

# Early Learning and Childcare Cost Collection Survey - Guidance

This document supports providers completing the ELC Cost Collection survey. This survey is being carried out by Diffley Partnership, an independent research company, on behalf of Scottish Government and COSLA. Each question is explained with:

- Why it's being collected – context for informing sustainable funding rate setting.
- What we are collecting – the data point required.
- How/where to find it – practical help for locating the information.

## Section 1: Provider Information

Question	Why it's being collected	What we are collecting	How/where to find it
<b>Which of the following do you operate? (Childminder / Day care of children)</b>	To compare costs across different service types.	The type of childcare service you operate.	This is on your Care Inspectorate certificate or online registration listing.
<b>What is the name of the service that you operate?</b>	To uniquely identify each provider and match with regulatory data (confidentially). Also to ensure no provider appears twice in the dataset.	Your service name, as used in formal registration.	As shown on your Care Inspectorate certificate.
<b>Please provide the Care Inspectorate Registration number(s) of your setting?</b>	To uniquely identify each provider and match with regulatory data (confidentially). Also to ensure no provider appears twice in the dataset.	Your official Care Inspectorate registration number(s).	On your registration certificate or Care Inspectorate website.
<b>Which of the following best describes your setting? (Private / Third Sector)</b>	To capture information regarding variations in the costs of delivery across different types of providers.	The governance or ownership type of your organisation.	This is usually part of your legal status or constitution. Please select 'Third sector' if your service is registered as 'voluntary

			or not for profit' with the Care Inspectorate.
<b>Would you describe your setting as a specialist outdoor service and where children spend the majority of time outdoors?</b>	Different types of settings may have different cost structures (e.g. facilities, staffing).	<p>Outdoor play is an integral, everyday part of early learning and childcare in Scotland. In many settings children will have access to both indoor and outdoor play and learning opportunities throughout the time they attend. However, there are also predominately outdoor-based services. <b>The Care Inspectorate define an outdoor-based service as one that describes itself as a specialist outdoor service and where children spend the majority of time outdoors.</b></p> <p>Please only answer yes to this question if your service meets this definition of an outdoor service.</p>	<p>Based on your daily delivery model.</p> <p>This may also be reflected in the conditions of registration section of your Care Inspectorate registration.</p>
<b>What is the postcode of your setting?</b>	<p>Allows geographic analysis of costs to inform local authority rate decisions.</p> <p>It also allows for comparisons between rural, remote, island, and urban services.</p>	The full postcode of your childcare setting.	Refer to your official address or registration details.

## Section 2: Capacity and Operations

Question	Why it's being collected	What we are collecting	How/where to find it
<p><b>Please provide the following information</b></p> <p><b>a) The number of weeks of the year your service is open?</b></p> <p><b>b) The number of hours per week that your service is open?</b></p>	Shows operational scale and enables calculation of hourly cost estimates.	Number of weeks per year and hours per week your setting is open.	Use your timetable or calendar.
<b>What is the maximum number of places for children that your service is registered to provide?</b>	To help capture any variations in costs of delivery across services of different sizes/capacity.	The total number of children you're registered to care for.	Listed on your Care Inspectorate certificate under conditions of registration.
<p><b>Please provide an estimate of the percentage of children who attend your service who have additional support needs (note - please cover all cases where additional support is required, and your response should not be limited to just cases where there is a formal diagnosis)</b></p>	<p>ELC provision must be delivered in a way that ensures equality of access for, and accounts for the varying needs of, all children. This will mean that some children will require more support, which could be through increased staff time, access to specialist staff support, or through access to specific equipment.</p> <p>Responses to this question will help to inform our understanding of how supporting children with a disability or additional support needs impacts on overall costs of delivering funded ELC; and how</p>	A child has additional support needs if, for any reason, they need extra or different help to benefit fully from their ELC experience.	Information may be included on your registers or management systems. If information is not easily accessible then please provide an estimate.

	this may vary across different types of providers.		
<b>Has the number of funded ELC hours you have been commissioned to provide increased, decreased or stayed the same over the last year?</b>	To understand the contribution that delivery of funded ELC makes to providers, and how this can vary across different types of providers.	Whether, in the current year, you have faced an increase, decrease, or no change in the funded hours that you are delivering.	Use attendance logs, management systems, or registers.
<b>Which of these best describes your premises?</b>	Different property arrangements can create different costs .	Your tenure status (renting, owning, etc.).	Lease, mortgage, or funding agreements.

