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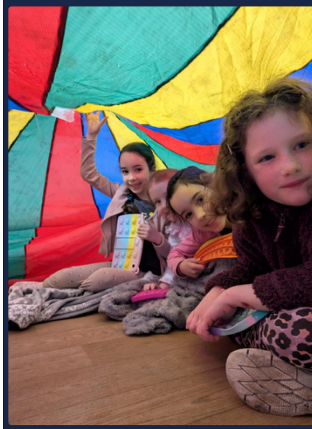

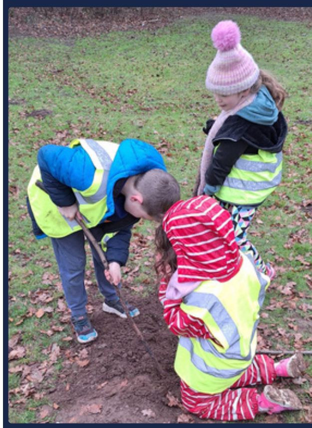

School Age Childcare Programme Review - Final Options Appraisal
Scottish Government and Care Inspectorate (2025)

and

The Scottish Budget 2026 - 2027
Scottish Government (2026)

OUR RESPONSE

JANUARY 2026

Clare Swann
Lead Director

FOREWORD

2026 has started with a bang for regulated School Age Childcare services (SACC) with the publication of the Scottish Government budget (2026), coupled with the SACC feasibility review document (2025). There is no doubt we are entering a period of growing uncertainty; therefore, my initial cynical response to the publication was perhaps valid:

“SACC is being used as a political football as a result of failed previous SNP manifesto promises.”

The 2021 SNP Manifesto clearly states:

“Build a wraparound childcare system providing care before and after school, all year round, where the least well-off families will pay nothing.”

5 years ago, before the economic difficulties currently facing our Country, no doubt the current Government had every intention of implementing a needs-based, free SACC using the current regulated system. However, after researching the financial reality of providing this provision, it seems they discovered that it is no longer financially viable. This has led to the current Government attempting to save political face in the run-up to the 2026 Election by implementing an unregulated system of SACC. If successful, this will destroy our sector entirely, and the decades of training, qualifications, and experience will be gone forever. While I do not think this is purposeful, due to the complexity of the implications, this will undoubtedly be the case. It is therefore, vital that as a sector, we ensure our voices are heard and documented.

From reading, processing and reflecting further, I realise with optimism that this could be an opportunistic time for the sector. While there can be no doubt that it has left us feeling anxious. and added further strain to services already facing unprecedented challenges due to the impact of cost of living, Employer National Insurance rises, recruiting & retaining staff, meeting children and families' needs and regulatory requirements. I hope this report assists the sector, decision makers, families, staff, children and professional partners to begin the conversation and bring to the fore of wider political and public scrutiny.

Having spent over a decade within the industry, I know our resilience, perseverance, compassion and abilities are endless. By working together, we can look at solutions that complement and enhance the current professional, passionate, hardworking and determined SACC services operating throughout Scotland.

As a grassroots not-for-profit company established in 2014, we understand the necessity for affordable, quality, flexible and inclusive SACC. The positive impact our services have on the lives of families, children and the wider community is widely reported. While not a statutory provision, we cannot underestimate the essential role we play.

Quality SACC ensures parents/carers can retain or pursue work/study. We provide opportunities for children to play, socialise, explore and learn, thus enhancing their social, emotional, physical and educational development. For families on low incomes, our service is committed to ensuring support is offered as and when needed by supporting and signposting to relevant benefit supports and whenever possible providing funded spaces.

Children's rights to rest, relax and play (UNCRC, Article 31, 1989) are at the heart of all of our endeavours. School's Out belongs to the children; it is their club and their ‘free time’. We as a team are privileged to play a small part in their journeys and share in creating new memories, excitement and fun.

Our work is underpinned by the Play Principles, and we include a wide range of Play Types throughout our sessions. We are committed to implementing the National Health & Social Care Standards and Getting it right for every child (GIRFEC) features in every aspect of our work.

