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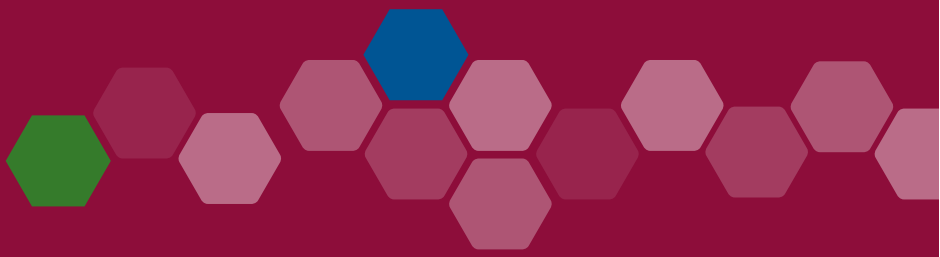
Costs of Early Learning and Childcare Provision in Partner Provider Settings



CHILDREN, EDUCATION AND SKILLS

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Costs of Early Learning and Childcare Provision in Partner Provider Settings

Technical Report

Chris Martin, Rachel Ormston and Sanah Zubairi

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Acknowledgements

First and foremost, thanks are due to the 191 partner providers who gave up their time to take part in the survey on which this report is based. We know that for some of you this was a considerable ask, and we are very grateful. We would like to thank the various provider organisations that supported this study – particularly Jane Mair at the National Day Nurseries Association, Jean Carwood-Edwards at Early Years Scotland, and Maggie Simpson at the Scottish Childminding Association. We are very grateful for their comments on drafts of the questionnaire and report, and for their help in promoting the survey to their members. Sasha Maguire, the project manager for this study at the Scottish Government, has been unfailingly helpful in his comments and advice. The survey could not have happened without the input of our Ipsos MORI colleagues in scripting and telephone, and we are particularly grateful to Geoff Wilson for his work on the online questionnaire and to Alan Emerson for making hours of phonecalls to providers to persuade them to take part.

All analysis in this report is entirely the authors' responsibility.

Chris Martin, Rachel Ormston, Sanah Zubairi

1 - Introduction

This report presents data collected by Ipsos MORI on behalf of the Scottish Government on the costs and income associated with providing early learning and childcare (ELC) among private and not-for-profit 'partner providers'[1] in Scotland. It is intended to inform Scottish Government analysis of options for extending free ELC provision from the current 600 hours to 1,140 hours for eligible two, three and four year-olds. This introductory section provides a brief background to the research, while the remainder of the report provides technical details. The report is accompanied by detailed data tables, in Excel format. As the purpose of this report is to inform further modelling, narrative about the results is kept to a minimum, bar a brief summary in Chapter Four. Our primary focus is on explaining how the figures were arrived at and any issues that need to be taken into account in interpretation and further analysis.

1.1 Background

Research has clearly established the social and cognitive benefits of high quality ELC for children.[2] Social and behavioural outcomes for children are enhanced for those who are attending high quality pre-school provision,[3] while academic ability is more developed for those children cared for by better-qualified ELC staff.[4] At the same time, ELC provides one of a number of levers for supporting parents from low income families back into work. As such, the availability of appropriate and affordable ELC has a major role to play in tackling child poverty, improving educational attainment, reducing intergenerational poverty[5] and reducing social welfare payments.

High quality ELC provision has been a core strand of Scottish Government policy over the last decade, with the dual aim of improving child outcomes and supporting parental (particularly maternal) employment. Since April 2002, Local Authorities have had a duty to secure a funded part-time ELC place for every 3 and 4 year-old whose parents wish it. From August 2014, the Children and Young People (Scotland) Act 2014 extended ELC entitlement, giving all three and four years olds entitlement to 600 hours ELC per year, as well as extending provision to two year olds whose parents are in receipt of eligible benefits (looked after two year-olds were eligible from 2012).[6]

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[1] Private and not-for-profit childcare providers who are currently involved in delivering up to 600 hours a year of government-funded early learning and childcare to eligible 2, 3 and 5 year-olds.

