

## Out of School Care in Scotland: A draft framework for consultation

### CPAG in Scotland response

#### 1. What range of services are needed:

Please tick all that apply.

Regulated out of school care

Childminders

Activity-based clubs and programmes (such as sports clubs, creative arts clubs, outdoor activities)

Other

If other, please specify.

#### Can you tell us why these services are important?

Evidence including CPAG's Cost of the School Day work outlines that a lack of available, affordable or suitable childcare options can put substantial pressures on low income families. Alongside pressure on budgets, accessible and affordable childcare also supports parents to work, train or study which can in turn help to increase earnings and reduce levels of child poverty. Indeed the Scottish Household Survey 2018 tells us that the main reason people use childcare is to allow parents to work.<sup>1</sup> Currently, one in four (240,000) children in Scotland live in poverty<sup>2</sup> and without significant policy change this figure is forecast to rise to 38% by 2030/31.<sup>3</sup> In order to see this reduce rather than rise, and to contribute towards the Scottish Government's ambitious child poverty targets,<sup>4</sup> all families must have access to a range of childcare options that meet the needs of parents and children.

Out of school care can also itself have a positive impact on children, their families and their life chances. A 2015 evidence review from NHS Health Scotland found that it provides positive social interactions and prepares children for school, particularly for those living in poverty.<sup>5</sup>

It is worth noting that local authorities currently have a duty to provide out of school care under the [Children \(Scotland\) Act 1995](#) (as amended by [the Children and Young People](#)

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<sup>1</sup> <https://www.gov.scot/publications/scotlands-people-annual-report-results-2018-scottish-household-survey/pages/13/>

<sup>2</sup> <https://www2.gov.scot/Topics/Statistics/Browse/Social-Welfare/IncomePoverty>

<sup>3</sup> <https://www.gov.scot/publications/tackling-child-poverty-delivery-plan-forecasting-child-poverty-scotland/pages/2/>

<sup>4</sup> See: <https://www.gov.scot/policies/poverty-and-social-justice/child-poverty/>

<sup>5</sup> <http://www.healthscotland.com/documents/26583.aspx>

([Scotland Act 2014](#)). S27 (3) of that Act says:

*Each local authority shall provide for children in need within their area who are in attendance at a school such care—*

*(a) outside school hours; or*

*(b) during school holidays,*

*as is appropriate; and they may provide such care for children within their area who are in such attendance but are not in need.*

Currently, as we set out in this consultation response, it would seem that this duty is not always being met and that many children ‘in need’ do not have appropriate access to out of school care.

**2. What can we do to support community based approaches to delivering out of school care?**

**3. What name should we use for the range of out of school services and activities? Is there a better term than ‘Out of School Care’?**

**4. To enable us to realise our vision, we have identified three key aims that we will need to achieve -**

**1. High quality services which provide children with life-enhancing experiences**

**2. Out of school care is accessible and affordable and meets the needs of children and young people, parents and carers and communities.**

**3. Out of school care services are embedded in communities and enable children and young people to access a range of spaces including the outdoors.**

**Do you agree with our 3 key aims for a future out of school care framework?**

Yes No

**Please explain your response.**

**5. How can we help to ensure that all families have access to an out of school care place for their child/ren if they want it?**

We know from our Cost of the School day work that many working parents don’t have access to affordable consistent childcare which fits with their working hours, particularly around school holidays. In our Cost of the School Holidays report, many parents expressed uncertainty and anxiety about upcoming arrangements: “I don’t even know what I’ll do for childcare over the holidays. I’ll have to turn to friends and hope they don’t let me down”,

“I’ve managed to get two weeks off but I don’t know what I’m going to do the rest of the time” and “I worry about who I’m leaving them with”.<sup>6</sup>

“Financially, things are very tight for me and to pay for child care this summer holiday I've had to ignore some bills and hope I can catch up in August.” (Mother)

“It’s ok for them to encourage parents to get a job but there’s nobody there offering additional support services during the school holidays.” (Mother)

In response to our survey of organisations and parents in Glasgow on the cost of the school holidays, we found:

- 94% of organisations responding to the survey cited childcare as a challenge for families on low incomes during the holidays
- Three quarters of parents who responded rely on family for informal childcare during holidays and almost half (45%) rely on friends
- 14% of parents had reduced their working hours and 37% had changed their working hours to manage childcare
- Half of parents felt that affordable childcare would reduce difficulties during the holidays.

