand, which are based on their knowledge of their local communities and families and the likely uptake. In general, we have near universal uptake of registrations for three and four-year-olds, and the prevailing assumption is that that will continue with the expansion to 1,140 hours.

Colin Beattie: You have a programme under way in which you will capture that information. Is the information available at council level?

Alison Cumming: Information will be available at council level. We have national statistics on registrations with services, and councils will have more detailed information that they will use for local planning.

Colin Beattie: It seems odd that the national statistics, which must be fed by the councils' figures, as there is no other way to do it, should highlight the issue when the councils are collecting that data.

Alison Cumming: The councils will have data that they collect through their own systems, but we do not have national information on children's attendance. The national census that is carried out as part of collecting the schools statistics each year looks at a range of measures but it currently does not look specifically at the number of sessions that children report for, and we do not have any plans to look at that. We do not consider that it would be appropriate to collect that information at the national level at the moment.

Colin Beattie: If you are working out the workforce that will be needed to cope, surely, you have to know how many children are attending and what sessions they are doing.

Alison Cumming: We know how many children are attending through their registrations with services, and it is the registrations with services that determine the capacity that we need to plan for in expanding ELC. If a child did not attend a session, we would not necessarily take that into account in service planning, because we need to have places available for all the children who register.

Jane O'Donnell: I support what Alison Cumming has said. At the council level and at the individual setting level, we monitor presentation and absence rates among young children but we do not feed that information up nationally. To be honest, quite a local professional response for families or children is needed should there be any reason for absenteeism. We do not currently feed that information in, but there is definitely the potential for us to do so in the future. As Alison Cumming rightly said, we have planned the expansion on the basis of all our registrations

attending and on having the staff there to support the children.

Colin Beattie: The first bullet point in paragraph 29 of the report states:

"Some children receive funded ELC from childminders, but registration figures do not count these children."

Surely, that part of the picture should be factored in. It is a variable.

Alison Cumming: It is, and we will look at that in the data transformation project to ensure that the statistics include all types of services that children have accessed their funded ELC through and from.

It is worth noting that the number of childminders involved in delivering funded early learning and childcare is currently relatively low. However, in moving to an approach in which the funding follows the child, we would expect to see that number increasing. We are removing some of the potential barriers to accessing the funded entitlement through childminders. With that in mind, we are developing our data collection so that we have information on services that are provided by childminders as well.

Colin Beattie: Do you have any statistics on the proportion of childminders that are involved?

Alison Cumming: I do not have the statistics on hand, but I know that the number is very low. We can provide that number to the committee.

The Convener: Does Jane O'Donnell have that number?

Jane O'Donnell: I do not. I was going to make the offer that Alison Cumming made. Between us, we can get that information to the committee. We can see, from the local authority expansion plans, that almost all local authorities intend to use childminders as part of their funded entitlement provision, and we would expect that to be monitored carefully.

Colin Beattie: The second bullet point in paragraph 29 states:

"Councils do not have a statutory duty to identify eligible two-year-olds and their parents".

How is that being handled?

Paul Johnston: We need to remember that it is not mandatory for two-year-olds to attend early learning and childcare. We have made available the possibility of eligible two-year-olds attending it, and we are seeking to make people aware of who is eligible, giving them every opportunity to attend.

That requires a wide range of local activity. Some very successful local initiatives are taking place to highlight the availability of early learning and childcare for eligible two-year-olds. However, as the report identifies and as has been set out

previously in Parliament, further improvements in data sharing could be made, particularly with regard to information from Her Majesty's Revenue and Customs and the Department for Work and Pensions. The Minister for Childcare and Early Years has written to United Kingdom Government ministers, making clear our need to see legal gateways established at a UK level so that there can be better sharing of information.

Colin Beattie: Despite councils not having a statutory duty, will they, as part of the programme, endeavour to contact all eligible mothers and so on to make the service known to them?

Paul Johnston: We see evidence of that happening already, but Jane O'Donnell may wish to say more about it.

10:15

Jane O'Donnell: That is our intention. We recognise that there are two elements. We need to improve our provision of information to parents and carers of two-year-olds so that they know that they have an entitlement. Also, we all recognise that there is a barrier in relation to the information from the DWP and HMRC that is available to local authorities. We want to reach out to families with whom we do not yet have a connection, to make sure that they are aware of their entitlement. That is an important barrier that we are all looking to overcome.

Colin Beattie: Paragraph 32 of the report emphasises that

"research highlighted that councils not knowing the details of exactly who is eligible was a major barrier".

That goes back to what Jane O'Donnell has just said about the DWP and HMRC, whose information will be a key element in enabling you to identify who is eligible. What if you cannot get that information? What if they refuse to provide it?

