

PE2112/F: Conduct an independent review of childcare costs and availability in Scotland

Minister for Children, Young People and The Promise written submission, 29 November 2024

Thank you for writing to the Cabinet Secretary for Education and Skills on 6 November 2024 in relation to PE2112: Conduct an independent review of childcare costs and availability in Scotland. I am responding as Minister for Children, Young People and the Promise as this falls under my portfolio.

Keeping children in Scotland out of poverty is the First Minister's top priority and will remain the focus of this Government as we deliver and develop our childcare offer over the remainder of this Parliament.

The Scottish Government has made difficult choices in order to prioritise investment of almost £1 billion a year in delivering 1140 hours of high quality, funded early learning and childcare to eligible children. Scotland remains the only part of the UK that already offers 1140 hours per year of funded ELC to all 3 and 4-year-olds and around a quarter of 2-year-olds regardless of whether their parents are working or not because we are committed to promoting equality for all Scotland's children, putting their interests first. If eligible families paid for this themselves, it would cost them more than £5,500 per eligible child per year.

Over the remainder of this Parliament the Scottish Government is focused on progressing the ambitious childcare policies and commitments we have already made, within the very challenging financial circumstances we are facing as a result of budget decisions made by the UK Government. We will draw on the learning from the 1140 evaluation due in 2025 and continue to review other key sources of information about what families want and need to inform our work but are not currently planning to commission a further external review.

We remain committed to reaching more younger children with funded ELC that need it most, and the [2024 Programme for Government \(PFG\) set out that this year we will work with local authorities on a National Improvement Project](#) to maximise uptake of our existing offer for eligible two-year-olds to ensure that as many children as possible benefit from the current offer.

In addition, we are progressing our early adopter community (EAC) work in six local authorities, backed by £16 million in 2024/25 and 2025/26. This place-based, people-centred work will help Scottish Government and our local partners to understand what it takes to deliver local childcare systems that support families with children from the early years to the end of primary school, and the difference this can make in ending child poverty.

Grant offer letters for these projects have now been issued and in this current year, the EACs will focus on engagement with families with younger children for the first time to understand more about their needs and what approaches could deliver the greatest impact for families with children of different ages.

Small-scale delivery of early learning and childcare will also be established across some of the EACs. These tests of change will be a leading source of evidence and insights about the role childcare can play in supporting families most at risk of living in poverty.

The engagement and targeted delivery that takes place for younger children in our six EACs will be a key element of our developing evidence base to inform future expansion. We know that needs of younger children can be different from those of older children, and it is important that we take the time to better understand this through the work we have planned over the coming year.

For families with school age children, the evidence base from the Early Adopter Communities sits alongside learning from other targeted delivery of childcare and activities services. These currently also include Access to Childcare Fund projects and the Scottish Football Association 'Extra Time' programme. Through all these projects, we are supporting over 4500 school age children and their families to access affordable before, after school and holiday clubs.

These targeted services are aligned with wider supports to ensure that parents and carers can sustain or enter employment, and through this delivery we are evidencing how more affordable and accessible school age childcare contributes to positive outcomes for families. We are also considering what work is needed at the national level to support sustainable local delivery. An important part of this picture is understanding how families take up and use existing financial supports for childcare such as Tax-Free Childcare and the childcare element of Universal Credit.

I have written to my counterpart in the UK Government, Stephen Morgan MP, seeking a meeting about childcare and other key issues within his portfolio. Scottish Government Ministers have also written to the UK Government about the employer NICs changes, which are likely to have a significant impact on the childcare sector – and are awaiting a reply.

I would also note that Scottish Government officials are in regular contact with officials in relevant departments in the UK Government to discuss matters relating to up-take of Universal Credit, Tax Free Childcare, and other childcare policy issues.

Yours sincerely,

Natalie Don-Innes MSP
Minister for Children, Young People and The Promise