Flexible and affordable childcare is crucial in helping parents negotiate holiday childcare and challenges are greater when this flexibility is not there. Employers should also be encouraged to be as flexible as possible. Parents responding to the survey had taken annual leave (64%), unpaid leave (21%), parental leave (14%) and sick leave (11%) due to childcare needs. Two-parent families often alternate annual leave to cover the holiday period.

“[There are] kids sitting on a doorstep or locked in the house with a packed lunch and left to fend for themselves” (Out of School Care provider)

Some children spoke about neighbours and family friends who “nip in and out” in lieu of childcare and of making their own way to holiday activities when parents have to go straight to work. They said that being left alone might mean that they “end up home alone and scared if their parents are working late.”

High costs for childcare and oversubscribed Out of School Care services mean that working parents must save well in advance of the school holidays to fund their child’s attendance. As well as increasing affordability, there is a need to increase the number and spread of these services to enable parents to work.

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<sup>6</sup> For more information, see: <https://cpag.org.uk/sites/default/files/CPAG-Scot-Cost-School-Holidays-full%20report.pdf>

Evidence from CPAG's Early Warning System also demonstrates that some parents are unable to pay for childcare due to issues with universal credit. There are cases, for example, of lone parents having to give up work. For further information and recommendations on this, see our answer to question 8.

**6. What do children and young people want from out of school care services and does this differ dependent on age?**

**7. What different activities or provision might secondary school aged children want?**

**8. How can we make sure out of school care is an affordable option for more families? (e.g. subsidised provision, remove barriers in accessing benefits, help with upfront costs)**

The costs of childcare are increasingly prohibitive, particularly for lone parents. CPAG's recent Cost of A Child report found that lone parents now fall 16 per cent short of an adequate income even with a reasonably paid job, (an increase from 6 per cent in 2012), burdened in particular by the high cost of childcare. The report also found that for those parents who require childcare, it now comprises nearly half of all the costs of a child. It is therefore hugely important to consider the affordability of childcare.<sup>7</sup>

### **Universal credit**

Where out of school care services that charge are registered with the Care Inspectorate then parents can claim universal credit (UC) or working tax credits childcare element to help with costs. The consultation notes that financial support to low income families to pay for childcare through working tax credits is being replaced by the childcare element of universal credit. People making a new claim, who need assistance with childcare costs, have to claim universal credit (UC).<sup>8</sup> There are however a number of issues in regard to UC which will impact on parents' ability to afford out of school care. With less than 60% of UC claimants with a childcare element being paid on time and accurately<sup>9</sup> it is vital that providers are informed and in a position to support parents and carers in relation to UC in order to sustain their service's income and protect their service users and staff. Below, we outline the specific issues to consider in relation to this.

### **Paying for upfront costs**

Some childcare providers require a deposit and/or payment in advance when a childcare arrangement is entered into. As noted in the consultation, UK Government has confirmed that when someone is moving into work they can request help with upfront costs from the Flexible Support Fund – a discretionary fund operated at a local level. Payments from the Flexible Support Fund will be paid direct to the childcare provider and are not repayable.

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<sup>7</sup> [https://cpag.org.uk/sites/default/files/files/policypost/CostofaChild2019\\_web.pdf](https://cpag.org.uk/sites/default/files/files/policypost/CostofaChild2019_web.pdf)

<sup>8</sup> With the exception of people who are receiving an additional amount in their current benefits because they are severely disabled.

<sup>9</sup> <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2019-06-04/259875/>



However parents are not always advised about the availability of the Fund. The Flexible Support Fund may help parents who are moving into work, but not parents who are changing childcare provider, for example because they are transitioning from nursery to before and/or after school care, or who are moving to another area.