Paul Johnston: Frankly, I see no reason for their refusing, because I understand that similar data-sharing arrangements are in place in other parts of the UK. Our strong expectation is that the requisite data-sharing arrangements will be made available and ought to be put in place as quickly as possible. Officials and ministers will make that case, and the Parliament might want to consider any representations that it might wish to make.

The Convener: Mr Johnston, why are such data-sharing arrangements not already in place if they are in place in other parts of the UK?

Paul Johnston: There is a gap in relation to Scotland. We have identified the secondary legislation that would require to be made at a UK level in order to put such arrangements in place, but it has not yet been enacted.

The Convener: We will look at that.

Colin Beattie: Having addressed those individual issues, which are fairly important, I have another question. Originally, councils estimated that they needed 12,000 whole-time equivalent staff, whereas the Scottish Government estimated that they needed between 6,000 and 8,000. That is a huge difference. Has the gap been closed? Has the recent settlement satisfied concerns about head counts?

Paul Johnston: I am pleased to say that we are now—I think—in the same place in relation to numbers. Perhaps Alison Cumming could say a little about the Scottish Government's figures and then hand over to Jane O'Donnell.

Alison Cumming: We have now, in effect, moved to a single set of workforce estimates, which was the product of negotiation and engagement to reach the multiyear funding agreement. We have consensus on the revenue funding requirements and, by definition, the workforce drivers of that—the numbers and the composition of the workforce.

The local authority estimates have reduced from the initial estimates in the September finance templates that were reported by Audit Scotland. The March estimate was sitting at around 9,000 full-time equivalent staff, and there is likely to be further refinement of that figure, because we jointly agreed an adjustment to revenue funding in relation to population assumptions, which means that some authorities will revisit their workforce requirements.

Colin Beattie: Can I clarify one point? Is the figure of 9,000 additional to what we have at the moment, or does it include existing staff?

Alison Cumming: It is additional to the workforce that is delivering ELC at the moment.

Colin Beattie: How are you going to recruit 9,000 people?

Alison Cumming: We have a programme of actions in place at national and local levels. At the Scottish Government level, we are seeking to create additional training capacity through college and university places. We are funding a 10 per cent year-on-year increase in modern apprenticeship starts, and we have increased the financial contribution rates for ELC apprenticeships to make them more attractive to employers. We are also delivering a national recruitment campaign, phase 1 of which was launched in October and was targeted at school leavers. Phase 2—

The Convener: Can I ask whether you have anything else to add to that? I am sorry, Ms Cumming—it is just that we are quite short of time.

Alison Cumming: Everything is summarised in our workforce delivery plan, on which we are currently engaging with stakeholders before we finalise it.

The Convener: I will bring in Jane O'Donnell, but Iain Gray has a supplementary question on that point.

Iain Gray (East Lothian) (Lab): I want to follow up on the recruitment efforts. The measures on which Ms Cumming has just elaborated—the 10 per cent increase in apprenticeships, the Scottish Further and Higher Education Funding Council funding and the additional graduate places—were acknowledged in the Audit Scotland report, but the Auditor General made it clear that she believed that it would be extremely difficult to achieve the necessary levels of recruitment. In fact, she said:

“The Scottish Government, councils and training providers ... urgently need to do more.”

Now that there is very welcome consensus about the number of staff that we need, what additional measures, over and above the programme that has been elaborated, are the Government and local authorities planning in order to get to 11,000?

The Convener: A few people are looking at me. Does Joe Griffin want to speak?

Joe Griffin (Scottish Government): Yes. The demand side of things is a matter of co-operation between the different agencies. That includes the funding and making sure that the places are there, as Alison Cumming described. The focus will then be on the supply, which is about how we get out there and persuade people to join the profession.

Iain Gray: But the Auditor General said that even if you fill all the training places on offer, that will not deliver the necessary workforce. What additional measures are planned?

Joe Griffin: I am not sure that that is quite what the Auditor General was saying.

Iain Gray: She said that we

“urgently need to do more.”

Joe Griffin: Yes, and I understand what she meant by that. I do not think that she was questioning whether the number of training places is adequate for the task in hand; I think that her comment relates back to the discrepancy that existed between councils' estimates and our own, which has now been narrowed. Now that there is a single figure, we are in the process of assuring ourselves that the required number of places are being created. After that, there will be a focus on the supply side, which involves reaching out to people through the recruitment campaigns and making the profession a more attractive destination.

Iain Gray: Without asking the Auditor General what she meant in her report, it is quite difficult for me to come back on that. With regard to the measures elaborated, she said,

“This will only provide a very small number of the additional staff that need to be trained”,

so there is clearly a difference of view.

The Convener: Perhaps Jane O'Donnell can tell us whether the recruitment figure of 9,000 by the target date is realistic.

Jane O'Donnell: That is a joint figure from the Scottish Government and local government, and we are confident that it is a robust figure that can be achieved.