[2] E.g. Sylva, K., Melhuish, E. C., Sammons, P., Siraj-Blatchford, I. and Taggart, B. (2004) *The Effective Provision of Pre-School Education (EPPE) Project: Final Report*, London: DfES/ Institute of Education, University of London

[3] Siraj-Blatchford, I. et al. (2011), Performing against the odds: developmental trajectories of children in the EPPSE 3-16 study, Department for Education, Research Report DFE-RR128 quoted in Department for Education (2013) More Great Childcare, London, Department for Education

[4] Mathers S. et al (2011) Evaluation of the graduate leader fund final report. Department for Education. Research Report DFE-RR144 quoted in Department for Education (2013) More Great Childcare, London, Department for Education

[5] One Scotland' Programme for Government 2014-2015, Scottish Government

[6] Including: Income support; Jobseekers allowance (income based); Employment and Support Allowance (income based); Incapacity or Severe Disablement Allowance; State Pension Credit; Child Tax Credit, but not Working Tax Credit, with an income less than £16,105; both maximum Child Tax Credit and maximum Working Tax Credit and income under £6420; support under Part VI of the Immigration and Asylum Act 1999; Universal Credit. Looked after children includes those under a kinship or guardianship order.

The Scottish Government is committed to extending this entitlement to 1,140 hours a year of ELC for all 3 and 4 year-olds and eligible two year-olds by 2020. Initial Scottish Government analysis indicated that achieving this may result in expenditure increasing to around £800 million per year. However, the Scottish Government requires more detailed and up to date information about the actual costs of delivering high quality ELC in Scotland in order to inform modelling and planning around how to meet its future commitments to high quality funded ELC places.

1.2 About this study

Ipsos MORI Scotland was commissioned by the Scottish Government to fill this gap by conducting research among private and not-for-profit ELC providers across Scotland. An online survey of 'partner providers' (those currently providing government-funded hours for eligible two, three and four year-olds) collected detailed information about costs, income, capacity and occupancy. Cost information was also collected from a small sample (n = 10) of childminders across Scotland.[7]

The aim of the providers' survey was to provide as accurate estimates as possible of the costs associated with their provision of ELC for children under school-age, in order to inform Scottish Government planning and economic modelling for extending government-funded hours. Interviews with childminders were intended to assess the potential level of variation in costs incurred by childminders. Local Authority ELC providers were not included in this research – they were the subject of a separate research exercise undertaken by the Scottish Government.

[7] Only a very small number of childminders in Scotland are currently being used to provide ELC under the Scottish Government's funded scheme. However, as the number of hours is extended, the Scottish Government wishes to consider what role childminders may play in this.

2 - Research methods

This section summarises the methods used in sampling, surveying and analysing data from ELC providers. It also outlines the key limitations associated with this exercise, that need to be taken into account when interpreting or using the data tables.

2.1 The sample

The Scottish Government provided Ipsos MORI with a list of 966 private and not-for-profit partner providers recorded as providing government-funded places for two, three and four year-olds in the Care Inspectorate's records. This list included contact information (provider name, manager name, e-mail address, phone number, address) and a range of demographic and other details about the provider (e.g. number of funded places for two, three and four year-olds, and number of staff) and their location (e.g. local authority area; Scottish Index of Multiple Deprivation score; Scottish Government six-fold urban-rural classification).
Ipsos MORI carried out some further cleaning and editing of the initial list, including:

- Identifying and dropping duplicate variables and duplicate cases (the final issued sample included 965 cases)
- Filling in missing data (e.g. missing phone numbers) where possible
- Adding additional variables, in particular adding a variable to identify nurseries that appeared to be part of a chain or group of nurseries (since we wanted to give these nurseries the option of completing the survey on behalf of the whole group if easier).

A sample of childminders was provided to Ipsos MORI by the Scottish Childminding Association (SCMA). The sample was purposive rather than random – we aimed to get a spread of childminders from different areas to test how much possible variation there is in their costs. As such, the 10 interviewed were recruited from a relatively large initial list of contacts.

2.2 Questionnaire design

In order to inform the Scottish Government's planning for the extension of government-funded ELC hours, the survey needed to collect detailed information about private and not-for-profit partner providers' costs, income, capacity and occupancy. The key challenge in designing the questionnaire was how to balance the need for as much detail as possible, with making it as simple and quick as possible for providers to complete. Given the range of partner providers involved – from small charitable playgroups to large private nurseries – the questionnaire also needed to be equally relevant to providers that operate on different models in terms of hours, fee structures, etc. As the level of cost information the survey requested was relatively detailed, providers were advised that it might be useful to have their annual accounts to hand while completing the survey.

