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17 March 2026

Dear Convener,

I am writing to make you aware that the Scottish Government is publishing the Expansion of Funded Early Learning and Childcare to 1140 Hours: Outcomes Evaluation 2018-2025 later today. The evaluation draws on existing sources of data, along with specifically commissioned and targeted research undertaken between 2018 and 2025.

Also publishing today is the 'Costs of delivering funded ELC in private, third sector and childminding settings' report and data tables. This research was carried out by the Diffley Partnership and presents findings from an independent survey undertaken by funded ELC providers across Scotland during summer 2025.

### **1140 expansion evaluation**

When the Scottish Government committed to increasing the provision of funded Early Learning and Childcare (ELC) from 600 to 1140 hours, it set out a clear intention to help children and families get the best start in life. The expansion of funded ELC aimed to improve outcomes for children, increase parents' and carers' opportunities to take up work, training or study, and improve family wellbeing.

Delivery of the expansion by August 2021 was a significant collective achievement, supported by £476 million capital investment and a rapid increase in the ELC workforce. This report recognises the considerable work undertaken nationally and in partnership by Scottish Government, Local Authorities and the childcare sector, to increase the amount of funded early learning and childcare universally available to families across Scotland. Given expansion was delivered within the wider context of COVID-19 and other societal challenges around this time, including the cost of living crisis, I want to put on record my sincere thanks to all partners who made the expansion such a success.

We welcome the evidence showing that ELC is more accessible, flexible and affordable following the expansion to 1140 hours. The report demonstrates that, for the most part:

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- **awareness of funded ELC is high** and a lower proportion of parents with children with ASN experience difficulties in accessing funded ELC
- **more ELC settings** are open outside of school hours or term time
- **fewer eligible families** are paying for additional childcare to meet their needs for children under school age since the expansion
- **there is high parental satisfaction** with the quality and flexibility of the funded offer; and
- **quality** of funded ELC provision remains high.

It is also encouraging that the evaluation found clear evidence of an increase in the proportion of mothers of children in receipt of funded ELC who were in employment, training or study over the period covered by the expansion. Funded ELC is therefore contributing to this government's priority of eradicating child poverty, and our Tackling Child Poverty Delivery Plan published last week sets out further actions to support children and families access high quality childcare.

As well as recognising the positive progress made, the evaluation sets out that there are ongoing challenges and risks in some areas – particularly in relation to improving developmental outcomes for children and closing the poverty related gap in outcomes. This needs to be considered in the context of the wider impact that the pandemic and subsequent cost of living crisis has had on families, as shown across a range of other evidence and internationally. The Committee heard evidence of these impacts earlier in the Parliamentary term and reflected the challenges faced in the report published in February 2022.

### **Costs of delivering funded ELC in private, third sector and childminding settings research**

The Committee is aware that in 2022-23 the Scottish Government and COSLA undertook a joint Sustainable Rates Review which gathered evidence from local authorities and funded providers across Scotland on the current approach to rate-setting. In addition to updating guidance to support greater standardisation of rate-setting processes, key recommendations arising from the Review were to explore options for obtaining more robust and reliable cost data that reflects funded providers' costs of delivery, and to consider a more central approach to cost evidence collection and analysis to produce more robust financial evidence to use when setting rates.

In 2024 the Scottish Government appointed the Diffley Partnership to design and carry out independent research into the costs of providing funded ELC in private, third sector and childminding settings. The Diffley Partnership team worked closely with the Scottish Government, COSLA, local authorities and funded ELC providers to design, develop and test survey approaches for group settings and childminders, and I am grateful to all those who committed time and energy to the development and piloting process.

Data collection took place between May and August 2025 and included piloting, validation checks and follow-up engagement. A total of 506 settings participated, including 342 day care of children settings and 164 childminders. Of these, around 270 responses contained sufficient financial information to support cost per hour calculations.

The published research provides a detailed snapshot of the costs associated with delivering funded ELC in Scotland, as reported by providers. The findings highlight variation across

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provider types and operational models, as well as illustrating pressures that have been highlighted to this Committee previously relating to staffing, premises and financial sustainability. There are no straightforward answers to these issues and I am particularly struck by the complexity and diversity of our funded ELC sector – which is of course testament to the ambition of 1140 to support parental choice and meeting the needs of every child.

I would encourage Committee members to engage with the Diffley Partnership's research which provides important additional evidence for local government and the incoming national government. It is in my view vital that the next Government works with its local government partners to build on this research and identify further steps that can be taken to safeguard the sustainability of our childcare sector which plays such a vital role in Scotland's national economic infrastructure and in ensuring that we get it right for every child.

### **Next steps**

This, and other research and statistical publications, demonstrates how far Scotland has come in recent years, to provide and expand high quality, fully funded early learning and childcare for all 3 and 4 year olds, and eligible 2 year olds. This is a strong foundation to build on and further develop what is provided in Scotland in the years to come.

The time, therefore, feels right to recommend to a new Parliament and incoming government that we consider how to deliver what parents, families and children need and want in the future; how we make the funding models more affordable and sustainable in the long term; how we ensure that what is provided in the future is equitable, flexible and reaches more children, while removing some of the current barriers and challenges becoming increasingly evident in the delivery model, so that parents and carers are enabled rather than prevented from taking up their entitlement for their children, no matter where they live or work, and no matter the point in the year at which children become eligible.

In considering further reform to childcare, it will be important for any future Government to reflect on the views of parents and children, and listen to the experience of providers and practitioners across the public, private, third and childminding sectors. Research like this creates a useful starting point.

By working together, we have achieved a lot to help give more of Scotland's children the best start in life. I put on record my grateful thanks to all those who helped to make 1140 a reality for children and families across Scotland.

Yours sincerely,

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

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## **Annexe - Links to the published documents:**

### **Expansion of Funded Early Learning And Childcare To 1140 Hours: Outcomes Evaluation 2018-2025**

- The main evaluation report is here: [Expansion of Funded Early Learning and Childcare to 1140 hours: 2018-2025 National Outcomes Evaluation](#)
- The Scottish Study of ELC report is here: [Scottish Study of Early Learning and Childcare: Final Report - gov.scot](#)
- The ELC parent research 2025 is here: [Early Learning and Childcare \(ELC\) – parents' views and use: research findings 2025 - gov.scot](#)

### **Costs of Delivering Funded ELC In Private, Third Sector And Childminding Settings – Report and Supporting Data Tables**

[Costs of delivering funded ELC in private, third sector and childminding settings - gov.scot](#)