

THE VIRTUAL VOUCHER

POLICY RECOMMENDATION FOR HELPING WORKING PARENTS ACCESS NURSERY PROVISION

May 2015

FAST FACTS

- Every three and four-year-old is entitled to 600 hours of government-funded nursery provision
- **But most council nurseries do not offer suitable provision for working parents**
- Some local authorities allow a 'virtual voucher' to be used at private, 'partnership' nurseries
- **But others, including Glasgow, limit the number of partnership places**
- Reform Scotland wants parents to be able to use their 'virtual vouchers' at all nurseries which meet Education Scotland and Care Inspectorate standards

CONTEXT

Nursery provision and the difficulty working parents face trying to access childcare has been in the news again recently and discussed at First Minister question time at Holyrood.

Although Scottish Government legislation states that every three and four-year-old is entitled to 600 hours of government-funded nursery provision, many children appear to be missing out.

The Fair Funding for our Kids campaign notes:

"For many children and working parents in Glasgow and beyond, the system is not delivering a model of childcare that matches the needs of the modern working family, with the result that many children are missing out on their early years entitlement."

"Right now, thousands of families across Scotland are unable to access their legal entitlement to free childcare because most council nurseries do not offer suitable hours for working parents."

"For these working parents, private partnership nurseries can provide the solution. However, not all eligible children are able to access their entitlement in partnership nurseries because local authorities are limiting number of funded places available."

While the recent survey by the Family and Childcare Trust said fewer than one in six councils in Scotland had enough childcare capacity to meet the needs of working parents. Reform Scotland's believes that this problem can be solved by the nursery entitlement following the child – a virtual voucher. As long as a nursery meets necessary standards set by both Education Scotland, which is responsible for inspection of the education side of the nursery, and the Care Inspectorate, which is responsible for inspection of the care side, parents should be able to take up their entitlement with that provider.

This is not about the private sector versus the public sector, but acknowledging that most council nurseries do not provide the full-time care that working parents need, and therefore, for all children to receive their funding, the money must follow the child.

BACKGROUND

Although there had been historical provision for some three and four year olds to attend nursery in Scotland, provision varied from area to area, it was not until the enactment of The Standards in Scotland's Schools Etc Act 2000 that a duty was placed on local authorities to provide pre-school education to all three and four-year olds and set a minimum entitlement. Section 35 of the Act also gave authorities express power to secure provision through suppliers other than themselves.

The Children and Young People (Scotland) Act 2014 increased the entitlement so that all three and four-year olds are now entitled to 600 hours of government-funded nursery provision as well as vulnerable two-year olds.

Operation of the system varies from council to council. It is up to each local authority who it commissions care from and, therefore, not all privately-run nurseries will necessarily be

partnership providers. The ease of gaining partnership status will vary from council to council with some local authorities granting partnership status to a nursery, while others will only fund a certain number of places at a partnership nursery.

Arguably, there seems to be a misunderstanding by some politicians that parents are actively choosing private sector provision over the public sector and taking what they see as council money and giving it to the private sector. As a result, councils such as Glasgow, East Dunbartonshire and East Lothian have restricted the number of places that they will fund in partnership nurseries. Officials have suggested that parents can move their child to an alternative nursery either a council-run one or a different partnership one, as if the child was an object that could be taken out of one environment that they were secure and happy in and placed in another without consequence every time the council changed its mind about which nurseries they would give partnership places to.

This attitude also ignores the fact that in reality the public and private sector are offering very different provision. The majority of state nurseries, though this will vary from council to council, offer around 3 hours a day, for 5 days a week during the school year – which makes up the 600 hours funded by the Scottish Government. Some councils may allow hours to be bundled so that more than one session is taken in one day, others will not. Some may allow only part of a provision to be taken up, others will not. And these policies may change over time. There are no catchment areas for council nurseries, including nurseries attached to schools, so there is no guarantee of a place in a nursery at a convenient location (especially important if parents are also organising the drop-off and pick-up of other children at school or nursery.)

Therefore, for many working parents it is almost impossible to take up a place at a council nursery under those circumstances, unless you have some sort of wrap-around system in place through family, friends, or another nursery. Therefore, their only option is to use an alternative provider.

While there are problems getting a child's entitlement in some parts of the country, in other areas parents already receive a virtual voucher in the form of a discount applied to their nursery invoice.

POLICY RECOMMENDATION

Reform Scotland believes that as long as a nursery meets necessary standards set by both Education Scotland, which is responsible for inspection of the education side of the nursery, and the Care Inspectorate, which is responsible for inspection of the care side, parents should be able to take up their entitlement with that provider. This will offer far greater flexibility as parents can then access their child's entitlement in a way which better complements their family life. In reality, this would mean that a virtual nursery voucher scheme would be in place, where the funding follows the child and parents are able to choose the nursery which suits them best, rather than have their choice restricted by the council.

It is our hope that a premium could be added to the nursery entitlement scheme to help children from more disadvantaged backgrounds or those with special needs.

What Reform Scotland is calling for is not new, and works to a lesser or greater

degree in some areas of Scotland at present, but is fully dependent on the attitude of the different local authorities.

Whilst Reform Scotland is fully committed to decentralisation and greater local decision making, that does not mean that a local authority can fail to meet its responsibilities. Equally, the Scottish Government should not claim to have delivered policies, when that delivery is in the hands of local authorities, and open to their interpretations - it is the Scottish Government's responsibility to ensure that its policy is actually delivered.

It is unfair on both parents and children for the Scottish Government to set a policy, but allow local authorities to restrict the ability of parents to access that vital provision. It is not an excuse to argue that you have provided enough places in local authority nurseries, if parents are unable to access those places because the hours or location on offer make it impossible to take-up.

All political parties argue they want to help get people into employment, training or education, so policies in other areas, such as nursery provision, need to reflect that, and that means enabling parents to take-up their child's nursery entitlement at an establishment which fits in with their working patterns.

Reform Scotland believes that virtual nursery vouchers, where the entitlement follows the child, is one answer to the current funding problem facing many working parents across Scotland.