

**scma**

Scottish Childminding Association



# Early Learning & Childcare Audit 2024



# Introduction

In 2016 the Scottish Government published a blueprint which committed it to almost doubling the statutory entitlement of funded Early Learning & Childcare (ELC) for all parents of eligible two year-olds and all three and four year-olds in Scotland to 1140 hours per year by August 2020<sup>1</sup>. This deadline was then extended to August 2021 due to the pandemic.

During expansion of the statutory entitlement SCMA has been commissioned by the Scottish Government to undertake an annual independent audit of local authorities' progress in including childminders in delivering funded ELC and SCMA's audits have become a valued independent source of childminding-specific data on funded ELC.



## SCMA ELC Audit 2024

The ELC Audit 2024 was conducted from 23 August - 6 October 2024 and is based on children receiving funded ELC in childminding settings as at August 2024.

Returns were received from 30 out of 32 local authorities in Scotland (94% response level), confirming that SCMA's ELC Audits continue to experience a high level of local authority support and engagement.

As our audits have progressed and we have moved further beyond implementation of 1140hrs we have widened data collection beyond the earlier measures to also include more practical post-implementation issues experienced by childminders involved in funded ELC.

This year additional questions enabled us to capture data on -

- ➔ tendering for funded ELC
- ➔ frequency of payment to childminders to support business sustainability
- ➔ impact of the deferral year
- ➔ impact of local budgetary pressures on funded ELC provision.

In parallel, the ELC Audit 2024 continues to provide our in-depth analysis of childminding workforce trends, including our latest workforce projections (first introduced in 2022).

Reflecting the evolving nature of the data captured, the form of this year's ELC Audit has also evolved into a shorter, higher-level overview with links provided to the supporting data tables.

<sup>1</sup>Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland, Scottish Government, October 2016

# ELC Audit 2024: Main Findings

## CHILDMINDERS INVOLVED IN FUNDED ELC

⇒ the number of childminders involved in funded ELC would appear to have increased since our last ELC Audit in 2023, but this is mainly due to the higher number of local authority returns to the audit (30 in 2024 vs 28 in 2023). After adjusting for this, the changes reported in the number of childminders involved in funded ELC at a national level within the year to August 2024 are only of a marginal nature;

⇒ the percentage of childminders within the childminding workforce who are involved in funded ELC has increased, but mainly due to these figures presenting as a higher percentage within a workforce which has continued to decline in size;

⇒ significant disparities continue to exist between the number of childminders approved by local authorities to deliver funded ELC and the number of childminders actually delivering funded ELC within both categories of provision – for ‘Eligible Two Year-Olds’ (31.7% approved vs. 5.2% delivering) and ‘Three and Four Year-Olds’ (31.5% approved vs. 19.5% delivering). The number of childminders involved in delivering funded ELC to eligible two year-olds remains very low, while there has been some improvement in the number of childminders involved in delivering to three and four year-olds.

⇒ the number of children receiving funded ELC in childminding settings in August 2024 was recorded as 183 ‘Eligible Two Year-Olds’ and 1258 ‘Three and Four Year-Olds’, based on the 30 local authority returns.

Tables 1 and 2, below, include the data for these areas.

**Table 1. Childminder Involvement in ELIGIBLE TWO YEAR-OLD Provision**

	ACTUAL responses						ADJUSTED responses					
	2023 (returns from 28 LAs)		2024 (returns from 30 LAs)		Change (not directly comparable) (+/-)		2023 Adjusted (returns from the 27 LAs who responded to both audits)		2024 Adjusted (returns from the 27 LAs who responded to both audits)		Change (+/-)	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Childminders APPROVED to deliver funded ELC	838	25.8%	962	31.7%	+124	+5.9%	829	25.5%	836	27.5%	+7	+2%
Childminders DELIVERING funded ELC	126	3.9%	157	5.2%	+31	+1.3%	126	3.9%	128	4.2%	+2	+0.3%
Children receiving funded ELC in childminding settings	125	N/A	183	N/A	+58	+46.4%	125	N/A	135	N/A	+10	+8%