### Section 3: Sessions and Fees

Question	Why it's being collected	What we are collecting	How/where to find it
<b>Please enter the typical number of hours provided for each of the following type of sessions</b> <b>a) Hours per half day session</b> <b>b) Hours per full day session</b>	To understand how care is structured and compare delivery models.	Length in hours of half-day and full-day sessions.	Check your programme schedule or offer to parents.
<b>Standard fee structure</b>	To understand fee levels.	Fees charged for sessions and wraparound hours by age group. The question asks for a split by under 3s and over 3s. If you have a different age group pricing structure then you can provide any additional information in the next question.	Use your pricing list.
<b>Is there any further information you would like to provide on your fee structure?</b>	In order to enhance our understanding of fees.	Any additional information you wish to provide.	Reflect on your fee structure.

## Section 4: Income and Expenditure

Question	Why it's being collected	What we are collecting	How/where to find it
<b>Preferred reporting period:</b> <ul style="list-style-type: none"> <li>• April 2025</li> <li>• Financial Year</li> </ul>	To understand which time period data is being reported for.	Your choice of April 2025 or yearly data reporting.	Choose based on how you maintain financial records or what makes providing subsequent information easiest for you.
<b>What financial year do you use?</b> <ul style="list-style-type: none"> <li>• April-March</li> <li>• January-December</li> </ul> <b>Other [please specify</b>	To understand which time period data is being reported for.	Financial year for the data being collected.	
<b>For each of the following age groups please provide either: (1) the total number of hours; or (2) the number of half-day and full-day sessions you delivered on average per week during the time period for which you are providing financial information?</b>	<p>To understand the total amount of childcare that you are contracted to deliver by age group.</p> <p>This supports the calculation of estimated cost per hour.</p>	<p>Volume of childcare provision at your setting.</p> <p>We understand that providers will have their own management systems, which will capture this information differently.</p> <p>We also understand that there will be times when children are unable to attend due to illness or holidays. You do not need to adjust for this as the survey just requires information on the childcare that you are contracted to deliver.</p> <p>Please choose the option that is easiest for you to complete. If you</p>	Use management systems, invoicing systems or registers.

		are able to provide the total number of hours by age group then you do <b>not</b> need to provide any information on the number of half-day and full-day sessions (and vice versa).	
<b>Please provide the following information?</b> <ul style="list-style-type: none"> <li>• Total annual/monthly income</li> <li>• Total annual/monthly expenditure</li> </ul>	Foundational for calculating cost per hour.	Total expenditure and income for the reporting period.	Use bookkeeping, accounts, or financial statements.
<b>Can you please break your expenditure down by the following (£)?</b> <ul style="list-style-type: none"> <li>• Staff Salaries</li> <li>• National Insurance Contributions</li> <li>• Taxes other than NI contributions</li> <li>• Pension Contributions (including personal pension contributions)</li> <li>• Mortgage/rent</li> <li>• Other running costs (excluding mortgage/rent)</li> </ul>	<p>Breaks total costs into specific categories to identify major cost elements.</p> <p>This will enable understanding across different types of providers of the share of costs accounted for by these elements.</p> <p>This extra level of detail, in particular on staffing costs, will enable better understanding of the potential impacts on the costs of delivery for providers of any policy changes. For example, the recent changes to employer National Insurance Contributions by the UK Government which took effect from April 2025.</p>	Amounts spent on staff salaries, National Insurance, pensions, property, and other running costs.	Use your accounting software or breakdowns in financial reports.

<p><b>What is the average level (percentage) of net surplus/profit/return on investment that your setting needs to return to remain sustainable?</b></p> <ol style="list-style-type: none"> <li>1. 0-5%</li> <li>2. 6-10%</li> <li>3. 11-15%</li> <li>4. 16-20%</li> <li>5. 21-25%</li> <li>6. 26-30%</li> <li>7. 30%+</li> </ol>	<p>The sustainable rate should be set at a level that will allow for investment in your setting – whether this is in staff, resources and/or physical environment (please see the <a href="#">sustainable rates guidance</a> for more information).</p> <p>In order to inform future rate setting we require estimates of average levels of reinvestment/surplus across different childcare providers.</p> <p>We will be able to produce an estimate of reinvestment/surplus, using the expenditure and income data you provide, for the period of time covered in your return. However, we appreciate that reinvestment/surplus levels can fluctuate between years, dependent on decisions taken by individual services. Therefore, this question asks you to provide the average level (percentage) of net surplus/profit/return on investment that your setting needs to return to remain sustainable.</p>	<p>The average level (percentage) of net surplus/profit/return on investment that your setting needs to remain sustainable.</p> <p>We understand that this can fluctuate on an annual basis, so we are looking for the average rate that you may look to achieve over a number of years.</p>	<p>Reflect on your financial planning or business model.</p>
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<p><b>Would you be willing to provide a more detailed breakdown of your income. Note, this is optional and will be used to better understand the income and expenditure of settings providing funded ELC. This information is optional.</b></p>	<p>To understand whether you would be interested in providing more detailed income information.</p>	<p>Whether you would like to provide more detailed income information.</p>	<p>Discretionary based on your preference.</p>
<p><b>Thinking about this income, what percentage of your total income came from the following? If a particular income source does not apply please enter '0' in the box.</b></p> <ul style="list-style-type: none"> <li>• Funded ELC Payments: _____ (%)</li> <li>• Private Fees from Parents: _____ (%)</li> <li>• Other Government Funding: _____ (%)</li> <li>• Non-Government Grants: _____ (%)</li> <li>• Donations and Fundraising: _____ (%)</li> <li>• Other (please specify): _____ (%)</li> </ul>	<p>The responses will inform our understanding of sources of income across different types of providers. In particular, it is important to understand the contribution that income received for delivering funded ELC hours makes to providers overall income.</p>	<p>Income from funded hours, parent fees, donations, and other sources.</p> <p>Not all of the potential income sources will be relevant for all types of providers. You only need to provide information for the sources relevant to your setting.</p>	<p>Use accounting records or income breakdowns from your financial system.</p>