The Convener: It can be achieved.

Jane O'Donnell: Yes. In addition to the national work, a lot of local work is being done. We are retraining our existing staff, taking cognisance of the changes in our services that might be required over the next few years. We are making sure that those staff have an action plan to move into ELC and that they are the right individuals to deliver quality ELC. We are looking not just at people coming through colleges, but at existing staff.

Because we are the education authority, we are lucky to have access to our young people. At a local level, we are able to explain just how valuable the ELC role is and what career opportunities are afforded to young people in the area. We are doing a lot to encourage school leavers to move into ELC. I also emphasise the developing the young workforce and modern apprenticeships route.

Local campaigns will reflect local demographics, so the approach in Glasgow will be different from the approach in Highland, as you would expect. We are also developing links between the local government online recruitment website and the national website, so we are doing a great deal in addition to the national stuff.

The Convener: You seem to be more confident than the Auditor General is that you will be able to recruit all the necessary people by the target date.

Jane O'Donnell: I cannot give a confirmation that we will, but I am confident that everything is in place for us to do as much as we can on that.

The Convener: Paul Johnston, do you think that that will be achieved?

Paul Johnston: I give the committee an absolute assurance that we are not complacent. As I hope that the committee has heard, a massive amount of collective work is being done to ensure that we have the right number of people in the workforce with the right mix of skills and diversity. I emphasise that we will be actively

tracking, monitoring and reporting on that over the next couple of years, so it is something on which we can continue to engage with the committee and the Parliament.

Liam Kerr (North East Scotland) (Con): The initial increase to 600 hours of provision was aimed at improving child outcomes and helping women—predominantly—back into the labour market; £650 million of public money was provided to deliver that. A key message from the report is that there were no measures of success, there was no baseline data and, crucially,

“the increase to 600 hours is not expected to lead to a measurable change in children’s outcomes.”

Some might say that there was a fundamental lack of a business case and planning. Would that be fair and, if so, who missed that requirement?

Paul Johnston: I am happy to address that point. The starting point is that the expansion to 600 hours was supported by Parliament in the Children and Young People (Scotland) Act 2014. That is the legislative underpinning for 600 hours of provision.

As you will appreciate, Parliament received and approved detailed financial information around the time of expansion, and we have two financial memoranda that underpin the bill that were approved by Parliament. The expenditure is taking place with the full authority of Parliament through the underpinning legislation and the annual budget process.

On the outcomes that are being delivered, it is important to be clear and specific. We are monitoring the short-term and the longer-term outcomes. The quote that Mr Kerr read out is about the longer-term outcomes, and that material is set out in a Scottish Government report from the end of 2017.

It is important to look at the extent to which short-term outcomes were identified and have been delivered. They are set out in detail in the report. They relate to factors such as quality, flexibility and—crucially—availability of the 600 hours. The report goes on to say that it is too early to identify the extent to which the long-term outcomes are being achieved.

Liam Kerr: I appreciate the answer that you are giving, but I want to cut across you because we are short of time.

Have we got value for money for the £650 million? How do you know whether that is the case?

Paul Johnston: We can point to the delivery of the short-term outcomes that I have referred to. In terms of quality, flexibility and provision, we can point to the levels of parental satisfaction, which

are helpfully illustrated throughout the Audit Scotland report. We can see that the policy has been supported not only by Parliament but by parents. We can see the range of evidence that is emerging from parents on the impact that the 600 hours is having on the development of their children.

Liam Kerr: Have we closed the attainment gap? That was one of the requirements for the increase.

Paul Johnston: As our evaluation sets out, it is too early to say that the investment in 600 hours of provision has had that impact on closing the attainment gap.

I have two brief points to make on that. First, our evidence makes it clear that it is crucial to look at the extent to which the 600 hours of provision is a stepping stone towards 1,140 hours of provision. We can be confident that the significant increase to 1,140 hours will have a greater impact on children’s outcomes. We also need to look at the policy alongside the range of current Government and local government interventions that are designed to support better outcomes and close the attainment gap.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): My question is a supplementary to Liam Kerr’s. In her opening remarks, Jane O’Donnell told us that 95 per cent of local authority establishments received good or better inspection reviews after the 600 hours was delivered. What was the scope of the review? What areas did it cover to get such a high satisfaction rate?

Jane O’Donnell: I was referring to the Care Inspectorate report, which was published last year. It said that, in 2016, local authorities performed better on average than other nursery sectors. The figure is actually that 94 per cent of local authority establishments were graded good or better on all four quality themes.