**Table 2. Childminder Involvement in THREE AND FOUR YEAR-OLDS Provision**

	ACTUAL responses						ADJUSTED responses					
	2023 (returns from 28 LAs)		2024 (returns from 30 LAs)		Change (not directly comparable) (+/-)		2023 Adjusted (returns from the 27 LAs who responded to both audits)		2024 Adjusted (returns from the 27 LAs who responded to both audits)		Change (+/-)	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Childminders APPROVED to deliver funded ELC	831	25.6%	958	31.5%	+127	+5.9%	822	25.3%	832	27.4%	10	+2.1%
Childminders DELIVERING funded ELC	535	16.5%	593	19.5%	+58	+3%	529	16.3%	517	17%	-12	+0.7%
Children receiving funded ELC in childminding settings	1160	N/A	1258	N/A	+98	+8.4%	1153	N/A	1092	N/A	-61	-5.3%

# ELC Audit 2024: Main Findings



## ADDITIONAL FUNDED ELC ISSUES

### Tendering

**!** *Complex, detailed tendering processes with short deadlines had previously been identified as a potential barrier to childminders becoming involved in funded ELC:*

⇒ variation was recorded in local authority approaches with six out of 30 responding local authorities (20%) reporting that they do not require childminders to go through a tendering process to become a funded/partner provider, while the remainder do.

⇒ where participating in a tendering exercise is required, variation was also reported within local authority staffs' belief as to whether they could support childminders with completing this process – with the vast majority of responding local authorities reporting that support is available.

### Frequency of payment to childminders

**!** *Frequency of payment by local authorities to childminders delivering funded ELC has previously been reported as inadequate, variable and, in some cases, not supporting business sustainability (a requirement within the National Standard for ELC which all funded/partner providers are required to demonstrate):*

⇒ 22 out of 30 responding local authorities (73%) now pay monthly or every four weeks. While additional detail was not requested beyond frequencies of 'fortnightly', 'monthly' or 'termly', data captured found this involves a mix of 'monthly', 'monthly (in advance)', 'every four weeks', 'every four weeks (in advance)' and 'every four weeks (paid mid-cycle with two weeks paid in arrears and two weeks in advance)'.

⇒ one local authority provides childminders with a choice of monthly or termly payment;

⇒ five out of the 30 responding local authorities (17%) pay termly / three times in a year (mixture of in arrears or advance);

⇒ one local authority pays twice a term; and

⇒ one local authority pays quarterly.

## Impact of the deferral year

**!** Childminders had reported anecdotally that they were experiencing an increase in parents choosing to defer their child starting primary school due to a combination of payment for funded ELC during the deferral year being confirmed by the Scottish Government and parental concerns that child development had been delayed by the pandemic:

- ➔ a total of 60 deferred children accessing funded ELC in childminding settings was recorded;
- ➔ eight local authorities who responded (27%) reported that this represented an increase on 2023, 20 (67%) reported no change and two didn't know if there had been a change;
- ➔ only 1.2% of children accessing funded ELC do so in a childminding setting, so this represents a small sample within the wider

number of children who may be receiving deferred funded ELC across all forms of childcare<sup>2</sup>. However, a small sample was also captured about this within a larger and wider recent SCMA survey (analysis ongoing). The level of responses to the survey questions on deferred ELC may not be large enough, on their own, to publish, but also interestingly found 24% of childminders involved in funded ELC reporting an increase in deferred children accessing funded ELC in their settings.

## Impact of local budgetary pressures on funded ELC provision:

**!** A number of local authorities had been experiencing severe budgetary pressures at a time when ring fencing of Scottish Government funding provided to local authorities for funded ELC was due to end, causing uncertainty amongst childminders and other providers about what impact this would have on local ELC delivery:

The Audit tested three impacts -

Since April 2024, due to budgetary pressures, have you (Yes/No) -

	Yes	No	N/A	Total
Had to reduce the level of funded hours offered to parents through childminders	0	30	-	30
Stopped supporting cross-boundary placements	1	26	3	30
Stopped taking on partner providers	1	29	-	30

Only one local authority reported that they had stopped both supporting cross-boundary placements and taking on new partner providers since April 2024 due to budgetary pressures. While the position is very consistent nationally about the impact to date, local authorities became less certain looking ahead when asked the same questions.