The following discussion seeks achievable and financially viable solutions in an attempt to ensure our sector and the qualifications, experience, learning and professionalism developed over the decades is utilised and built upon and not unintentionally eradicated.

LEGISLATION

As it currently stands Registered School Age Childcare comes under the Public Services Reform (Scotland) Act 2010.

Section 4 of the Social Care and Social Work Improvement Scotland (Excepted Services) Regulations 2012 specifically excludes services from registering as day care of children services unless their "primary purpose is the provision of care to children". This means that "organised children's activities", such as sports or arts clubs, are not classed as "childcare" because their primary purpose is providing activities rather than care. These types of service are therefore not regulated by the CI, nor are their staff required to register with the SSSC.

The legislative question surrounding SACC provision and the expansion of Organised Childrens Activities (OCA) is whether CARE is the main purpose. As a professional and parent, I find it unimaginable to separate care and the duty of care placed on staff and volunteers for any club, activity, or service involving children. I am certain educators, sports coaches and activity providers would agree they provide care to every child in their setting. Therefore, with care implied, I would argue that our main purpose as a SACC provider is PLAY, and as a result, this makes us exempt from Care Inspectorate and Scottish Social Service Council (SSSC) registration.

FINANCIAL IMPLICATIONS

While withdrawing our services from this heavily regulated and costly system could help with operational issues regarding rising costs, staffing and time constraints to do so would be catastrophic to our service. Reduced lease and rents for council buildings would be withdrawn, and families would be unable to pay for fees using childcare benefits provided through Universal credit and Tax-Free Childcare/student childcare support and bursaries/employer childcare vouchers. This would reduce our registrations by over 50%, making us unsustainable.

While UK childcare benefits are deemed available to many, The Independent (2025) reports an excess of £1.6bn unclaimed tax-free childcare benefits; fewer communities have access to regulated SACC in which to spend their benefits. This is especially apparent in rural towns and villages. With the introduction of unregulated/free services, this will become even harder for parents to access, and the UK Treasury will continue to retain this budget.

The feasibility review says:

"The other challenge parents encounter is that they cannot use UK childcare tax relief and benefits to pay for organised children's activities services in Scotland, because these can only be used to pay for regulated childcare services."

If the purpose of the proposal and law change is to give power to use these financial benefits with unregulated services, then there would be no benefit for our service to remain regulated. As a taxpayer, I would question the financial scrutiny, quality assurances and due diligence in place to justify the use of public funds.

The review goes on to state:

"It should be noted that activities and after-school clubs run by schools are regulated separately and have their own procedures to follow"

It is presumed this is procedures governed by a mixture of Education Scotland, GTCS and Individual School's and Local Authorities own policies and procedures. However, from initial discussions with local teachers, headteachers and school support staff, they were unequivocal in their response that any additional job roles and responsibility out with the already challenging school day would be strongly resisted by teacher unions and individual staff.

CLARITY FOR FAMILIES

What has become apparent to our staff teams during the past decade of service is that many families, especially those exempt from financial supports are unaware of the difference in provisions. This has to be made clear to parents/families as the review concurs:

“Many parents are unaware that there is any difference in the types of children’s services, or in their regulatory status, with many assuming that all services must be regulated by the Care Inspectorate or some other regulatory body”.

Sadly as history has shown, it is not until a tragic incident or crisis arises that questions around safeguarding, wellbeing and duty of care is brought to light. The independent care review published The Promise (2020), and is the starting point to the Governments Vision for Safeguarding:

“**To ensure every child grows up loved, safe, and respected, reaching their full potential through a child-centered approach called "Getting it right for every child" (GIRFEC), which puts well-being at the core, promotes children's rights (UNCRC), and provides timely support using a strengths-based, collaborative, public health model, aiming for Scotland to be the best place to grow up”**

In a country determined to be the best place for children to grow the validity of this vision comes into question if it introduces publicly funded services led by finance rather than a child safety.

