



# The Best Start for Scotland's Children



# Immediate priorities for the next Scottish Government

## Ensure early learning and childcare (ELC) works for children, families and providers by:

- 1 Fully aligning the existing funded ELC system with the UNCRC and a children's rights approach through a national review
- 2 Ensuring that the ELC funding system is truly sustainable for families and providers to ensure all children get the best start
- 3 Embedding fairness and equity in the delivery of funded ELC ensuring:
  - Councils are not competing with other providers for the delivery of places
  - Transparency and demonstration of value for money on public expenditure

## Provide an ELC system that supports families in every community by:

- 4 Implementing a progressive system with an element of universal, fully funded ELC that supports all children and families
- 5 Ensuring national policy priorities – such as cross-border places – are a statutory requirement to ensure all children in Scotland benefit from funded ELC in a setting that works for their needs
- 6 Conducting an urgent review of provision and funding for children with Additional Support Needs (ASN) in the early years

## Support the sector to deliver inspirational early experiences by:

- 7 Ensuring funding is genuinely 'sustainable' and supports higher pay for the workforce
- 8 Setting out a quality focussed, fully funded workforce strategy
- 9 Funding pilot programmes of specialist training for ASN and staff wellbeing
- 10 Maintaining openness and transparency on inspection and regulatory activity



**We are calling on all parties to put children at the heart of any future policy and address current challenges in delivering funded ELC. Any promise to expand the existing funded offer, whether to younger children or for more hours, must be fully costed. Funding must be allocated, ring-fenced, and the policy developed in full consultation with the sector to ensure proposals are realistic and affordable. Quality sufficiency assessments must be carried out to evaluate capacity for staffing to ensure the sustainability of the sector.**



# Introduction

**National Day Nurseries Association (NDNA) is the national charity representing private, voluntary and independent (PVI) children's nurseries across the UK. We are the independent voice of the 24,000-strong nursery sector, an integral part of the lives of more than a million young children and their families.**

Our vision as a charity is to see all children and families flourish through excellent early learning and childcare (ELC). Our mission is to lead and empower the sector so that nurseries and the early years workforce deliver sustainable, high-quality education and care. The ethos behind NDNA's charity vision and mission is to support excellence among the early years workforce, and to drive quality and sustainability in ELC settings.

We believe children and families are at the heart of a strong ELC sector that supports sustainable communities.



This manifesto sets out the sector's priorities for the next government. To give the best start for Scotland's children we need to focus on an ELC system that:

- Works for children, families and providers
- Supports families in every community
- Delivers inspirational early experiences

Research consistently shows that high-quality early education and care improves outcomes for children in the long term. Children's brains develop connections faster in their first five years than at any other time in their lives <sup>1</sup> – up to 90% of a child's brain development occurs by age five. Evidence shows that high-quality ELC is especially beneficial for the most disadvantaged children <sup>2,3,4</sup>.

## Sector at a glance

**1 in 3**

families use PVI sector for ELC



**2 in 5**

families are not using their full 1140 entitlement due to lack of flexibility

**1 in 3**

councils are not setting sustainable rates



**29% VS 23%**

share of funded hours delivered vs share of funding received

**1 in 5**

children have ASN



**£42k**

average staffing bill increase

**75%**

retention over 1 year in PVI

**VS**

**90%**

retention in public



**One way flow of staff from PVI to Public**

## The private and voluntary sector are where the best starts are already happening for Scotland's children

Since 2016, there has been an upward trend in the number of children accessing their funded hours in private, voluntary, and independent (PVI) settings<sup>5</sup>. These settings strive to meet the needs of working families by providing quality care for longer hours.

The latest data from the Scottish Government shows that a growing proportion of parents are opting to take up funded places in PVI nurseries or with childminders. In April 2025 31.6% of parents were using these providers for their funded entitlements<sup>6</sup>, an increase from 28% in 2020. The reality has been much higher than the initial estimates made by councils and Scottish Government which were around 20-25%.