If answering “no”, do you believe that your local authority may have to in the near future due to budgetary pressures? (Yes/No/Don't Know)

	Yes	No	Don't know	Additional/qualified responses received				Total
				Not at this time	N/A	Unable to comment	Didn't answer	
Reduce the level of funded hours offered to parents through childminders	0	16	5	3	3	1	2	30
Stop supporting cross-boundary placements	0	13	5	2	6	1	3	30
Stop taking on partner providers	0	15	5	2	4	1	3	30

The full responses containing all answers provided to all 31 audit questions, by local authority, can be accessed in the supporting documents published alongside this main report.

<sup>2</sup> Early Learning & Childcare Expansion Delivery Progress Report, Improvement Service, April 2024

# Childminding Workforce Trends

SCMA has been reporting annually, through our ELC Audits, on the decline in the childminding workforce which has been experienced during ELC expansion and which has had implications for children, families, communities and a range of national policies.

The reasons for this decline have been multi-factorial and have previously been explored within our ELC Audits and more fully in our Childminding Evidence Paper<sup>3</sup>.

Within the overall decline in the childminding workforce, SCMA has also been tracking the number of new registrations, within a declining workforce, and the number of cancelled registrations, (which had been increasing).

In May 2021, SCMA launched a three-year strategy (as the first stage in a longer ten-year journey) to strengthen childminding,

support families and increase choice<sup>4</sup>. Within this SCMA committed to leading nationally on the development of a sustainable childminding workforce. Since then we have undertaken much work to understand the reasons behind the decline, to continue to strengthen the evidence base on childminding (and its benefits), to strengthen support for childminders and we have undertaken recruitment pilots in order to grow the childminding workforce. Further details can be found in our ELC Audits 2022 and 2023<sup>5,6</sup> and also on page 9 of this audit.



Our ELC Audits are conducted in August each year and include an analysis of the childminding workforce trends as at 31 July of each year. Our latest analysis, as at 31 July 2024, has found that -

➡ the childminding workforce declined by 6.5% (-210 childminders) in the last year, compared to 9.7% (-347 childminders) in the year to 31 July 2023 and a high of 11.5% (-469 childminders) in the year to 31 July 2022.

➡ since 2016 the childminding workforce has now declined by 45% with the loss of 2483 childminders and 15,643 childminding places for children and families<sup>7</sup>.

➡ the number of new registrations has increased for the second successive year with 192 new registrations recorded within the last year. The increase in new registrations within the last two years includes 85 new childminding businesses which have been established by SCMA's recruitment pilots in rural and urban areas (with more in progress). These have accounted directly for 24% of all new registrations within the last two years and indirectly to a larger number of new registrations due to potential new childminders who responded to SCMA's recruitment campaigns and were not in qualifying areas, but proceeded to register anyway.

➡ the number of cancelled registrations fell to 418 last year - the lowest level since pre-2016, reflecting the considerable collective efforts made by SCMA, the Scottish Government, local authorities and others to strengthening support for childminders and, where possible, reducing the level of paperwork and duplicative quality assurance which had previously been identified as the main reason childminders were leaving the workforce.

➡ While some progress has been made, it is also vital that the new Shared Inspection Framework currently being developed by the Care Inspectorate and Education Scotland is delivered and that quality assurance becomes more proportionate and specific to childminding, and with a reduction in paperwork.

➡ when running the new and cancelled registration figures together to calculate the net annual loss from the childminding workforce, it can also be seen that good progress has been made in reducing this from a high of -469 in the year to July 2022 to a net loss of just over 200 last year.