## Section 5: Cost of Delivering ELC

Question	Why it's being collected	What we are collecting	How/where to find it
<p><b>What is the average estimated cost to your organisation per hour of delivery regardless of whether funded or not?</b></p>	<p>The cost of delivering ELC to 2 year olds is expected to be higher than for 3-5 year olds, reflecting the differences in staff ratio requirements (with 1 adult to 5 children for 2 year olds to under 3s, and 1 adult to 8 children for 3-5 year olds) and space requirements.</p> <p>Reflecting this, the majority of local authorities pay a higher sustainable rate for delivery of funded ELC to 2 year olds, than they do for 3-5 year olds.</p> <p>However, as previous cost collection exercises have not requested separate data for 2 year old provision, robust evidence on the extent of variations in the cost of delivery is not currently available. There is also currently greater variation in the rates being paid to funded providers for 2 year old children across local authorities relative</p>	<p>Your estimated average cost to deliver an hour of ELC for each group.</p>	<p>Divide total cost by total hours delivered for each group.</p> <p>We understand that many, non-staffing, costs are for the whole setting and they cannot be apportioned to one age group. However, where possible, when providing your estimates it would be helpful if you were able to reflect differences in your average staffing costs requirements for delivering to 2 year olds relative to 3-5 year olds.</p>

	to the variation in rates paid to 3-5 year olds.		
<b>What accounts for any differences in costs across 2 year olds and 3-5 year olds?</b>	Captures the reasons for differing costs, e.g. higher ratios for 2 year old children relative to children aged 3-5 years old.	Any additional information that you wish to provide regarding cost differences in delivering childcare to children aged 2 years olds relative to 3-5 year olds.	Reflect on staff ratios, space, and material needs by age.

## Section 6: Meals

Question	Why it's being collected	What we are collecting	How/where to find it
<b>Do you provide meals in your setting?</b>	To understand whether meal provision is part of your delivery model.	Whether meals are provided as part of your service.	Reflect on your daily routine of delivery.
<b>How are meals provided by your setting?</b>	To understand how meals are delivered in your setting. This will also help to determine if differences in how the meal is delivered can impact on the cost of meal provision in settings.	Sources and preparation method for meals.	Review your contracts, in-house kitchen setup or council support.
<b>What is the estimated full cost of providing the free meal commitment per meal for each child (£)?</b>	<p>Every child attending a funded ELC session – which is any session that includes funded hours, regardless of whether they are mixed with ‘paid for’ hours – is to be provided with a free meal.</p> <p>Your response to this question will help to ensure that we have robust and reliable information on the full costs to providers of delivering this commitment.</p> <p>To fully quantify meal-related costs borne by the setting. This will help to inform future payments to funded providers for the delivery of the free meal commitment.</p>	<p>Actual cost per meal delivered under the free meal commitment.</p> <p>You should provide an estimate of the total cost of providing a free meal to each child. This should reflect all costs involved in delivery of the meal and should not be limited to just the costs of purchasing the food.</p> <p>Where meals are delivered to your setting, either by an external caterer or your local authority, you should also consider any costs related to serving the meal within your setting.</p>	Calculate cost of ingredients, preparation, staff time, utilities.