## Progress made in ELC landscape

In the Blueprint for 2020<sup>7</sup> the Scottish Government set out a plan to increase funded ELC based on the principles of Quality, Flexibility, Accessibility and Affordability. This roll-out increased the entitlement for all three- and four-year-olds, and eligible two-year olds from 600 to 1140 hours a year.

The expanded offer has recognised the importance of quality in ELC to improve children's outcomes as well as the positive impact early education and childcare can have in tackling child poverty by supporting families in work.

The Scottish Government has also brought the UN Convention on the Rights of the Child (UNCRC) into Scots law, becoming the first part of the UK to incorporate the UNCRC<sup>8</sup> into domestic law.

In recognition of the important role of PVI nurseries in the delivery of the funded ELC policy the Scottish Government has also permanently exempted nurseries from paying business rates.

Following actions identified from an independent review of Scottish Education<sup>9</sup>, the recent reforms by the Care Inspectorate and HMIE's shared Quality Improvement Framework is refocusing on improving outcomes for children while taking more time for feedback and input from providers.

According to a Scottish Government survey in 2022<sup>10</sup>, 98% of parents were accessing some form of funded childcare, and 73% of parents with a 3 to 5-year-old and 52% of those with a 2-year-old using funded childcare. A further survey in 2024 appears to show that parents find the 1140 hours policy useful to them, which shows that it has been a success in terms of meeting the needs of parents returning to work, going into training and providing general parental support<sup>11</sup>.

**98%**

parents were accessing some form of funded childcare

**73%**

parents with a 3 to 5-year old were using funded childcare

**52%**

parents with a 2 year old were using funded childcare

# Statement of challenges

The key principles in the Blueprint were to deliver Quality, Flexibility, Accessibility and Affordability. However, challenges in the delivery have led to unintended consequences. These have made it harder for providers to deliver the funded ELC in a way that works for children, families, and providers.

The original principles of the Blueprint based on funding following the child, parental choice and provider neutrality have not materialised in the reality of delivering the funded ELC policy.



## Parental choice is not universal

Despite the positives in the Scottish Government's parent survey in 2024, 38% of parents were not using the full 1140 entitlement. They report issues with lack of flexibility in the days and times offered by providers and not enough places locally. Parents were dissatisfied with flexibility to match funded hours to their own working patterns, and the overall number of funded hours across the year to minimise additional childcare costs.

The parents' campaign group, Pregnant then Screwed, Scotland say that "the major issue for many families in Scotland... is the accessibility and affordability of childcare. The increase in funded hours has been hugely beneficial to many parents but there remains huge issues over costs, particularly for under 3s, and there is a growing problem with accessibility"<sup>12</sup>.

The Scottish Women's Budget Group reported in 2023<sup>13</sup> that 22% of women found it difficult to access childcare in their area, with the situation being more acute in rural areas. Their survey also revealed that 16% were unable to access funded hours due to a lack of flexibility in provision.

While it is generally accepted that the aims of the 1140 hours policy are good and benefit children and families, in reality, local delivery of the policy is leading to closures due to unsustainable funding and workforce pressures. Scottish nursery closures mean parental access to funded places becomes more difficult.