A client with two children started work, put her children into nursery and claimed UC. She wasn't able to pay her childcare costs for the first three months, but was then able to pay £2295 in one instalment to cover ongoing payments and arrears. She provided the receipt to UC, but was correctly advised that the maximum childcare costs that can be recouped in one assessment period is £1108.04. However the client should have been advised that she could request support from the Flexible Support Fund, at the start of the claim and when she was told that she would be able to recoup a sizeable amount of the costs she had already paid. The Flexible Support Fund should be available in the first 26 weeks of someone starting employment. #6368

The UK Government has also confirmed that UC claimants will be able to receive a loan to pay for their childcare in advance, however the mechanism for this is unclear. Evidence from the Early Warning System highlights that claimants are already struggling financially as a result of repaying the loan (called an advance) that is available during the 5 week wait for the first payment of UC claim, especially when coupled with deductions for overpayments and other debts. Taking a loan to pay for upfront childcare costs is likely to exacerbate ongoing financial hardship.

A couple have so many deductions coming off their UC that they cannot afford food and fuel, have received their maximum crisis grant entitlement from the Scottish Welfare Fund, have taken out pay day loans for essential day to day items and had to attend a foodbank. They have asked for their deductions to be reduced, but without success. #4473

At present parents can request a budgeting advance (loan) to help with upfront childcare costs, but this is not available to couples who have earned £3600 in the last six months, ruling out a number of people already in work, and may also be refused due to other debts and liabilities. The maximum advance of £812 may not be enough to cover the upfront costs charged. The budgeting advance system also does not appear well suited to providing ongoing support for claimants who struggle to pay upfront costs on an ongoing (rather than one-off) basis.

### **Reporting and evidencing costs**

It is anticipated that some childcare providers will have to change their charging policies in order to align with UC. In tax credits, claimants could estimate their childcare costs and confirm whether that was accurate at the end of the financial year. If there was a change of more than £10 a week this should be reported when it occurred to avoid over or underpayment. Claimants could then be asked for evidence of actual childcare costs paid at any time during their award.

In UC, claimants must report and may be asked to evidence that they have paid their childcare costs each month before they can be reimbursed. This can represent a sizeable outlay before the money can be recouped. The recent announcement of 30 days grace will help people to avoid losing support with childcare costs due to late reporting, but reporting costs in a later assessment period of course means an even longer wait for payment.

A lone parent failed to report all of her childcare costs on time and has not been paid for the periods that she was late in reporting. She is going to struggle to keep her childcare place and therefore her job. #91

Evidence that will be accepted that payment has been made includes:

- A letter headed invoice that is dated and annotated as being paid, or an accompanying bank statement (online banking screenshots will not be accepted)
- A bank or ATM statement which notes the date and amount of payment and the name of the childcare provider
- A registered invoice receipt or handwritten receipt showing the childcare provider's name (but only as a last resort)

UC had been accepting invoices as proof of childcare costs but not requiring evidence that they had been paid, but are now, stating that they cannot accept invoices alone. #5688

Monthly reporting is a considerable change from existing practice and will often not align with childcare provider's charging policies. For example:

Nursery A notes their charges in individual's contracts between the service and the parent. Parents are asked to set up a standing order, pay in advance and will only receive a new contract if the hours they use, or the hourly rate, changes. There are no invoices or receipts, so parents may only be able to report their payment once they have received their bank statement causing a delay between payment and being able to evidence.

Out of school club B invoices parents every three months for the hours they have used. This would not align with reporting costs monthly and parents would be limited to monthly maximum for the period that they made the payment in.

Nursery C provides wrap around nursery care in addition to the Scottish Government funded hours. Parents are invoiced monthly in advance for all of the childcare hours they intend to use and are then reimbursed the equivalent of the free hour entitlement at the end of each term.

None of these examples from parents using childcare, will assist parents to pay and report their childcare costs monthly.

Client has been unable to pay her full childcare costs after the childcare element was not included in one of the UC payments because UC insisted she provide a letter from the childcare provider, even though she had already done so in the previous assessment period. UC can only pay 85% of what it is reported has been paid, so the client is stuck in a circle of being unable to pay her full childcare costs. #2277

The UK government's own guidance suggests that while childcare costs need to be reported every month, this ought not to mean that claimants are required to *evidence* their costs each month when there has been no change in their childcare arrangements: *"After the initial costs have been verified, the claimant will continue to report the childcare costs they pay but may not be asked to provide evidence. This is because the childcare costs have automatically been accepted."*<sup>10</sup>

However our experience suggests that in practice people are still told that they must not only report costs every month but also provide evidence to verify them – the law only says *report* every month.