To support what Mr Johnston said, in the parental survey that was undertaken by the Scottish Government, the vast majority of parents said not only that they found ELC to be of high quality but that they could see the benefits to their children. Between those two aspects, we can say that local authorities have delivered the 600 hours of provision in every area of Scotland. We are building on the flexibility—it was always the plan that we would get the 600 hours in and then extend the flexibility. What has been delivered is high quality and it has achieved parental satisfaction.

Liam Kerr: I want to take you back to a line that Colin Beattie pursued on the area of the report that says that no information is available on whether children actually attend. How do we assess the outcomes for children if we have no idea whether they are attending?

Paul Johnston: As my colleague Alison Cumming has made clear, the data that we have is primarily registration data, but we recognise the need to develop and improve that overall data set. Alison, do you wish to add anything to what you have said already?

Alison Cumming: I will just reinforce Jane O'Donnell's point that we are not collecting that information as national statistics. However, local authorities and those in individual settings are actively using that information in how they run their services, most significantly in how they support those children and their families who are registered with those services. The data is in place at local level, but we are not presently collecting it at national level.

10:30

The Convener: Mr Johnston, given the huge investment in the policy, are you not concerned about the lack of data and evidence in this area?

Paul Johnston: I have pointed to the short-term evidence that we already have, which I think is compelling, and it should not be overlooked. I am also clear about the work that is under way to demonstrate the long-term impacts of the policy. I point to the significant amount of work that is under way to ensure that we have clear baselines and measurements, so that in future we can point you to clear evidence on the impact of the expansion.

The Convener: So you are committed to getting better evidence.

Paul Johnston: We are absolutely committed in that, as with the transformational scale of the expansion, so the evidence must develop and grow, commensurate with that expansion.

Iain Gray: Mr Johnston, you said a minute ago that you were confident that the expansion of hours will have a greater impact on children's outcomes. The Government has been clear that the primary purpose of the expansion of hours is to improve outcomes for children.

However, the Auditor General for Scotland says that

"there is limited research examining the impact of increasing the number of hours of funded ELC per year for children who already receive it."

Could you point us to the evidence that the Government has that expanding the number of hours will achieve that objective?

Paul Johnston: Absolutely. There is a strong body of evidence that has existed for some time, and which is being developed further, on the importance of—

Iain Gray: I am asking you what it is.

Paul Johnston: I will perhaps pass over to my colleague Joe Griffin to go through some of the detail of that. If it would be helpful, we can follow up with further information.

Joe Griffin: The evidence on the benefits of early learning and childcare generally is very strong. It has been summarised by the Organisation for Economic Co-operation and Development in a series of reports, most recently in 2017. The OECD has said:

"Giving all children access to high-quality early education and care will lay the foundations for future skill development, boost social mobility and support inclusive growth."

Iain Gray: I am sorry, Mr Griffin, but that is evidence about making early learning and childcare available to more children. I am asking where the evidence is about expanding the hours for those who are already in childcare.

Joe Griffin: There was a longitudinal study of 3,000 children from 1997 to 2003 called "The Effective Provision of Pre-School Education [EPPE] Project". That study largely took place in an English setting. It shows that the duration of attendance is important, particularly with an earlier start date under three years of age, which relates to better intellectual development.

Jane O'Donnell: To support that, local authorities would say that it is not simply a matter of increasing the number of hours; it is about the quality of the early learning that is provided within those hours. I note that the curriculum for excellence starts at the age of three. We talk about an early stage, and that encompasses three and four-year-olds. We would expect to have quality early learning, and more of that would support our youngest children in the transition from nursery and early learning into primary school.

Iain Gray: Are you arguing, then, that the expansion of hours will lead to a commensurate increase in quality? That would be a very good thing.

Jane O'Donnell: It will do so because of the focus on the quality of early learning. That was an important thing that the Scottish Government and local government achieved together. It is not simply an extension of hours, and it is not just about childcare. The priority is early learning. That is how local authorities have developed their expansion plans.

Iain Gray: Is that a change?

Jane O'Donnell: The intention was unclear before the policy was developed fully in the blueprint; there were a number of options. As some committee members have mentioned, there was a discussion about whether the point was to

get parents into work. That is a laudable intention, and it is important for economic benefits for families, but we have clarified that the primary policy intention is quality early learning, and that will support efforts to reduce the attainment gap.

The Convener: It is good that local authorities are clear on that, as that was something that the Auditor General had identified as unclear at the outset.

Liam Kerr: Sticking with the point that has just been made by Iain Gray, what were the other options? We are looking at an increase from 600 hours to 1,140 hours, but what other options that would achieve the same outcomes have been scoped out and costed?

Paul Johnston: What we have is a Government commitment to move to 1,140 hours—

Liam Kerr: I understand that, but what other options were thought about that might have delivered better value for money, for instance?

