

Education, Children and Young People Committee

by email: [ECYP.committee@Parliament.Scot](mailto:ECYP.committee@Parliament.Scot)

28<sup>th</sup> July 2023

Dear Convenor,

### **Publication of the Financial Sustainability Health Check Report 2023**

The Committee will wish to be aware of publication of the Financial Sustainability Health Check of the Childcare Sector in Scotland. The report will be published on the Scottish Government's website on Monday 31 July 2023.

The Scottish Government has undertaken an update of the Financial Sustainability Health Check to collect evidence on the sustainability of the childcare sector, in particular in light of the impacts of the costs crisis, workforce pressures and the lasting impacts of the pandemic.

It builds on the evidence and findings from the first [Financial Sustainability Health Check](#) published in Summer 2021.

The update has been informed by detailed surveys of childcare providers and analysis of trends in Care Inspectorate registration data.

The findings will be set out in the [Financial Sustainability Health Check of the Childcare Sector in Scotland report](#). Alongside this a supporting [Analysis and Evidence paper](#) will also be published.

The previous Health Check set out a programme of actions to support the long-term sustainability of the sector. The main focus of the Scottish Government's next steps will be to build on actions already being delivered to maximise their impact.

The main report is attached and provides the background context, key findings from the evidence and analysis and the actions that the Scottish Government will be progressing in the coming months.

Later this year we will also publish the Joint Scottish Government and COSLA Review of the approach to setting sustainable rates in 2022-23. The findings of the evidence-based review, which has included input from both funded ELC providers and local authorities, will inform what further action may need to be taken to the wider approach to sustainable rate setting over the rest of this Parliament.

Yours sincerely,

Natalie Don  
Minister for Children, Young People and Keeping The Promise