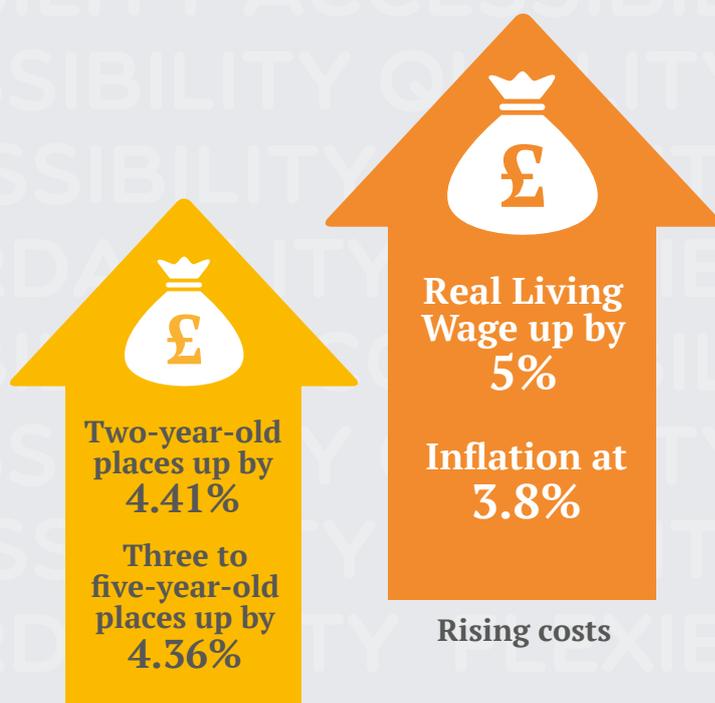
We have seen during the last couple of years, some local authorities, restricting access to children from outside their areas<sup>14</sup>. This does not reflect the way funding is calculated based on early years census data, undermines the principle of parental choice and has caused parents to leave work or change jobs, closed providers and caused unnecessary disruption to children's early learning.

## Funding is not 'sustainable'

NDNA's research has found that in 2025 a third of councils (33.3%) were failing to follow Scottish Government guidance on setting genuinely sustainable rates. By only increasing rates at the minimum uplift of +3.75%, providers' costs outside the Real Living Wage (RLW) rates are not being taken into account. This includes vital elements like inflation on food prices, energy costs, learning resources, and maintenance of premises.

If hourly rates for the 1140 hours funded ELC places do not cover the true cost of delivery then parents could pay the price - through higher costs, less choice, or their nurseries being forced to close.

Low funding rates also make it harder for providers to recognise and reward their staff, leading to challenges in recruitment and retention when ELC as a career cannot compete with pay in other sectors.



Rates increases

Rising costs

## Inequitable funding undermines parental choice

On average 29% of delivery of funded ELC is done by partner providers like PVI nurseries or childminders but Scottish Councils only spend 23% of their ELC budgets with these providers. This means a disproportionate amount of the ELC budget is being spent on local authorities' own provision. Councils are responsible for deciding both the level of funding rates and who can deliver funded places, while also competing for the delivery of those places within their own services.

As a result of this disparity in funding, pay in council run nurseries can be thousands of pounds-a-year higher than in the PVI sector, contributing to high turnover of staff and retention difficulties for PVI settings.

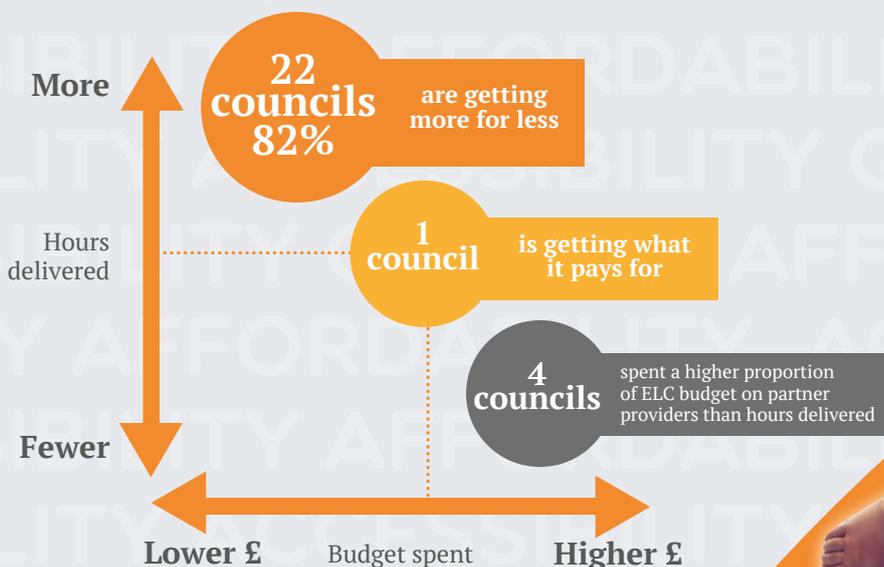
Local authorities are also not funding all places in the same way, undermining the commitment to provider neutrality. In recent years we have seen councils seek to shore up the financial viability of their own provision by forcing parents to take up places in council-run nurseries or refusing to allow new nurseries to become partner providers to deliver the funded hours.