Paul Johnston: The reality is that the commitment was there to go for 1,140 hours, underpinned by evidence of the benefit of that approach. We could have spent years looking at a wide range of other options but ministers have recognised the evidence on the benefits of adopting this transformational and significant expansion and making it universally available at ages three and four, and we have gone for that option—clearly, with the support of the Parliament.

The Convener: The evidence being the study in England that Joe Griffin referenced?

Paul Johnston: Yes—that study, among a body of other evidence, supports our approach in relation to high-quality provision and the provision of increased hours.

Liam Kerr: Just for the avoidance of doubt, when you say that the Government went for that option, no other options were scoped out and costed, were they?

Paul Johnston: We have not scoped out and costed other options.

Liam Kerr: Has the Scottish Government done any economic modelling on the increase to the 1,140 hours of funded ELC and the outcomes to be expected and measured?

Paul Johnston: The detailed outcomes frameworks are what I have referred to as work that is very much in development. We have clarified the overall purpose, as has been stated, of the high-quality provision. The primary focus is on supporting children and young people and closing the attainment gap.

We also recognise the need to work on delivering that economic benefit and ensuring that

this policy allows parents to access work. The ways in which we track and measure that will be subject to further development.

Liam Kerr: Do you have a model in place already? Jane O'Donnell was talking about the quality that is clearly there already. If we increase the hours, the staff, the assets and so on, where is the model that shows the impact of that on the quality? Is there one?

Paul Johnston: There is not a precise model at this point in time. That is what requires—

Liam Kerr: Does that not concern you, Mr Johnston?

Paul Johnston: What we have is evidence around the benefit of expansion. We have wide support from the Parliament and from wider partners—

Liam Kerr: But you do not have evidence on what the impact will be on the quality that will be delivered.

Paul Johnston: I think that there is evidence around the importance of high-quality provision in improving children's outcomes. If what you are requesting is a very detailed logic model that works through all of the inputs and the outputs that are likely to accrue, that is in the territory of work that is under development.

Liam Kerr: Jane O'Donnell—are you comfortable with that?

Jane O'Donnell: COSLA leaders have signed up to do joint consultation work with the Scottish Government on the standards that will be put in place around this. That piece of work, which is obviously in its infancy and has yet to be developed, will allow local authorities and their partners and the Scottish Government and other colleagues who are scrutinising the service to ensure that we are delivering a high quality of service.

Our colleagues in the Care Inspectorate and Education Scotland are developing a joint framework; they will be using that in our new settings to make sure that the expansion is delivering quality. I would also mention the curriculum for excellence, the national improvement framework, and the work that we are doing to address the attainment gap. We expect that, with that high-quality early learning and the support from other agencies, we should be able to see a difference in all those areas, so that would allow for some monitoring.

Alex Neil (Airdrie and Shotts) (SNP): Just to follow up on that, obviously it will be 15 to 20 years before we can get a full impact assessment of all the services that are being provided, including the impact of the expansion. I appreciate that we

cannot get a full impact assessment until we see the impact on children's life chances when it comes to primary and secondary education, further and higher education, employment opportunities and all the rest of it.

However, clearly we have an increasing problem throughout the United Kingdom, including in Scotland, of child poverty. Child poverty is a major contributing factor to the educational attainment gap; in fact, it is the major contributing factor. Are you assessing what impact these measures are having on reducing or containing the increase in the level of child poverty in Scotland?

Paul Johnston: That is a very important point. I can give the committee an assurance that colleagues in my area who have worked on the child poverty delivery plan have been working in close partnership with colleagues who are working on the early learning and childcare increase so that we ensure that those two policies proceed hand in hand and that the upscaling of provision on early learning and childcare, particularly for eligible two-year-olds, will have a positive benefit in tackling child poverty. In addition, there are specific measures in the child poverty action plan that involve spending some of the available resources that have been identified to focus on those children who are experiencing the greatest level of poverty and to ensure that a specific offer is made that will have a beneficial impact in that area. Those strands of work must proceed hand in hand.

Joe Griffin wishes to add to that.

The Convener: I want to bring Alex Neil back in first.

Alex Neil: I accept all of that. I realise that we are in the early years of the expansion of provision, but are you measuring the impact of the additional provision on levels of child poverty?

Paul Johnston: That is an important point. I will take away the challenge—

Alex Neil: I know that it is an important point. Will you answer the question? Are you measuring it?

Paul Johnston: I would say that we need to measure it.

Alex Neil: So you are not measuring it at the moment.

Paul Johnston: We are talking about a provision that is still to come in. The commitment to make that additional investment for the children who are experiencing the greatest levels of child poverty was set out in the child poverty delivery plan, which was published at the end of March. We must ensure that our measurement

frameworks across both policy areas are clear and consistent, and that is a message that I will take away from today's meeting.