<sup>3</sup> Childminding Evidence Paper, SCMA, August 2022

<sup>4</sup> Changing the Narrative: Strengthening Childminding, Supporting Families & Increasing Choice: SCMA Strategy 2021-24, SCMA, May 2021

<sup>5</sup> Early Learning & Childcare Audit 2022, SCMA, November 2022

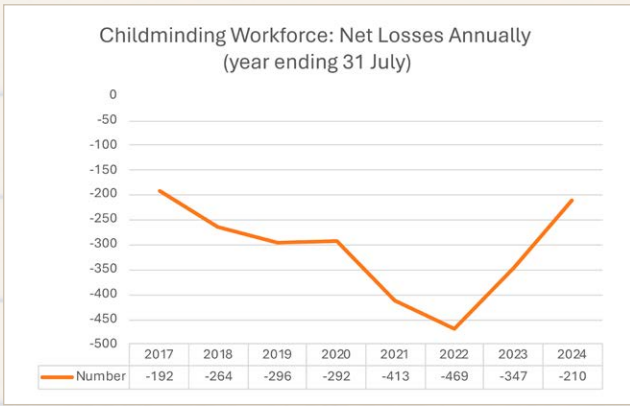
<sup>6</sup> Early Learning & Childcare Audit 2023, SCMA, November 2023

<sup>7</sup> Childminding places based on latest average number of children per childminding setting (6.3), Care Inspectorate, October 2024



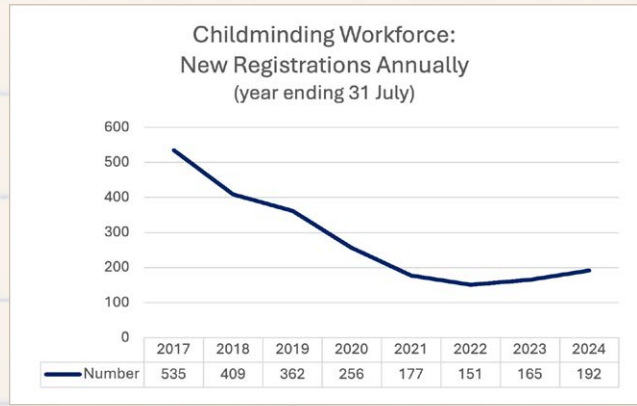
See Figures 1-4 below.

Figure 1.



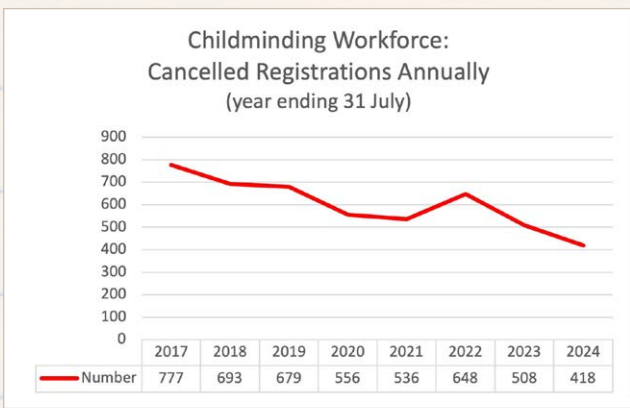
Source: Childcare Statistics, Care Inspectorate

Figure 2.



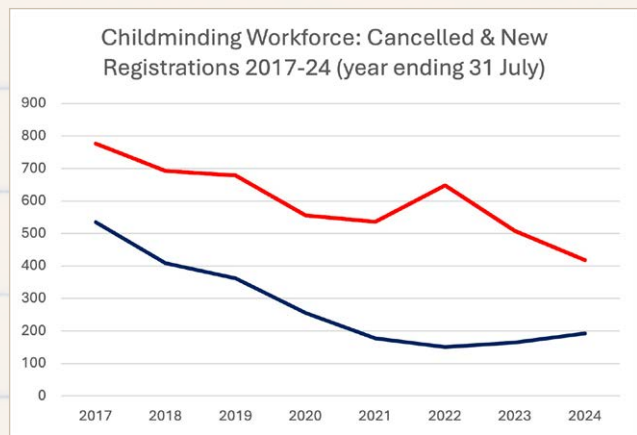
Source: Childcare Statistics, Care Inspectorate

Figure 3.