## Section 7: Staff Costs

Question	Why it's being collected	What we are collecting	How/where to find it
<b>What is the average percentage contribution that you make towards a pension scheme for employees?</b>	To quantify the financial impact of pension contributions and ensure sustainable funding rates can account for typical employer contributions across the sector.	The average percentage you contribute to pension schemes for your eligible employees.	Look at pension scheme documentation or payroll records to calculate the average across contributing employees.
<b>Do you currently claim the Employment Allowance for reducing employer National Insurance Contribution costs?</b>	<p>To understand how many childcare providers are currently claiming the Employment Allowance.</p> <p>Eligible employers can claim the Employment Allowance, which can reduce your Employer National Insurance Contribution costs.</p> <p>The UK Government has published <a href="#">additional guidance on the Employment Allowance for childcare providers</a>. This includes clarifications on eligibility and how the allowance applies to early years providers. For any further inquiries regarding the guidance, please contact HMRC directly.</p>	Whether you claim the Employment Allowance to reduce your National Insurance Contribution liabilities.	Ask your payroll administrator or accountant. This will be visible in HMRC submissions if claimed.
<b>Do you currently pay at least the Real Living Wage to staff in your service?</b>	Sustainable rates should be set at a level that enables staff delivering funded ELC in private and third sector services to be paid at least the real Living Wage.	Whether your service pays the Real Living Wage to all, some, or no staff.	Compare your pay rates with the current

<ul style="list-style-type: none"> <li>○ Yes – all staff</li> <li>○ Yes – only staff delivering funded Early Learning and Childcare</li> <li>○ No</li> </ul>	<p>In line with the requirements for Living Wage accreditation, and as set out in <a href="#">Section 2 of the Funding Follows the Child Operating Guidance</a>, apprentices do not have to receive the real Living Wage. If apprentices in your setting are paid below the real Living Wage, but all other staff, or all other staff delivering funded ELC, are paid at least the real Living Wage then please select one of the ‘Yes’ options for this question.</p>		<p>Real Living Wage rate (available on the <a href="#">Living Wage Scotland website</a>) and check payroll records.</p>
<p><b>Do volunteers currently carry out any roles to support the running of your setting (e.g. administrative tasks or giving up time to be on your committee)?</b></p>	<p>Volunteers can play key roles in supporting the running of some childcare services. For example, parents/carers who volunteer to take committee roles in some voluntary services.</p>	<p>Whether unpaid individuals regularly contribute to your operations (e.g., admin, governance, or in-kind labour).</p>	<p>Consider committee members, parent helpers, or other regular volunteers involved in running the setting.</p>
<p><b>Would you be willing to provide the hourly pay of staff in your setting across a range of roles? This information is optional.</b></p>	<p>To establish whether you would be happy to provide hourly pay for different levels of staff in your setting.</p>	<p>Whether you would like to provide more detailed staff cost information.</p>	<p>Discretionary based on your preference.</p>
<p><b>Average gross hourly pay (before tax, national insurance and other deductions) by role.</b></p>	<p>To understand pay differentials within settings, and across different types of providers, which can help with informing analysis of any future policy changes.</p>	<p>Average gross hourly rate for key roles.</p>	<p>Check payslips, payroll software or wage summaries.</p>

<p><b>Please use the box to set out average gross hourly pay for any other staff you employ in your setting. This could include specialist staff who provide dedicated support for children with profound and multiple learning disabilities; and/or sectorial, maintenance, catering, or domestic staff.</b></p>	<p>To allow you to provide additional supporting information, if you wish, regarding gross hourly pay for different staff roles in your setting.</p> <p>To understand pay differentials within settings, and across different types of providers, which can help with informing analysis of any future policy changes.</p>	<p>Average gross hourly rate for any additional staff roles in your setting not covered by the roles in the previous question.</p>	<p>Check payslips, payroll software or wage summaries.</p>
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## Section 8: Anticipated Future Costs

Question	Why it's being collected	What we are collecting	How/where to find it
<p><b>Please set out your current expectations with regards to cost pressures for your setting over the coming year. For example, you may wish to highlight specific costs that you anticipate will rise by substantial amounts or above inflation?</b></p>	<p>To identify your current expectations on costs and any outlier expenses that could affect future costs.</p>	<p>Your anticipation of future cost pressures.</p>	<p>Look at upcoming projects or maintenance plans.</p>

## Section 9: Additional Comments

Question	Why it's being collected	What we are collecting	How/where to find it
<b>Comments on delivering funded ELC sustainably</b>	<p>Provides qualitative insights to supplement financial data.</p> <p>Please use this question to provide any further additional information that you wish to provide to support your previous answers.</p>	<p>Your perspective or suggestions on funded ELC delivery.</p> <p>Any further information to support your previous answers.</p>	<p>Based on your operational experience.</p>