Joe Griffin: As far as our approach to outcomes for the 1,140 hours of early learning and childcare is concerned, the measurements that we will start to collate from this summer for two-year-olds will deal with aspects that could be related to child poverty. Our approach will be similar to what we do for the growing up in Scotland study. Social and behavioural and physical measurements will be taken, and cognitive assessments will be carried out. We will also measure outcomes for parents that relate to the home learning environment, their mental health and wellbeing, and their employment activity. To some extent, we will measure the beneficial impacts of the ELC provision for children who go through that system. We will take follow-up measurements in 2023, when the system has been in operation for five years.

There is also the question of the material improvement in family circumstances as a result of families' ability to access early learning and childcare that they might previously have had to pay for. At present, as far as I am aware, we do not have any plans to measure that, but we can take that away, as Paul Johnston said. It is certainly not too late to introduce that into our modelling and our measurement.

Alex Neil: That is quite reassuring.

I want to move on to a more practical day-to-day issue. We are talking about a budget of £1 billion a year for the foreseeable future. In making the policy work, how those substantial resources are allocated and used within local authorities will be extremely important.

I have a concern. In the part of North Lanarkshire that I represent, there has apparently been a deliberate policy of squeezing the resources for the partnership nurseries—the non-local authority providers—to the point at which some of those providers, which have excellent track records, are saying that, if that approach continues, in the worst-case scenario, they could be forced to close their doors in the next two to three years. That is clearly unacceptable. What are COSLA and the Scottish Government doing about the likes of North Lanarkshire Council?

The Convener: Can Vicky Bibby answer that question about the finance?

Vicki Bibby (Convention of Scottish Local Authorities): I am happy to.

Largely, the role of COSLA is to distribute, allocate and come to an agreement on funding across the local authorities. How those resources are distributed within a local authority is down to

the local authority. COSLA does not get involved in that detail.

I do not know the specifics of the case to which Mr Neil refers but, with the 1,140 hours, we want the funding to follow the child. As long as the provider that they choose meets the standard, a parent can decide where their child gets the provision. That is a key change in the move to the 1,140 hours. A parent will be able to place their child with any provider that meets the standard.

10:45

Alex Neil: Is the Scottish Government monitoring the situation? I know that some ministers have expressed concern privately about some of the practices in North Lanarkshire. There may be other local authorities; North Lanarkshire might not be the only one doing that. It seems to me that you need to track the money and make sure that children who are in the non-local authority nurseries are not, for whatever reason, going to get any less resource or attention than those in the local authority nurseries.

Paul Johnston: As Vicki Bibby said, our funding follows the child approach is a critical safeguard.

Alison Cumming: I will add two points. First, the funding agreement that was reached in April reflects for each local authority what we term a sustainable hourly rate for partner providers. There is a collective expectation that the average hourly rate paid to funded providers will increase, and there are moneys to support that through the funding deal.

Alex Neil: The partner providers are making the point that that is not being passed on. Will you ensure that local authorities pass on the funding as you intend them to do?

Alison Cumming: We have a joint commitment. Key to ensuring sustainable funding is the commitment to pay the living wage and to provide sufficient funding to enable providers across all sectors to pay that wage. That core element of the national standard, which is being considered as part of the Scottish Government and COSLA joint consultation, would require all providers in any sectors that want to deliver the funded entitlement to meet those criteria. The expectation is that, in return, there is a partnership arrangement with local authorities, and local authorities are undertaking—

Alex Neil: That is not answering the question. The partnership nurseries already pay the living wage; that is not the issue. An unfair allocation is being made to the non-local authority partner nurseries. We are talking about Scottish Government money. The children in the non-local

authority nurseries are effectively getting punished, because they are getting less resource, for whatever reason. Will you do something about that?

Alison Cumming: A minority of nurseries in the private and the third sectors pay their practitioners above the Scottish living wage; the majority receive the statutory living wage. Additional funding is going into support that element. There is a clear undertaking for sustainable funding across the piece. We have also built in an annual—

Alex Neil: Sorry, but with all due respect, you are not answering the question.

Alison Cumming: Can I come on to make a point?

Alex Neil: Answer the question. Will you ensure that the non-local authority nurseries will get a fair allocation of the money that each local authority gets? Yes or no.

Alison Cumming: Yes, we will, and there will be arrangements in place through the annual financial review.

The Convener: I will bring in COSLA at this point.

Vicki Bibby: I reassure the committee that the local delivery plans require the private and third sectors to help in the delivery of the policy. Delivery will not be completely from within local authority provision. It will be incumbent on local authorities, if they are to be able to deliver the policy, to come to agreements with the private and third sectors and to reach a sustainable rate. That is what the delivery plans will set out in a local area.

Alex Neil: That is not happening in North Lanarkshire.