FEASIBILITY REVIEW FINDINGS

The review suggests 3 models for further consideration:

MODEL A ~ New definition for SACC: Create a new definition for SACC in the Public Services Reform (Scotland) Act 2010.

MODEL B ~ Extend regulation to holiday OCA: Amend the current exemption regulations to bring OCA, which take place in the school holidays into the scope of the Day care of children definition

MODEL C ~ Introduce new oversight process for OCA: Create a new system of independent oversight for OCA

Model A: Rather than Daycare for children’s services as we are currently defined this model would create a new legislative framework more fitting for the SACC sector. While this may assist with current issues regarding qualifications/training, recruitment/ retention and reporting/scrutiny concerns it does not provide inclusion of OCA into the sector. Furthermore we have to question whether the Care Inspectorate and SSSC who have regulatory responsibility for statutory provided services such as ELC, children’s care homes, social work, are best placed to spend further time and resources on non-statutory services. Especially within the current financial climate and with the ongoing challenges facing ELC and Social Care in our communities.

Model B: This will create further financial strain for registered SACC to operate during Summer periods and does not incorporate OCA at other times throughout the year. As with Model A it will create further work to already overstretched regulators.

Model C: A new oversight for OCA may provide further choice and give assurances to families and if financial benefits can be used with frameworks and due diligence instilled public spending concerns would be met. However as with Model A & B this new system will prove costly and timely for current regulators. Furthermore, if this regulation is less onerous, for parity SACC would need to have the option to change regulators, leading to further uncertainty, change and work for both the regulators and the sector.

Scottish Government (2026) announced the following budget statement:

“We are providing new funding to ensure that there is a breakfast club for every single primary and special school by August 2027, and additional funding to extend wrap around activity clubs in the afternoon and early evening. As part of our Summer of Sport offer, we will ensure every child can access free sporting opportunities as part of a £40 million investment in sport and physical activity.”

The introduction of free Breakfast clubs/sports clubs and after school activity clubs creates many questions and uncertainty for providers, families and children. The wording suggests breakfast will be provided in every Scottish primary school for 1 hour before school begins. This would in practice mean from approx 7:45am children can attend school and be supervised until the school bell rings. The introduction of this does not support families who have to leave for work before 7:45am. 60% of our breakfast club users need our services from 7am due to travel times and work commitments. They would therefore be unable to benefit from the free service. And, the knock-on effect of losing up to 40% of fees would mean that working parents would need to pay more money for the service to remain sustainable.

As has been experienced previously with Government Holiday funding initiatives being disseminated to unregulated sports/activity providers. Similar issues for working families are raised. While families who work part time/flexibly or from home may be able to benefit from taster sessions and half day activities. The majority of our full time working families require full day provision from 8-6pm therefore it is unusable.

This leads us to question whether these proposals are for the benefit of working families and meeting their needs or whether they are for the benefit of vulnerable families requiring additional support with respite and food. The Institute Fiscal Studies (2025) states:

“Policymaking in the early years should be done with an eye not just to costs, but also to the complexity and effectiveness of the system. Policymakers need to be clear about how their proposals fit with the existing landscape of early years services and with the twin goals of helping parents to work and supporting children to achieve their potential. It’s not enough to assert that any programme will automatically meet both targets: internationally, childcare programmes rarely if ever both support parental employment and benefit children’s development.”

If we do not determine the main purpose of initiatives such as free Breakfast Clubs, these proposals could have an unintentionally negative impact on working families and their ability to return to work/study and in turn raise child poverty.

Having received funding through Bright Start Breakfasts in August 2025 to provide free spaces in one of our settings our initial learning has been that children referred due to development, care and support needs rarely arrive to club before 8:30am. This has led to us implementing a grab and go Breakfast option to ensure the child has appropriate nutrition to start the day. Early parental discussions suggest that non working families would prefer not to leave the home earlier than necessary in the morning. Whereas working/studying families who are currently referred are utilising the service from as early as 7am and the benefits to their lives are profound. As we are building relationships with these families we are in a position of trust and can therefore signpost and ensure the childcare benefits available are accessed and utilised thus ensuring the service remains sustainable for the family when the fund ceases at the end of term.

