



**One Parent  
Families Scotland**



## **Families House: flexible daycare**

**The social impact of a family-friendly  
approach to childcare**





**‘I wouldn’t have been able [to work] without the flexibility of the daycare service’**



**‘Without the affordability of the daycare centre I would not be able to work’**



**‘I would not be able to attend college if my children did not have this daycare’**



**‘Affordable and flexible like no other centre locally’**



**‘I work shifts and the booking system allows the flexibility I need to allow me to continue to work’**



**‘Difficulty in accessing care for child with additional support needs on an ‘as required’ basis. Very flexible service offered and can accommodate short notice [...] which is a great help’**

# Introduction: affordable, flexible, good quality

**‘Your service is the only one of its kind in Dundee. It is so flexible and your staff are all amazing.’**

If you are a single parent on a zero-hours contract how can you get reliable childcare when you need it, and which doesn't leave you worse off? How do you pay for childcare in order to retrain for work or for better work? What if you need childcare by the hour and not by the session? Or occasionally but not regularly?

The high cost and lack of flexible childcare are major barriers for single parents who want to take up work or get qualifications, with the quality of childcare an associated concern.

So, these three features – affordability and flexibility and quality – shape the design of Families House, a unique OPFS childcare service in Dundee which provides home-based care, daycare, out-of-school care, and crèche.

By responding directly to parents, particularly single parents, who are living on benefits or low incomes, our service is improving parents' prospects as well as those of their children.

Two years after opening, the service is demonstrating measurable benefits, both economic and social, for individuals and for communities. By attributing a financial value to these benefits, a conservative estimate<sup>1</sup> of how much the service saved the public purse in 2016/17 is £134,827<sup>2</sup>.

This report describes the Families House daycare element: what it does; who it's for; why it works; and the value it brings to individuals, families and the wider community. This value is worth investment.

## **Families House flexible daycare is a model worth funding and replicating because:**

- It is high quality and meets children's developmental needs
- It is affordable, accessible, flexible and convenient for families
- It demonstrates quantifiable economic and social value
- It fits with local and national priorities for responding to inequality, poverty, early years, and the economy

<sup>1</sup> Hare, P. 2016. Cost, revenues and performance indicators for OPFS: report for One Parent Families Scotland. Pro Bono Economics: London.

<sup>2</sup> This figure is based on the analysis of the number of parents experiencing specific, quantifiable benefits as a result of OPFS daycare, and uses indicators from the Unit Cost Database to estimate savings.



# A model of daycare: designed for families

**‘Balancing the dual aims of providing high-quality early learning and childcare that’s also affordable and flexible enough for working parents on low incomes can be challenging. This duality lies at the heart of [Families House]<sup>3</sup>.’**

The lack of good quality, affordable and flexible childcare is the biggest barrier for parents who want to work or would like to work more hours. The cost of childcare in Scotland is ‘extraordinarily high’ excluding thousands of parents, particularly women, from work and training. Being able to work or to gain qualifications would bring greater security to families and also contribute to, rather than cost, the economy<sup>4</sup>.

Since 2014, Families House in Dundee has offered a model of daycare which is flexible, affordable and high quality, and which helps working families fulfil the commitments and work patterns expected by many employers and training providers. The daycare element is supplemented by other care to cover evening working patterns, and includes home-based care.

The service is designed around families:

- It offers the opportunities that wealthier families may manage to pay for, or find in other ways
- It responds to the barriers which impede the low-paid workforce, and those struggling to juggle childcare with the demands of insecure work: the combination of zero-hours contracts, low-paid, part-time, temporary and shift work, and rigid, sparse, expensive or unreliable childcare

It also offers the potential for parents to reduce their reliance on low-paid and insecure working patterns and improve their long-term prospects.

It gives families which are likely to struggle more possibility of thriving.

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<sup>3</sup> Hare, P. 2016. Cost, revenues and performance indicators for OPFS: report for One Parent Families Scotland. Pro Bono Economics: London.