Vicki Bibby: As I said, I am not aware of the specifics in North Lanarkshire, but I do not think that there are any plans, particularly on the mainland, that would result in delivery being completely in-house. Local authorities will want to work with partner providers to ensure the delivery of the policy. We can look into the specific case.

Alex Neil: As I have said, it is not happening in North Lanarkshire, and we need to ensure that it happens everywhere.

Willie Coffey: It is happening in East Ayrshire, and there are good-news stories to tell about that area. What is COSLA's perspective on local authorities' preparedness, particularly in relation to premises?

Staffing was mentioned earlier. I know that East Ayrshire Council is doing what Jane O'Donnell has described and channelling students from the colleges into apprenticeships; it is also offering

existing staff retraining opportunities, because of the extent of the investment. I ask Jane O'Donnell to give us a flavour of her perspective on local authorities' preparedness with premises and so on.

Jane O'Donnell: I will speak from a policy perspective and my colleague Vicki Bibby will perhaps speak in relation to financial planning.

We liaise regularly with our colleagues and directors of education and children's services, so we are aware of their state of readiness. Local authorities have been champing at the bit to get on with what they have to do to deliver the expansion of hours. The key date for us was having the finance in place by the end of April, which we successfully managed to do. A very positive and significant amount of money has gone in.

As a COSLA officer, I am content with the robustness of the expansion planning, which is fit for purpose. My colleagues in local authorities have the determination and the will to get it done. From an overall policy perspective, we know that it is challenging, but it is doable, and the will and determination are in place to get it done.

Vicki Bibby: A considerable level of work has gone into the detail of the delivery plans and, to refer to Willie Coffey's question, the capital requirements. That was why it was absolutely key to get not just annual one-year funding but multiyear funding, which we have secured. Building will be over a number of years, so it was important that we got agreement on that, which we have done. Plans can now be committed to with regard to the capital delivery, which has mitigated the significant risk that was in place the last time that the committee took evidence on the issue. We are in a much better place now.

Willie Coffey: It is good to hear that. Where are we on the issue that many parents raised about taking different children to different locations? They said that they wanted more flexibility. Perhaps Paul Johnston and Jane O'Donnell could answer that.

Paul Johnston: The expansion to 1,140 hours will help with flexibility, simply because there will be a much bigger range of hours on offer. Flexibility remains one of the aims of the programme. My colleague Alison Cumming can add some specifics about how we will collectively seek to secure as much flexibility as possible.

Alison Cumming: There is evidence—Jane O'Donnell will want to talk more about this—on increasing flexibility in local authority provision in recent years.

The Government's position is that flexibility is best defined through consultation and engagement with local communities, as they are

best placed to define those flexibility arrangements. The expansion plans have been informed by engagement with local communities, so the local authority services that are being designed will reflect parental wishes and will recognise that flexibility can be added to by bringing in partners from the private and third sectors as well as childminders.

Jane O'Donnell: Local authorities have been actively increasing the flexibility of their provision ever since 2014 and the Audit Scotland report points out some important examples of how that has happened. The expansion offers the opportunity to provide something much larger in scale in terms of flexibility and, as Alison Cumming said, it will be based on parental expectations and what is appropriate locally. Our colleagues in the Highlands and Islands will have a different model of flexibility from the model that is required in a city centre, which you would expect us to take into account. The robustness of the expansion plans is key so that we can ensure that there will be a variety of offers to parents in a local authority area. The parent will be able to choose from that offer, as long as it meets the standard, and that will be available to them. We are confident that that will be a big success of the expansion.

Willie Coffey: Excellent.

The Convener: Caroline Gardner, the Auditor General, gave us evidence on her report a few weeks ago. She said that Audit Scotland was

"not able to identify one council that was doing everything well."—[*Official Report, Public Audit and Post-legislative Scrutiny Committee*, 8 March 2018; c 19.]

Jane O'Donnell, what is your response to that?

Jane O'Donnell: The Audit Scotland report identified a number of local authorities that were specialising or leading in certain areas. No local authority operates in isolation on this. Not only do we have excellent support and collective leadership across local government and from the Scottish Government, but we speak to each other in local government. The local authorities that led on flexibility or with a multiagency approach around vulnerable children and families have shared that information. If you look at the 32 expansion plans, you will get a greater sense of consistency, as we have identified best practice and tried to implement it across the country.

The Convener: The expansion of hours is a huge investment and a huge target. Is it affordable? Do local authorities have the money to cover it?

Vicki Bibby: We are content with the funding that has been agreed and, from the COSLA perspective, the funding is ring fenced. As we have commented throughout our budget process, although we are confident that the funding is

available for the additional early years provision, we cannot ignore on-going funding and spending review discussions about core services for local government. Therefore, although specific funding for additional early years provision is ring fenced, we cannot forget its links with core local government funding. We will of course engage with that point about the link in the upcoming spending review, but it is important to make it here.

