PUBLIC AUDIT AND POST-LEGISLATIVE SCRUTINY COMMITTEE

AGENDA

6th Meeting, 2018 (Session 5)

Thursday 8 March 2018

The Committee will meet at 9.00 am in the James Clerk Maxwell Room (CR4).

1. **Decision on taking business in private:** The Committee will decide whether to take items 3 and 4 in private.

2. **Early learning and childcare:** The Committee will take evidence on the Auditor General for Scotland's report from—

   - Caroline Gardner, Auditor General for Scotland;
   - Antony Clark, Assistant Director of Performance Audit and Best Value,
   - Tricia Meldrum, Senior Manager, and Rebecca Smallwood, Senior Auditor, Audit Scotland.

3. **Early learning and childcare:** The Committee will consider the evidence heard at agenda item 2 and take further evidence from—

   - Caroline Gardner, Auditor General for Scotland;
   - Antony Clark, Assistant Director of Performance Audit and Best Value,
   - Tricia Meldrum, Senior Manager, and Rebecca Smallwood, Senior Auditor, Audit Scotland.

4. **Work programme:** The Committee will consider its future approach to its post-legislative scrutiny work programme and its future scrutiny of the 2016/17 NHS Tayside and 2016/17 Scottish Police Authority audits.

Clerk to the Public Audit and Post-legislative Scrutiny Committee
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The Scottish Parliament
Edinburgh
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The papers for this meeting are as follows—

**Agenda Item 2**

Note by the Clerk  
PAPLS/S5/18/6/1

PRIVATE PAPER  
PAPLS/S5/18/6/2

**(P)**

**Agenda Item 4**

PRIVATE PAPER  
PAPLS/S5/18/6/3

**(P)**

PRIVATE PAPER  
PAPLS/S5/18/6/4

**(P)**

PRIVATE PAPER  
PAPLS/S5/18/6/5

**(P)**
Public Audit and Post-legislative Scrutiny Committee

6th Meeting, 2018 (Session 5), Thursday 8 March 2018

Early learning and childcare

Introduction

1. The Committee will take evidence on the Auditor General for Scotland’s report Early learning and childcare

Written Submissions

2. Audit Scotland has provided a briefing paper which can be found in the Annexe.

ANNEX

AUDIT SCOTLAND BRIEFING PAPER OF 8 MARCH 2018

1. The joint Auditor General and Accounts Commission report on Early learning and childcare was published on 15 February 2018.

2. Key messages and recommendations from the report are

- The Scottish Government’s policy to increase funded early learning and childcare (ELC) is consistent with national strategic objectives around improving the lives of children and their families. The Scottish Government and councils have worked well together to expand provision. Parents are positive about the benefits of funded ELC for their children.

- The Scottish Government implemented the increase in hours without comparing the cost and potential outcomes of alternative ways of expanding funded ELC to achieve its aims of improving outcomes for children and parents. It has invested almost £650 million of additional funding since 2014 to expand funded ELC to 600 hours but it did not plan how to evaluate the impact of the expansion. This means it is not yet clear whether this investment is delivering value for money.

- This weakness in evaluating the impact of policy implementation has been a theme in a number of our recent audit reports. The Scottish Government is planning better to be able to evaluate the impact of the expansion to 1,140 hours of funded ELC. It has developed an evaluation framework, and

published some baseline indicators, in advance of implementing the policy. We have recommended that the Scottish Government should continue to develop the detail of how they will evaluate the expansion to 1,140 hours and ensure baseline data is available. We have also recommended that the Scottish Government should ensure that future major policy changes are backed up by options appraisal, supported by economic modelling.

- Parents in our research said funded ELC had a limited impact on their ability to work due to the hours available and the way in which those hours were provided. Although the range of options has increased, in most councils the majority of children still have a part-day funded ELC place in a council setting. We have recommended that councils develop commissioning strategies for funded ELC that set out information on delivering flexibility and on parental preferences. We have also recommended that the Scottish Government updates the statutory guidance to clarify what is meant by flexibility, to help ensure councils understand what is required and parents understand what they can reasonably expect from their council.

- There are significant risks that councils will not be able to expand funded ELC to 1,140 hours by 2020. In particular it will be difficult to increase the infrastructure and workforce to the levels required, in the limited time available. The Scottish Government should have started detailed planning with councils earlier, given the scale of the changes required. We have recommended that the Scottish Government and councils urgently finalise and implement plans for changes to the workforce and infrastructure to address the significant risks of not being able to deliver on time.

- The Scottish Government expects the cost of delivering 1,140 hours of funded ELC will be around £840 million per year. Councils were required to prepare their initial plans for the expansion without some important information about how the system will operate from 2020. While councils' plans will change over time, their initial estimates of the cost of funded ELC following the expansion to 1,140 hours are about £1 billion per year, significantly higher than the Scottish Government’s figure.

3. The report covers a number of areas that have been of interest to the Committee previously, including:
  - Gaps in the evidence base and analysis supporting changes to national policy
  - A lack of clear outcomes that policy changes are expected to deliver, and a lack of planning to evaluate the impact of policy changes
  - Risks to the deliverability of major policy initiatives due to a lack of detailed planning early enough.