<sup>4</sup> Children in Scotland response to the interim report published by the Commission for Childcare Reform: <http://www.childreninscotland.org.uk/media-centre/press-releases/childcare-alliance-urges-greater-collaboration-between-uk-and-scottish>

# Work

temporary

low-paid

shift

# Childcare

zero-hours

part-time

sparse

expensive

rigid

unreliable





**‘Allows me to continue my education and can see the difference it is making to my daughter’**

# How it works: one of a kind

For parents who need flexibility combined with affordability, our model is, as one parent put it, 'one of a kind'.

## Designed for families

Parents say they use the service because:

- We charge by the hour rather than by the session
- We pick-up and drop-off children (from/to home/school/nursery)

## Features:

- Open Monday to Friday 8am to 6pm
  - Flexible booking: by the hour
  - Pick-up and drop-off at local schools
  - No deposit
  - No retainer for being on holiday
  - One weeks' notice of requirements
  - Parents pay for what they book (fees range from £3.55 to £4.50 an hour depending on the age of the child)
  - Regulated by the Care Inspectorate<sup>5</sup>
- Between early 2014 and October 2016, 153 families with 194 children used the service
  - At October 2016, 70 families with 81 children were using the daycare element
  - 42 families (with 46 children) were regular users and 28 were sessional users
  - Of the 42 regular users, two in five were single parent families

## Capacity:

- 44 children from birth to age 16 (including 11 babies)
- 11,000 childcare hours available a month
- Well qualified and experienced staff
- Accredited living wage provider

<sup>5</sup> <http://www.careinspectorate.com/index.php/index.php/care-services/> (searchable by 'Families House Community Daycare').



# Why it works for parents and children

Families House nurtures families and also reduces poverty and disadvantage by:

- Improving the family finances and long-term stability of those who face barriers to getting and keeping jobs and training opportunities
- Offering high-quality care and development of children, particularly in the early years

Parents told us about their childcare problems and we responded accordingly. Our model takes account of families' needs and the demands of the (low-paid) labour market. Rather than expecting families to fit in with the more typical session-based, and, therefore, more expensive model, we have designed something different.

## Flexible

### The problem:

- Most local authority nurseries offer places which are half-day sessions in term time only. Parents who work need to arrange daycare around these sessions – that is, before and after work, and during the holidays. Parents with several children in nursery and in school may have several drop-off/pick-up locations. Many families, especially single parents, find the patchwork of childcare impossible to manage.
- Private daycare does not match care provision to family need, particularly those on low incomes, working shifts or on zero-hours contracts.
- Traditional daycare does not provide pick-up and drop-off or an hourly-charge facility.

### Our response:

- Daycare from 8am to 6pm with home-based care before and after those hours.
- Daycare for children aged 0 to 16: parents can have all their children cared for at the same location avoiding multiple drop-offs and pick-ups.
- Regular or sessional attendance: children can attend for as little as an hour (so a parent can go to an interview for example); for a fixed number of weeks (because of a work or college-related activity for example).
- Flexible booking: parents are not tied to fixed sessions, benefiting working and student parents with changing shift or timetable patterns.



## Affordable

### The problem:

- Childcare is expensive relative to the earnings of those in low-paid work or who are trying to gain qualifications for work. Although there is some entitlement to free early learning and education for children over two<sup>6</sup>, these sessions are not compatible with employers' expectations, and are term time only.
- Many people on low incomes, especially single parents, experience 'in-work' poverty because of the cost of childcare.
- For parents attending college to gain work-related qualifications, the funding for childcare covers only the hours when the parent is in class. There is no childcare funding for study or travelling time. So, parents at college can struggle to find childcare to match the hours funded.

### Our response:

- Pay for hours booked: we charge only for hours booked; there is no charge to keep a place open when it is not needed, for example during school holidays. This helps students who do not get childcare costs covered during holidays. It lets working parents adjust their bookings, for example in the summer holidays, to allow them to use a mix of formal and informal care: it can be a chance for children to spend quality time with grandparents.
- Affordable rates: the amount which parents pay is capped because costs are subsidised by funding from STV Children's Appeal, OPFS funds and a nominal rent.