Development and piloting

An initial draft questionnaire – drafted following discussions with the Scottish Government and reviewing relevant materials[8] - was piloted with six partner providers to ensure it was clear and easy to complete. Pilot providers were recruited to reflect a range of different settings (private and not-for-profit, large and small) and areas (in terms of deprivation and urban-rural). Four providers in Edinburgh and two in East Lothian (one accessible rural and one small town) were visited by members of the research team, who reviewed the draft questionnaire with them and identified issues and areas for improvement. Changes made as a result of piloting included:

- Introducing an option to complete the survey on behalf of a group of nurseries, following feedback from people who managed a group of several nurseries that this would be easier than having to fill in questionnaires for each individually
- Adding instructions about how to pause the questionnaire and pass it to someone else to complete, following feedback that more than one person might need to be involved (for example, the day-to-day manager plus the treasurer/finance manager)
- Adding questions to more accurately identify the level of service providers offer (and so they could be routed to more relevant follow-up questions) – for example, checking whether providers only provide the 600 funded hours each year or whether they offer more hours of ELC than this, and asking whether or not their start and end times vary between government-funded and privately-funded places
- Dropping questions that were impossible to answer accurately – for example, feedback from providers was that it was impossible to say what proportion of parents take up their full 600 hours of government-funded ELC, since in some cases parents may split their hours between that provider and a school nursery. Providers also struggled to answer a question about the percentage of staff contact time (spent directly with children) vs non-contact time (for example, time spent on administration), so this was also dropped.
- Changes to terminology, such as: replacing 'pre-school' (generally interpreted as only referring to three to five year-olds) with 'early learning and childcare for children aged 5 and under'[9]; amending descriptions of staff categories to better reflect how providers referred to them; and changing the qualification categories to try and better reflect how providers referred to early years qualifications
- Amends to options for the time-period costs relate to, following feedback that for some providers it was easier to give costs/salaries per term, quarter or hour than per week, month or year
- Amends to routing to try and ensure providers were only asked follow-up questions that were definitely relevant to them
- Amends to range-checks (checks built into a computer script which either bring up queries or do not let people move to the next question if they enter a response that appears unlikely).

[8] Including a similar survey, conducted for the Department for Education, Brind, R, McGinigal, S, Lewis, J and Ghezelayagh, S (2014) *Childcare and Early Years Providers Survey 2013 Survey materials*, Department for Education

[9] As children who have turned 5, but have not yet started school, remain eligible for funding under the Scottish Government's scheme.

Feedback was also sought from the National Day Nurseries Association (NDNA) and Early Years Scotland (EYS) and minor changes made following this, including clarifying and adding further reassurances about confidentiality and how the data would be stored and used.

Scripting and fieldwork

Once the content of the main providers' questionnaire was finalised, Ipsos MORI's online scripting team transferred it into IBM Dimensions. The online script was subject to further testing and by the research team at Ipsos MORI. All 965 partner providers were then sent an e-mail invitation to complete the survey along with a unique link to their online questionnaire. They were also sent a letter invitation, in case their e-mail address was out of date (see Appendix B). Reminder e-mails were sent 10 days after launch, and again 10 days before the survey closed. The survey was open from 4th June to 10th July 2016.

An e-mail address and phone number for the survey was in operation throughout, so that the research team could answer queries and resolve technical problems. Several minor changes to the script were made during fieldwork (identified as a result of comments from respondents).[10] Ipsos MORI's telephone centre encouraged providers to respond to the online survey by calling them, checking they had received information about the survey, emphasising the importance of the study to future ELC policy in Scotland, and finding out whether there was anything else they needed to help them take part.

Childminder's questionnaire

The Childminder's questionnaire is a simplified version of the online survey that was developed with input from the Scottish Childminding Association (SCMA). The questionnaire includes standard questions on registration, capacity and occupancy as well as questions on various categories of costs derived from an example childminder cash book provided by the SCMA. The questionnaire was formatted in Excel so that the information could easily be pulled together for analysis. Interviews were conducted over the phone by a member of the research team.

2.3 Response rates and achieved sample profile

Responses to the online survey of partner providers were achieved from 191 respondents[11], covering 222 providers[12] – a response rate of 22%.

