

# **PE2112/G: Conduct an independent review of childcare costs and availability in Scotland**

## **National Day Nurseries Association (NDNA) Scotland written submission, 5 December 2024**

National Day Nurseries Association (NDNA) is the national charity representing private, voluntary and independent (PVI) children's nurseries across the UK. We are the voice of the 21,000-strong nursery sector, an integral part of the lives of more than a million young children and their families. NDNA Scotland is the national representative body for PVI nurseries in Scotland with eight networks covering 21 local authority areas.

NDNA provides information, training and advice that support nurseries and their 250,000 employees to deliver world-class early learning and childcare. Working closely with local and national government, we advise and campaign on the cost, choice and quality of childcare to benefit children, nurseries, families and the economy. NDNA Scotland support 334 PVI nurseries across Scotland.

We support Pregnant then Screwed in their petition to urge the Scottish Government to commission an independent review of publicly-funded early learning and childcare in Scotland, in order to better understand and address the challenges families face when trying to secure and afford childcare.

According to a Scottish Government survey (Scot Govt, 2022) 98% of Parents were accessing some form of funded childcare, and 73% of parents with a 3- to 5-year-old and 52% of those with a 2 year old using funded childcare. This survey does appear to show that parents find the 1140 hours policy useful to them which shows that it has been a success in terms of meeting the needs of parents returning to work, going into training and having financial support. However, this report also shows that 23% of parents were not taking up the full 1140 hours funded childcare as they could not get the sessions that they wanted at their preferred settings.

Parents also reported being dissatisfied with flexibility to match funded hours to their own working patterns to minimise the cost of top-up childcare. The Scottish Government report highlights that the majority of parents are happy with ELC however, there are still issues around flexibility, affordability, and access to places that Scottish Government need to address (Scot Govt, 2022).

The parents' campaign group, Pregnant then Screwed, Scotland say that "the major issue for many families in Scotland, and across the UK, is the accessibility and affordability of childcare. The increase in funded hours has been hugely beneficial to many parents but there still remains huge issues over costs, particularly for under 3s, and there is a growing problem with accessibility" (Pregnant then Screwed, Scotland, 2024).

The Scottish Women's Budget Group (SWBG) reported in 2023 that 22% found it difficult to access childcare in their area, with the situation being more acute in rural areas. One respondent said "So many rural schools in Aberdeenshire miles away from nursery provision so I have to drive to two disparate places and no after school provision". Their survey also revealed that 16% were unable to access funded hours

due to a lack of flexibility in provision with one respondent saying, “The 30 hours does not fully cover the cost of year-round (private) nursery, and council nurseries offer term time only”.

When it comes to affordability the SWBG survey showed that 30% of women did not find childcare costs manageable, this increased to 47% for single parents, 38% for women from ethnic minorities and 36% for disabled women. 74% of women said that increase in household costs were making childcare costs more difficult. The report concludes stating that there is a long-standing problem of lack of flexibility and affordability of childcare which has been exacerbated by the cost-of-living crisis and is putting family finances under pressure.

NDNA Scotland are aware that throughout the UK nursery settings are closing down due to sustainability issues. Scotland is no different, as nurseries close, parental access to funded places becomes more difficult. Parents are beginning to find it difficult to find suitable places to match their childcare needs. While it is generally accepted that the aims of the 1140 hours policy are good and will benefit children and families, there is still concern for nurseries that the delivery of the policy is leading to closures due to unsustainable funding and workforce pressures.

NDNA Scotland members tell us that:

1. Sustainable funding rates do not cover the cost of delivering funded places
2. Increasing financial pressures from payment of the Real Living Wage and National Insurance Contributions
3. Local Authorities have recruited their experienced staff leaving them with either no or inexperienced staff – [NDNA reported that a SSSC report in 2023 found that the staff turnover rate is 29% in private nurseries](#), 21% in voluntary settings and 11% in public sector nurseries with 26% of managers leaving private sector settings go on to work at a practitioner level in public settings
4. Recruitment and retention is extremely difficult because PVI settings cannot compete with local authority pay and conditions of service due to unsustainable funding rates
5. Many local authorities make it challenging for settings to have cross border or blended places
6. Parents can't always get the nursery of their choice – despite the policy being provider neutral
7. Provision of Additional Support Needs and support for nurseries is sporadic across Scotland

NDNA Scotland continue to urge the Scottish Government to address these issues, particularly before any further expansion to one- and two-year-olds takes place, which could potentially further exacerbate costs and availability for parents. Without addressing these fundamental challenges costs will continue to rise for the element of childcare that is parent funded. The current model of funding is unsustainable and must be addressed going forward as this is often at the heart of many of the challenges the sector is facing.