## Workforce inequalities undermining ELC stability

After funding rates, staffing is still the number one pressure on the sector, with settings struggling to recruit and retain the qualified and skilled staff they need.

Recent research exposes the reality of working conditions across the ELC sector<sup>15</sup>. Staff report feeling like a number in a system, dehumanised by political agendas. They say their autonomy and professional judgement is constantly diminished by the avalanche of 'guidance' in pursuit of measurable quality that doesn't always match the experiences in nurseries. Disparities in pay - particularly in light of workload - highlight the inequalities across the system, felt keenly by ELC staff and contributing to the demoralisation they report.

Scottish Social Services Council's 'Movement of Day Care of Children Staff Report 2023'<sup>16</sup> demonstrated that staff turnover in the PVI sector was higher than for public funded nurseries and over a quarter of managers who left a PVI setting to work in the public sector took up a lower qualified position for better pay and conditions. These issues contribute to the growing fragility of the ELC sector.



## Supporting children with Additional Support Needs

According to the ELC Census, 16,810 children registered for funded ELC had an additional support need (ASN) recorded – this is 19% of child registrations. The proportion of children with ASN had been generally increasing over time from 2020. The most common ASN reported were language, speech and communication issues (8% of registrations), English as an additional language (6%) and social, emotional and behavioural difficulties (6%).

Where ASN are identified, providers are expected to provide additional support to those children. This could be new resources, 1-2-1 support from trained staff or physical adjustments to the learning environment to make places accessible. There is a postcode lottery across Scotland as to whether additional funding will be made available to providers, and what that looks like. This leaves providers and parents with difficult choices about whether to cover these costs themselves or if a child has to leave a setting as a result.

## Rising costs in the economy

Partner providers are required to pay staff delivering the funded ELC places the RLW as a minimum. This has recently increased by 7%, to £13.45 per hour. In recent years the Scottish Government has announced minimum funding rate increases to cover the RLW, but this does not consider wider inflation or pay increases to staff above this minimum threshold.

Inflation has been persistently above the target of 2.0% since 2021, peaking at 11% in October 2022. This means running settings is significantly more expensive than it was prior to 2020.

Increase in Employer National Insurance Contributions (NIC) added around £1,000 a year to the cost of employing an average nursery worker, with no corresponding increase in funding. NDNA Scotland estimates that the average staffing bill for a nursery increased by £42,000 in 2025/26 as a result of NIC and RLW changes.

**We are calling on all parties to put children at the heart of any future policy and address current challenges in delivering funded ELC. Any promise to expand the existing funded offer, whether to younger children or for more hours, must be fully costed. Funding must be allocated, ring-fenced, and the policy developed in full consultation with the sector to ensure proposals are realistic and affordable. Quality sufficiency assessments must be carried out to evaluate capacity for staffing to ensure the sustainability of the sector.**

## Priority 1: Early learning and childcare that works for children, families and providers

The current funded childcare policy does not meet the ambitious policy aims of delivering flexible and affordable childcare for parents. Funding does not follow the child while some children have more spent on their places than others. This does not comply with Scotland's commitment to children's rights and treating all of Scotland's children equitably.

The next Scottish Government must:

- 1 Fully align the existing funded ELC system with the UNCRC and a children's rights approach, through a national review that ensures:**
  - Equal resources devoted to children's ELC wherever they take up funded places
  - Children have access to support that meets all their individual needs
  - Ambiguous language is removed so local decision making cannot undermine the fundamental rights of children
- 2 Ensure that any ELC funding is truly sustainable and follows the child by:**
  - Committing to an annual review and increase in ELC funding to providers for hours of childcare, meals, and snacks by an amount that covers inflation, the RLW and average wage growth
  - Creating a single online childcare account for families to reduce complexity, increase take-up and ensure funding follows the child
- 3 Embed fairness and equity in the delivery of funded ELC including a review of how councils deliver for all children in Scotland ensuring:**
  - Councils are not competing with other providers for the delivery of places and take a truly provider neutral approach
  - Councils' role as a 'Guarantor of Quality' is reviewed to ensure additional support is provided equally to all providers and that national guidance and other inspection activity is not undermined
  - Councils deliver transparency and demonstrate value for money on public expenditure by publishing the data on per-child funding allocation to different parts of the sector and the reasons for any variation.