## High-quality

### The problem:

- Many families are on low incomes, with parents working in jobs which require them to be flexible but which do not pay wages commensurate with the cost of high-quality childcare.
- Informal childcare arrangements can be unreliable, and the quality of the learning for the children is not assured.

### Our response:

- Our daycare service is run by qualified staff who are paid a decent amount: OPFS is an accredited living wage provider.
- Our staff are fully trained to work in the context of Getting it right for every child (GIRFEC) and Curriculum for Excellence, complying fully with Scottish Government childcare and education principles.

<sup>6</sup> Currently 600 hours a year/16 hours a week (in term time) for three- and four- and some two-year-olds rising to 1,200 hours by 2020.



# A chance in life: the policy connection

**‘It has helped my child’s development and allowed her to become more comfortable around her peers.’**

Families House flexible daycare demonstrates how to give single-parent and other low-income families opportunities to improve their circumstances. It responds to families which are more vulnerable to, or dependent on, low-paid and insecure

work. It also supports parents to gain new skills or take up better quality employment, with a chance of longer-term security.

The model demonstrates congruence with the national performance framework<sup>7</sup> and major policies and strategies concerned with the labour market, child poverty, education, equalities, life chances, and more. It is worth investment.

## Early learning and childcare

‘The Scottish Government is committed to improving and increasing high-quality, flexible early learning and childcare which is accessible and affordable for all children and families<sup>8</sup>. Our priorities are to improve outcomes for children, especially those who are more vulnerable or disadvantaged; support parents to work, train or study, especially those who need routes into sustainable employment and out of poverty’

## Fair work

‘By 2025, people in Scotland will have a world-leading working life where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations and society<sup>9</sup>’

<sup>7</sup> <http://www.gov.scot/Resource/0049/00497339.pdf>

<sup>8</sup> <http://www.gov.scot/Topics/People/Young-People/early-years/parenting-early-learning/childcare>

<sup>9</sup> <http://www.fairworkconvention.scot/>

<sup>10</sup> <https://www.skillsdevelopmentscotland.co.uk/>

<sup>11</sup> Child poverty strategy for Scotland: <http://www.gov.scot/Resource/0044/00445863.pdf>

<sup>12</sup> <http://www.gov.scot/Topics/Built-Environment/regeneration>

<sup>13</sup> <http://www.gov.scot/Topics/Education/Employability>

## Skills development

'By 2020 we'll provide 500,000 skills and learning opportunities; create or safeguard around 200,000 jobs and invest around £1bn in Scotland<sup>10</sup>'

## Regeneration

'Our vision is a Scotland where our most disadvantaged communities are supported and where all places are sustainable and promote well-being<sup>12</sup>'

## Employability

'Employability encompasses all the things that enable people to increase their chances of getting a job, staying in a job, and progressing further in work<sup>13</sup>'

## Child poverty

'Maximising household resources: our aim is ... maximising the potential for parents to increase family incomes through good quality, sustained employment ... (pockets) [and] improving children's wellbeing and life chances (prospects)<sup>11</sup>'



# Investing in this model: the case for funding

**‘I would not be able to work without the support of the daycare to enable a better life for myself and my daughter.’**

The unusual flexibility which we offer is inevitably costly, but it's vital for parents and their children. To make flexibility possible, staffing levels have to be higher than if we insisted on more regular and stable patterns of usage.

Providing high-quality early learning and childcare that is also affordable and flexible enough for parents on low incomes is a challenge. But that is what's needed if low-income families, including single parents, are to work, return to work or train for work.

High-quality childcare costs money to run: there is no value in providing cheap care predicated on low waged and poorly trained childcare staff, who are also working hours which are incompatible with family life.

The costs and revenue structures of Families House are realistic and reasonable but cannot be met solely through fee income. So, Families House is funded by a combination of fee income, STV Children's Appeal and OPFS funding. Abertay Housing Association provides premises at nominal cost.

We charge between £3.55 and £4.50 an hour for each child but it costs us closer to £7 an hour to run the service. The families who use the service cannot

reasonably be expected to meet this cost. So, who might we expect to meet it?