Since the introduction of the Universal Credit system we have found that while families may be entitled to the ‘childcare element’ which can pay for up to 85% of their childcare fees often perceived shame, lack of information and difficulties in accessing the system is a barrier. Unlike the old Working Family Tax Credit system which appeared to provide similar cost support with less stigma and bureaucratic process. Perhaps an 8:30am school breakfast option and a 15% top up for working/studying families coupled with programmes to promote available benefits would be a better use of Breakfast Club funding available.

SOLUTION

While it is clear from the current financial climate and Scottish Government targets that the move to SACC as a statutory provision as implied in 2021 is now off the table due to cost implications. In order to preserve the existing SACC sector solutions must be sought.

As a parent I agree that providing greater choice and options for School Age children and families should be considered. From initial research I believe the most fair, cost effective and most importantly safe way to do this is to establish a **Regulatory Body for Play** As with other regulatory bodies this would be established to provide scrutiny, good practice frameworks, governance procedures and accountability to the sector. As Play is a recognised pedological approach with accompanying principles, theory, evidence and frameworks it contains a wide range of Play types, Hughes (2002) thus covering a host of OCA and due to there being no age limit on the ability or desire to play it may cover children from the 3-4yrs if settings individual circumstances required.

It could be set up as a separate body or incorporated under an existing body for example CLD (community learning and development) Standards Council already provide this oversight and scrutiny for youth and community provision throughout Scotland. SOSCN (Scottish Out of School Care Network) our Sector advocate body would be the obvious lead on such a service and as we share many principles and outcomes with CLD could prove a positive third sector partnership.

In order for this to work all SACC, OCA and holiday clubs would need to be registered with this body in order to receive payments from benefits/tax credits/childcare vouchers or leases from councils/schools. They would require annual updates on staffing, qualifications, PVG, training, and would conduct routine inspections of services to ensure scrutiny. Services would be required to pay annual membership fees as they do with C.I/SSSC. Membership fees alongside diverting the current budgets sent to Care Inspectorate and SSSC should make this a financially sound solution.

CONCLUSION

In 2019, when the Scottish Government articulated its vision for SACC, our service felt valued and optimistic about the future. However, seven years later, we find ourselves facing unprecedented challenges and fear for our future.

The evidence is compelling and unequivocal: children achieve and respond positively in safe, healthy, active, nurturing, respectful, and inclusive environments. SACC services throughout Scotland are providing these essential spaces daily. And although not deemed a statutory role, SACC practitioners are significantly enhancing the lives of children and families.

When the 1,160 hours initiative was introduced to encourage parents to return to work or engage in education, it did not include provisions for school-aged children. While some employers are becoming more flexible, few can accommodate full-time staff working only during school hours and holiday schedules.

We believe the oversight of SACC in the implementation of the 1,160 hours initiative represents a missed opportunity. We urge decision makers to take time now to rectify this oversight and ensure that SACC services receive the support necessary to thrive. or sadly the work, money and time spent on improving families ability to work, earn and grow is abandoned when the child starts school.

We conclude that a new Regulatory Body for Play with good practice frameworks and scrutiny, incorporating current SACC and OCA should be established benefitting from the support, funding, and guidance from both national and local governments, Otherwise the current trajectory of state funded non regulatory initiatives remains not only grossly unfair to the SACC sector but will threaten our very survival. Families, and mainly Women ability to return to work full time, which are often NHS, Social, Care, Teachers and Key workers will become more costly and most concerning is that children's safety, wellbeing and ability to thrive will be jeopardised.

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PLEASE GET IN TOUCH IF YOU HAVE ANY QUESTIONS OR WISH TO DISCUSS FURTHER

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