It's important to note that this is an issue which will not only affect parents and children, but childcare providers. In order to support provision, the following impacts should be considered.

### **Childcare providers role as an employer**

It is possible that some childcare employees will be receiving universal credit.

UC claimants who are earning less than a full time national minimum wage may be expected to increase their hours of work or increase their rate of pay. Given the restricted operational hours of some child care providers, particularly before and after school clubs, staff claiming UC may find themselves under pressure to seek additional, or alternative, employment.

A UC claimant, a lone parent of a two year old, works 15 hours a week as a nursery assistant and is studying 20 hours a week for a degree in childhood practice. When she qualifies this will allow her to attain a registered childcare post, with better prospects and earning potential. The client's new work coach told her she will be expected to increase her working hours to 30 hours a week when her daughter turns three, which would not be compatible with the client's studies. UC's own guidance states that the expected hours for the main carer of the 3-4 year old is 16 hours a week, so she is being asked to do more than may normally be required. There isn't any specific provision allowing the client to have her studies counted towards her conditionality, but she could reasonably ask for it to be counted as work preparation, but this would be at the work coach's discretion. #5657

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<sup>10</sup> [http://data.parliament.uk/DepositedPapers/Files/DEP2019-0465/Childcare\\_costs\\_v11.0.pdf](http://data.parliament.uk/DepositedPapers/Files/DEP2019-0465/Childcare_costs_v11.0.pdf)

## Childminders

Childminders may be in the position of both being in the position of being a childcare provider and a self-employed UC claimant.

Self-employed people, who are out with the first year of starting their business will have a minimum income floor applied to their universal credit calculation. This is an amount they are assumed to have earned whether they have or not. Work coaches have discretion about how much the minimum income floor should be depending on individual circumstances. Childminders are limited in the amount they can earn because they are restricted number of children they can look after and some will have their own children taken into account in that calculation.

## Administration error and misinformation

The Early Warning System consistently receives a high number of cases that highlight issues not just with benefit policies, but with the way benefits are administered. Common issues include claimants being:

- underpaid due to DWP error
- overpaid due to DWP error – which the claimant then has to be paid back
- given incorrect information about whether they are entitled or not

The case evidence regarding UC and childcare is consistent with this trend. Errors with UC childcare costs can jeopardise claimant's childcare arrangements.

A client has been struggling to pay her childcare cost since she has transferred from tax credits to UC. Childcare costs do not appear to have been included correctly in her award despite raising the issue repeatedly in her online journal as instructed. Client needs her son's nursery place so she can work and has been paying nursery instead of her rent and accruing rent arrears as a result. #Mii253

Client was reporting and receiving her childcare costs in UC without problem during term time, but when the cost increased over the holidays, UC appear to have calculated the costs incorrectly and have continued to pay the term time amount despite the higher amount having been reported and verified. #18931

As a result of a lone parent's employer reporting the wrong amount of earnings, the client has been overpaid UC, which she now has to repay and has had two months where she has not been paid in UC at all. Consequently she is now in arrears with her childcare costs and her rent. #5294



Client was incorrectly advised by the UC helpline that she could not claim UC childcare costs for the six hours of childcare she pays for on top of the 16 hours free that she receives, because she is receiving free hours. #2811

When a lone parent notified UC that she had lost her job, but was still liable for child care for a further four weeks, she was told that the childcare element would end immediately when in fact it can run on for another month after employment stops. #1978

### Gaps in provision

In order to claim childcare costs, both members of a couple must be working unless there is a benefit decision that one of them is too ill or disabled to work just now, or is caring for a severely disabled person. There are case studies that highlight instances where childcare is required but will not be financially supported by UC.

A 17 year old stayed on at school after having a baby. She lives with her partner who works full time. They have been awarded UC for housing costs and the child element, but not childcare costs because only one of the couple is in work. #1314

Client is unable to claim childcare costs because her partner is not working (or otherwise exempt), but he is required to carry out community service on the days that she is working. #4766

Issues with UC have the potential to significantly impact on the affordability of out of school care. Scottish Government must highlight all of the potential impacts of universal credit to the childcare sector and encourage them to engage with DWP and local advice providers.

It should also be considered whether enough specific services are available to support childcare providers understand the implications of childcare costs being paid by universal credit rather than tax credits.