The model demonstrates that flexible and affordable childcare can help low-income families, including single parents, gain new skills, find work, earn a good income and provide a more secure future for them-selves and their children. This results in:

- Private benefits to the people using the service (which they pay towards in fees)
- Economic/fiscal benefits from people paying income tax because they are in work rather than claiming welfare benefits because they can't work
- Health and social benefits from parents who are supported to work and train
- Long-term benefits for children through reducing poverty and improving educational attainment and life chances

It is possible to quantify the social return arising from affordable, flexible and high-quality childcare. Attributing a financial value to the fact that the flexibility and affordability of our service allows parents to work and study, a conservative estimate<sup>14</sup> of the savings to the public purse for the year 2016/17 was **£134,827**<sup>15</sup>.



Even if the service enabled only a few parents in Dundee to find and hold onto work, it would save a significant amount of money.

In economic terms alone, based on this conservative estimate, investing in such a model makes sense. The fiscal benefits, for example of someone unemployed and

on Jobseeker's Allowance who finds a job and remains in work for at least a year<sup>16</sup>. There would be additional savings (around £500 a month) to the health service because people in work tend to be healthier and place less demand on the health service than those who are unemployed.

**The social value of investing in Families House is significant: there are considerable benefits to communities, including children, and the economy in general, in helping people to work and study and improve their prospects.**

**These broader benefits are quantifiable, connect to national policy and are worth funding because of their social return.**

<sup>14</sup> Hare, P. 2016. Cost, revenues and performance indicators for OPFS: report for One Parent Families Scotland. Pro Bono Economics: London.

<sup>15</sup> This figure is based on analysis of the number of parents experiencing specific, quantifiable benefits as a result of OPFS daycare. It uses indicators from the Unit Cost Database to estimate savings, for example to the exchequer and health services: <http://www.neweconomymanchester.com/our-work/research-evaluation-cost-benefit-analysis/cost-benefit-analysis/unit-cost-database>

<sup>16</sup> Cited in Hare (page 23).



## 2016/17 quantifiable impacts\*

**SEVEN**  
single parents  
moved from no  
work to part-time  
work: total value  
**£16,443**

**FOUR** single  
parents moved  
from not working  
to working full-  
time: total value  
**£41,284**

**11** parents  
reported improved  
quality of life (self-  
esteem/wellbeing/mental  
health/confidence/  
socialising/reduced  
stress, anxiety): total  
value **£10,747**

**19** children  
aged 0-2 received  
accredited childcare  
when they would not have  
otherwise, so benefiting  
from improved school-  
readiness outcomes:  
total value  
**£20,007**

**SIX** parents  
were able to  
study at **SVQ3**  
level: total value  
**£3,354**

\* with conservative estimated values of savings to the public purse.

## The chance to work

Gina is a single parent in full-time work. She originally approached Families House when she was offered a part-time job working 9am to 3pm weekdays. She was struggling to find childcare for her son, because, although part-time, these hours meant she would have to pay for a full-day place at a private nursery. She was on the point of turning down the job because of this.

She needed her son:

- Picked up from local school nursery (and from school in due course) and taken to Families House
- Looked after during summer holidays (no other family in the area)

We were able to provide childcare to adapt to Gina and her son's changing circumstances. This included her son starting school after the summer, and Mary then extending her working day to 5pm. We look after her son after school, on in-service days and during the holidays. The job and the extra hours mean that they have a much better standard of living than before.

**Gina says, 'I would not be able to work without this service.'**

## The chance to gain skills for work

Mary is a single parent and is registered disabled. Living on benefits, she approached Families House as she wanted to attend college to retrain.

She needed her daughter:

- Picked up from home first thing, taken to Families House and taken to nursery (at the local primary school)
- Collected from nursery, taken back to Families House and taken home for 6pm

We were able to provide daycare, home-based care and pick-ups to allow Mary to attend her course. Over the holidays, the college paid a retainer for the child's space.

Mary has done well on her course. She was also elected vice president of the student union, another plus for her CV. By attending college and being able to take up an office which meant meetings after hours, Mary has improved her employment prospects and her child's prospects too.

**Mary says, 'I could not have gone to college if Families House had not been able to do the pick-ups and drop-offs and care in between.'**



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