Source: Childcare Statistics, Care Inspectorate

Figure 4.



Source: Childcare Statistics, Care Inspectorate



A full breakdown of the declining trend within the childminding workforce, by local authority area, since 2016 can be accessed in the supporting documents accompanying this report.

# Workforce Projections

Recognising the severity of the decline in the childminding workforce, the adverse impact this was having on children, families and communities, and the need for urgent action, SCMA also began to include workforce projections in our ELC Audit in 2022.

The initial projections were stark and, at that time, projected that the -34% decline experienced up to July 2022 could almost double to -64% in July 2026 without intervention.

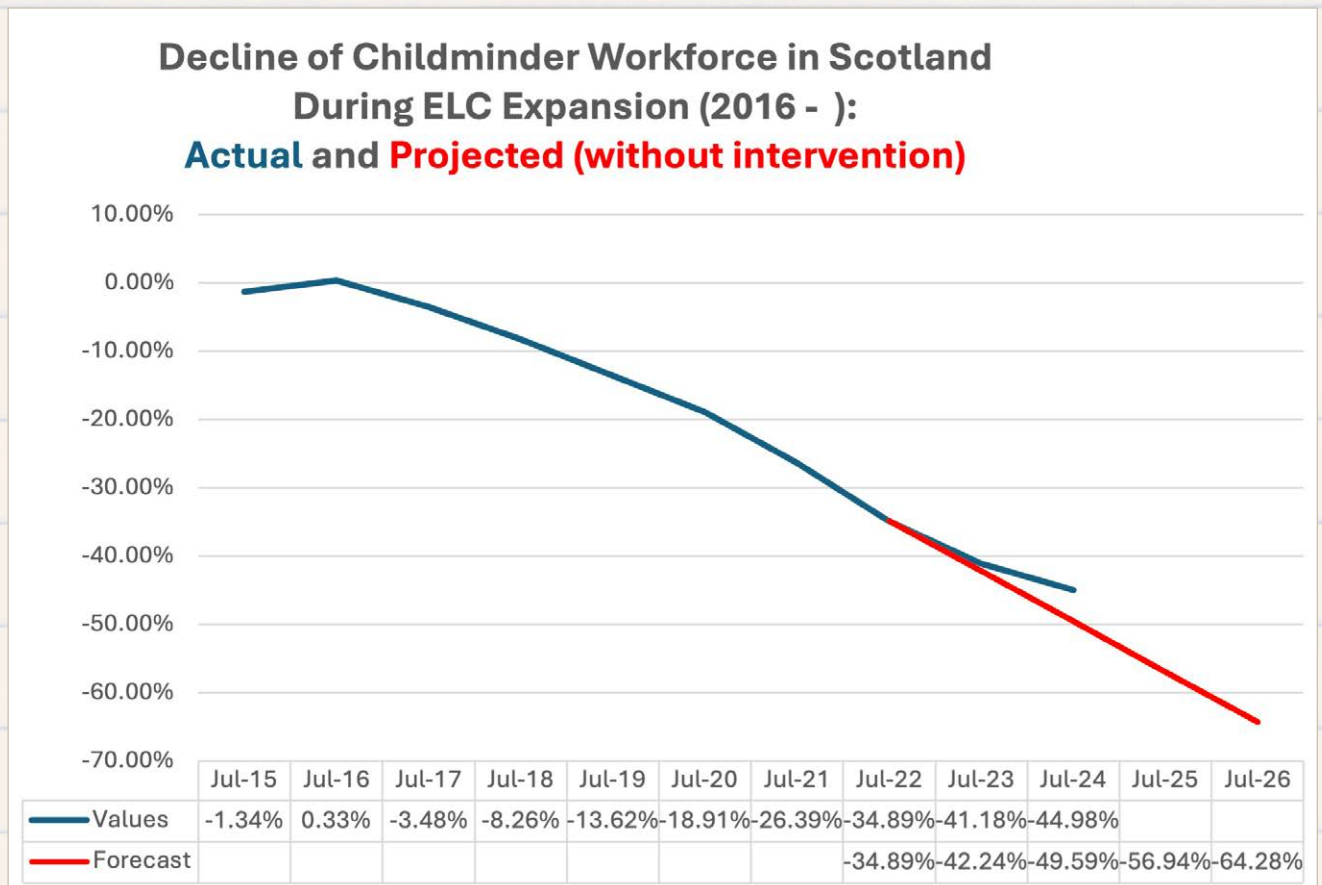
The latest analysis confirms that in the year to July 2024