## Priority 2: Support for families in every community

Access to early learning and childcare must be inclusive to all children across Scotland.

The next Scottish Government must:

- 4** Implement a progressive system with an element of universal, fully funded ELC that supports all children and families. The system should also provide more targeted support to those who most need it to tackle child poverty and ensure flexible choices for families in rural communities
- 5** Ensure choice for parents by making national policy priorities – such as cross-border places – a statutory requirement to ensure all children in Scotland benefit from funded ELC in a setting that works for their needs and provides genuine parental choice
- 6** Conduct an urgent review of provision and funding for children with ASN in ELC to ensure universally accessible support for these children when they take up funded places.



## Priority 3: Inspirational early experiences

Nurseries across Scotland provide a variety of inspirational experiences for children's early learning including outdoor learning opportunities. The early years workforce is the most important element in ensuring children receive high-quality ELC. Qualifications and continuing professional development are the best way to improve outcomes for children while high turnover is a burden on settings, disrupting continuity of quality care, and learning.

The next Scottish Government must:

- 7 Ensure the workforce can be properly recognised and rewarded by making funding genuinely 'sustainable' and that hourly rates for partner providers does not aim for just a minimum of paying the RLW
- 8 Set out a quality-focussed, fully funded workforce strategy to provide professionals with a clear career path, professional development opportunities as well as the status and respect they deserve
- 9 Fund pilot programmes of specialist training for ASN and staff wellbeing to create subject champions within settings that will support the knowledge and confidence of the wider workforce
- 10 Maintain openness and transparency on inspection and regulatory activity and continue positive engagement with the sector.

**This election offers all parties the chance to put in place strong foundations for the next generation of children's futures in Scotland. Any policy development in ELC must put children at its heart.**

**Investing in ELC is vital to improving children's life chances, supporting families and is crucial to our economy. This investment saves millions of pounds in the long-term. Let's give all our children in Scotland the best start in life by getting it right in their earliest years.**



## Acknowledgements

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While the content of the manifesto and the asks come from NDNA and do not necessarily represent the views of other organisations, we would like to express our sincere thanks to the following organisations.

### Care and Learning Alliance

[Research | Care and Learning Alliance](#)

### Elevate Great

[Elevate Great Financing Review 2025 - Elevate Great](#)

### Pregnant then Screwed, Scotland

[Scotland's Childcare Guarantee calls for expanded funded hours - NDNA](#)

[Four in ten women in Scotland terminated their pregnancy due to cost of childcare, Pregnant Then Screwed says | STV News](#)

### Professor Aline-Wendy Dunlop, University of Strathclyde and Early Education

[Early years workforce policy in the four UK nations: a comparative analysis - Early Education](#)

### Scottish Childminding Association

[SCMA Early Learning and Childcare Audit 2025 | SCMA News](#)

### Scottish Women's Budget Group

[Policy Briefing - Childcare Survey 2023.pdf](#)

### National Day Nurseries Association

[National nursery organisation slams council vote to remove parental choice from funded childcare offer - NDNA](#)

[Council cuts would force parents to move settled nursery children or pay thousands - NDNA](#)

[Disappointment as Scottish Budget fails to address funding system inequalities - NDNA](#)

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[More to do to make childcare funding fairer in Scotland - NDNA](#)

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13 [Policy-Briefing---Childcare-Survey-2023.pdf](#)

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16 [Movement of Day Care of Children Staff Report 2023 | Scottish Social Services Workforce Data](#)



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