**9. How can services be more effectively delivered in rural/remote areas to meet the needs of families?**

**10. How can we ensure that children with disabilities and additional support needs can access out of school care services?**

**11. What flexibility do parents and carers need from out of school care services? Can you tell us why this flexibility is important?**

As noted in our response to question 8, flexibility in charging for childcare is key as those claiming UC will need to pay monthly.

Flexibility in the delivery of hours and when families are able to book or cancel these is also crucial in helping parents access and maintain decent work. For example, a parent on a zero hours contract may not know what hours they need childcare for in any given week. For those low income families, full or half day slots, arranged well in advance, are not suitable. As an Audit Scotland report from 2017 noted, local authority nurseries tend to offer less flexibility than private nurseries, with parents sometimes having to put in place 'extremely complex arrangements' to use their funded hours at a local authority nursery while having to use additional childcare to cover their working hours.<sup>11</sup> Indeed in researching the barriers to uptake of Early Learning and Childcare for eligible two year olds, it was found that the flexibility offered could be a barrier to uptake, with some parents noting that where the hours were inflexible this was a barrier to gaining work.<sup>12</sup>

As noted, access to childcare is an important part of efforts to reduce child poverty. In order to access childcare that allows parents to increase their earnings, childcare provision must be flexible.

**12. What is important for parents and carers in terms of location of out of school care services? Should they be delivered in schools, community facilities, outdoors?**

**13. What ages of children do parents/carers need provision for?**

**14. Do parents/carers need food provision as part of after-school and holiday clubs?**

Yes No

**Please explain your answer.**

From CPAG's Cost of the School Day work, we know that extra costs such as snack funds or having to pay for food provision can put a strain on families on low incomes and act as a barrier to children participating. Alternatively, where food provision is free, this can help reduce the burden on parents who may be struggling to afford to basic necessities.

Our Cost of the School Holidays report outlines that the loss of free school breakfast and lunch entitlements during holidays, alongside demand for lunches out with friends and snacks in between meals, can place pressure on budgets and mean that food is limited at home.

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<sup>11</sup> [https://www.audit-scotland.gov.uk/uploads/docs/report/2018/nr\\_180215\\_early\\_learning\\_supp.pdf](https://www.audit-scotland.gov.uk/uploads/docs/report/2018/nr_180215_early_learning_supp.pdf)

<sup>12</sup> <https://www.gov.scot/binaries/content/documents/govscot/publications/research-and-analysis/2017/03/drivers-barriers-uptake-early-learning-childcare-amongst-2-year-olds/documents/00512948-pdf/00512948-pdf/govscot%3Adocument/00512948.pdf>

“You are waking up each day and feel like you want to go back to sleep again. You think ‘oh God what are they going to eat today, what did they have yesterday?’ and then they will say they don’t want the same things again.” (Lone mother of five children)

“We’ll probably have mince again for dinner. We get the same meal every night because it’s cheap.” (Child)<sup>13</sup>

Of those surveyed for the ‘Out of School Care Parent Survey’, just over a third (35%) of parents who used breakfast clubs said that free or subsidised food was a reason they used the club. The findings also note that those living in the most deprived areas were more likely to use term-time and holiday care for the provision of free or subsidised food. This is therefore a key consideration for low income families and one that can have a significant impact.<sup>14</sup>

As noted, unless there is significant policy change it is forecast that child poverty levels will rise in to over a third of all children in Scotland living in poverty by 2030/31. Therefore in the absence of major interventions from governments, it should be expected that more families are likely to value food provision as part of after-school and holiday clubs in the coming years.

**15. What qualifications, skills and experience should the out of school care workforce have? What is most important and why?**

**16. Thinking about the full range of provision - regulated out of school care, childminders, holiday programmes and other activities - should qualification requirements for staff working across these provisions be the same or different? Why?**

**17. How can we promote working in the out of school care sector as a more attractive career choice?**

**18. How can we increase diversity across the out of school care workforce?**

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<sup>13</sup> <https://cpag.org.uk/sites/default/files/CPAG-Scot-Cost-School-Holidays-full%20report.pdf>

<sup>14</sup> <https://www.gov.scot/publications/out-school-care-survey-parents-scotland/>