Bill Bowman (North East Scotland) (Con): I will pick up on a couple of things that have been said. Jane O'Donnell used the term "absenteeism" and spoke about reducing it. Is she considering penalising parents whose children do not attend?

Jane O'Donnell: I clarify that that is absolutely not the case. When a child does not attend early years, there may be a myriad of reasons why that family is struggling to cope. We would want to put in a range of support around the children and families, rather than any penalisation. We are trying to empower parents and children and get them to a better place, so penalising would seem contrary to that aim.

Bill Bowman: You also used the term "once-in-a-lifetime opportunity". I guess that, if a child misses the opportunity, it has lost it. Would your support and information veer towards coercing?

Jane O'Donnell: No. We know from working with families and their children who may experience a wide range of challenges that a more supportive mechanism works far better and leads to better outcomes. We would never look for some sort of penalisation of a difficulty.

Bill Bowman: You also used the phrase "access to our young people", which concerns me slightly. Are you suggesting that you would say to teachers that they should direct people into social care or childcare?

Jane O'Donnell: I am happy to clarify that I said that our young people in our schools ask us, as education authorities, for careers advice and guidance. If a young person says that they are quite interested in early years, as it looks like a good thing for them, we can help them to move from school into an apprenticeship and into a permanent role. We can help them with college and training and make links into the developing the young workforce programme. A local authority has a unique role, which has a benefit for our young people.

Bill Bowman: However, you need to keep a balance between that career and other potential careers.

Jane O'Donnell: Indeed, and we want to see a diverse workforce, as I think my colleagues have mentioned. Although we want to support young

people into employment—and this career is a great opportunity and a hugely valuable role in society—we also want a wider variety of people coming into the workforce.

Liam Kerr: I will briefly return to a couple of points made by Mr Neil and Ms Marra. I have a report—to be fair, it is a year old—that says that 85 per cent of nurseries said that local authority funding for free hours does not cover their costs and more than half said that they expected to break even or make a loss. As a result, three quarters of them planned to increase their fees to parents. If that comes to pass, is there not a danger that we will end up pricing people out and achieving negative outcomes for both attainment and work?

Paul Johnston: I do not have the specifics of the report in front of me, but I understand that it comments on the existing situation. My colleagues have pointed to the range of work that is under way to ensure that there is sustainable funding for the whole sector. Work will be undertaken, which Parliament will examine over the next two years, to ensure that that is taken forward in a spirit of real partnership with all providers. Although we are here from the Scottish Government and local government, it is clear that we are not simply doing this ourselves. I can point to other governance arrangements that we have in place that seek to take an inclusive approach to the work that we will take forward over the next two years alongside private providers, childminders and others to try to ensure that, collectively, we make this a success.

Alison Cumming may wish to add something.

The Convener: Do you have anything new to add?

Alison Cumming: I have a very brief comment. The report that Liam Kerr is referring to is probably the National Day Nurseries Association survey, which predates the publication of the blueprint in March 2017. The commitment to sustainable funding was not as explicit then as it is now. We now have a funding agreement for sustainable funding for all providers, which includes payment of the living wage. The sustainable funding is sufficient to ensure that parents do not have to pay any charges towards their funded entitlement. That is explicit in the national standard on which we are consulting with COSLA.

Vicki Bibby: Alison Cumming picked up the point that I was going to make on the standard. Provision by partner providers is fundamental to successful delivery. Local authorities will not price out partner providers, because having partner providers will count as a success. Local authorities have been working closely with partner providers.

11:00

Iain Gray: I want to clarify one point. Earlier, we spoke about the increase in workforce, and there is welcome agreement on that between COSLA and the Scottish Government. The figure that was given was 9,000 additional full-time equivalent posts but, in her statement on the agreement with COSLA, the Minister for Childcare and Early Years used the figure of 11,000.

Alison Cumming: The difference is between full-time equivalent posts and head count. The 11,000 figure is the head count number. A large proportion of the workforce works part-time hours or flexible or term-time patterns. That is the explanation.

Willie Coffey: I meant to ask this question earlier. East Ayrshire Council has already run a successful pilot of the 1,140 hours of early learning and childcare at the new Whattriggs primary school in Kilmarnock. Have any other local authorities tried to pilot the 1,140 hours so far? If so, what have been the results?

Jane O'Donnell: A number of local authorities have run pilots of the 1,140 hours, and they have used different offers. Some have run the 1,140 hours blended approach between childminders and nurseries, and across partner providers and so on. We have learned from all those trials and all that early work. Across our 32 expansion plans, all local authorities have tried a little bit of expansion, and those authorities that have piloted the full 1,140 hours have shared their findings.

The Convener: I thank the witnesses very much indeed for their evidence.

11:01

Meeting continued in private until 11:21.

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Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

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