Since first publishing our workforce projections in 2022 we have continued to track progress in addressing this decline. Small signs of recovery were identified and reported in our ELC Audit 2023.



- Small signs of recovery have been reported for the second successive year and we are starting to see progress against our baseline. The projected reduction, without intervention, by July 2024 had been -49.6%, whereas the actual reported reduction, following the piloting of measures on recruitment and retention, is -45% (4.6% and 338 fewer childminders lost than projected). See Figure 5 below.

Figure 5.



Source: SCMA projections based on Childcare Statistics, Care Inspectorate



# Programme For Scotland's Childminding Future:

## A Vital Intervention For Childminding

The Scottish Government has been aware of the decline in the childminding workforce and the important role that childminders can play in supporting children and in contributing to a range of national policy agendas.

Beyond the provision of nurture, care and learning for children, childminders play a vital role in parental employment through providing childcare for families, enabling parents to work / seek work, or to pursue further education or training opportunities and, in turn, contributing to a reduction in child poverty. This was why in the Programme for Government 2023/24, the Scottish Government committed to scaling-up SCMA's innovative approaches and to growing the childminding workforce by 1000 over three years<sup>8</sup>.

Building on this commitment, the Programme for Scotland's Childminding Future (PSCF) was launched in June 2024. This is a new three-year national programme on childminder retention and recruitment, predominantly funded by the Scottish Government and delivered by SCMA. This will pilot a series of innovative measures to improve retention including three different models of Funded Time Off the Floor and a Mentoring scheme, while scaling up SCMA's childminder recruitment model to enable any local authority who would like this to be delivered in their area to partner with us.

Year one is underway with childminder recruitment being undertaken in 17 local authority areas and the first phase of retention pilots have recently been confirmed. Between the recruitment and retention strands a total of 23 local authorities are participating in Year one of the PSCF. Discussions are also underway with more local authorities to participate in Year two.



<sup>8</sup> Equality, Opportunity, Community, Our Programme for Government, Scottish Government, 5 September 2023

# Conclusions



## CHILDMINDER INVOLVEMENT IN FUNDED ELC

While there has not been a significant change in the number of childminders involved in funded ELC within this last year, it is encouraging that these numbers have held their own against a declining workforce. However, significant disparities continue to be experienced between the number of childminders approved for funded ELC and those actually delivering funded hours.

### Eligible twos provision

The number of childminders delivering to eligible two year-olds remains very low (5.2%) - particularly given that almost a third of the childminding workforce (31.7%) has been approved to provide this.

Throughout ELC expansion our successive surveys of childminders involved in funded ELC have reported that childminders believe this has been due to a combination of:

- ➡ local authorities not promoting childminding equitably alongside their nurseries as an option for parents when accessing their statutory entitlement of funded ELC; and
- ➡ since the pandemic, more local authorities have been promoting places for two year-olds in their nurseries.

Eligible two provision is a targeted offer to vulnerable and low-income families (approx. 25% of two year-olds) and uptake has been lower than projected. It continues to be a priority for the Scottish Government who recently committed within the Programme for Government 2024/25 to increasing uptake in this age group *“with a particular focus on boosting take up among the families most at risk of poverty and areas with some of the lowest take up rates”*<sup>9</sup>.

Childminders have considerable experience of caring for children of all ages, from babies to older school-age children. This includes particular experience in providing nurturing care for 0-2 year olds, SCMA’s Community Childminding placements for vulnerable children and SCMA’s Family Childminding Partnership which is piloting preventative family support within enhanced nurturing childminding placements for 9-23 months old children within the six priority groups in the Tackling Child Poverty Delivery Plan, kinship carers and care-experienced parents.

The large number of childminders already approved to deliver to eligible two year-olds, but who are not actually delivering, represents missed potential in many local authority areas and an opportunity to boost uptake. Joined-up national and local action between the Scottish Government, local authorities and SCMA is required to increase eligible two uptake in childminding.

### Variations in tendering processes

Three years beyond the full implementation of ELC expansion, some may find it surprising that local authority practice varies on tendering, with six (20%) reporting that they do not require childminders interested in delivering funded ELC to go through a formal tendering exercise. Given that complex procurement processes, often involving tight deadlines, have been reported throughout ELC expansion as a barrier to childminder uptake, this finding begs the question - if 1 in 5 local authorities do not believe formal tendering exercises are required for childminders, could this approach be extended to other local authorities to further increase childminder inclusion in funded ELC?

### Business sustainability

It is very positive to be able to report that the vast majority of local authorities who responded (n=22 / 73%) are now paying childminders every four weeks or monthly for delivering funded ELC.

**Regular payment is essential to childminders, as independent small businesses, for business sustainability and we believe this good practice should be replicated by all local authorities.**

<sup>9</sup> Programme for Government 2024-25: Serving Scotland, Scottish Government, September 2024



## Deferral year

This year's ELC Audit captured data for the first time about the impact of the deferral year in childminding settings. These initial findings report an increase in uptake of the deferral year in 27% of local authorities (n=8) who responded and provide an important baseline for further data collection. We will monitor this closely as the impact of the deferral year may be more pronounced and felt more acutely in childminding settings due to their small size. Over 80% of childminders are registered to care for no more than six children at any one time and with strict ratios regarding the number of pre-school children (maximum of three) who can be cared for at any one time. Where deferral is experienced, this could have the unintended consequence of blocking a pre-school place for a new, younger child to come into the setting with a child who has reached the age of five and may have been expected to start school and to move into a school-age childcare space (5-12) within the childminder's registered numbers.

## Local budget cuts

It is clearly of concern that since ring fencing of local authority ELC budgets was removed on 31 March one local authority has reported that they have ended cross-boundary placements and also stopped taking on new partner providers due to budgetary pressures. This becomes of greater concern when looking ahead and at the increasing uncertainty around these areas reported by local authorities in this year's ELC Audit.

**While recognising the considerable challenges presented by the current economic climate, it is vital that this does not undermine the delivery of funded ELC on a Provider Neutral basis.**



# Conclusions



## CHILDMINDING WORKFORCE TRENDS

The childminding workforce continued to decline in the year to 31 July 2024, but at -6% this level of decline is lower than in recent years. The decline in the childminding workforce which had been reported since 2016 was accelerated by the pandemic and the annual net loss from the childminding workforce reached a high of -469 in 2022. Anticipating this, SCMA had launched an ambitious strategy in 2021 to promote recovery and to develop a sustainable childminding workforce.

A range of targeted action since then, in conjunction with others, has contributed to reducing the level of decline to -210 childminders last year and in which both an increase in new registrations and a decrease in cancelled registrations were recorded for the second successive year.

SCMA's latest, updated, workforce projections also report the effect which this has had on reducing the projected rate of decline in the childminding workforce (from -49.6% to -45% in July 2024).

While these signs are positive, it should be clear that the current level of new registrations is too low and the level of cancellations too high to be sustained, that we need to build on these small signs of recovery which have been created and to drive this at pace and scale.

Childminders have an important role to play in supporting children, families and communities and an increasing number of national policy agendas including ELC, school-age childcare, remote and islands, community and economic development, parental employment and child poverty. This has been recognised by the Scottish Government through the creation of the Programme for Scotland's Childminding Future and it is vital that this work continues and, in parallel, that the Shared Inspection Framework is delivered to ensure that quality assurance becomes more proportionate and specific to childminding, with a reduction in paperwork.

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All information is correct as of November 2024 and may be subject to changes.

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