Table 2.1 shows the profile of the issued and achieved sample. The achieved sample is shown separately for a) all respondents and b) all those respondents who gave sufficient detail at questions about costs to be included in the main analysis of provider costs (18 responses did not include sufficient detail at these questions and were excluded from cost analysis).

Broadly, the profile of the achieved sample – both overall and among those providers who gave sufficient detail to be included in cost analysis – was reasonably close to that of the issued

[10] For example, a 'hard check' (which means participants are asked to check and change their answers before progressing) was removed from questions that ask how many eligible two and three to five year olds nurseries provide ELC funded places for. The script had incorrectly set a hard check to trigger if respondents entered a figure higher than their total registered places, but in fact more children can be attending than there are registered places since different children may attend morning and afternoon.

[11] 194 surveys were returned, but three were deleted as respondents had not answered most questions.

[12] 20 respondents answered on behalf of multiple individual providers – e.g. on behalf of a chain of nurseries – which is why the number of providers covered is higher than the number of responses.

sample of all partner providers in terms of provider type, size, area of Scotland and deprivation. In terms of the urban-rural location of providers, however, the achieved sample included relatively more providers in small towns and rural areas and relatively fewer in large urban and other urban areas compared with the profile of all partner providers. Other smaller variations between the issued and achieved sample included:

- The achieved sample included slightly more not-for-profit providers (30% compared with 24%) and slightly fewer private providers than the issued sample (70% compared with 76%)
- The achieved sample, particularly for those who gave sufficient detail to be included in the cost analysis, included slightly fewer medium-sized providers (with 15-39 funded ELC places) than in the population of all providers (46% compared with 51%)
- There were slightly fewer providers in the least deprived areas of Scotland (18% compared with 24% in the most deprived quintile, as measured by the Scottish Index of Multiple Deprivation), though as there were more in the second least deprived quintile (31% compared with 27%), overall the profile of participating providers broadly reflects that of all partner providers in terms of the deprivation of areas they are located in.

Table 2.1: Sample profile (issued vs. achieved)

	Issued sample		Achieved sample (All)			Achieved sample (all providing detailed cost information)		
	N	**%**	**Number of responses**	**Number of providers covered**	**% of providers (excluding 'varies')**	**Number of responses**	**Number of providers covered**	**% of providers (excluding 'varies')**
Provider type								
Private	729	76%	127	158	71%	112	143	70%
Not-for profit	236	24%	64	64	29%	61	61	30%
Single provider or part of a chain?								
Single	737	76%	171	171	77%	158	158	77%
Part of a chain	224	23%	20	51	23%	15	46	23%
Size of provider?								
Small (<15 funded places)	297	31%	58	58	32%	54	54	33%
Medium (15-39 funded places)	494	51%	87	87	48%	76	76	46%
Large (40+ funded places)	174	18%	38	38	21%	35	35	21%
Varies (chain)[1]			8	39		8	39	
Location								
Eastern Scotland	361	37%	71	79	38%	62	70	37%
Highlands and Islands	138	14%	29	33	16%	28	32	17%
North Eastern Scotland	120	12%	18	18	9%	16	16	9%
South Western Scotland	346	36%	72	76	37%	66	70	37%
Varies (chain)			1	16		1	16	
SIMD[2] quintile								
1 – most deprived	119	12%	22	22	12%	21	21	13%
2	146	15%	28	28	15%	22	22	13%
3	212	22%	42	42	23%	42	42	25%
4	258	27%	56	58	31%	50	52	31%
5 – least deprived	230	24%	36	36	19%	31	31	18%
Varies (chain)			7	36		7	36	

Urban-rural classification								
1 Large urban	339	35%	49	49	26%	43	43	25%
2 other urban	285	30%	52	52	28%	45	45	26%
3 small town (access)	87	9%	25	27	14%	23	25	15%
4 small town (remote)	43	5%	12	14	7%	12	14	8%
5 accessible rural	138	14%	32	32	17%	30	30	18%
6 remote rural	73	8%	15	15	8%	14	14	8%
Varies (chain)			6	33		6	33	
Total	965	100%	191	222	100%	173	204	100%

1 – In some cases where respondents answered on behalf of a chain or group of nurseries, it was clear that all members of the chain/group were in the same (type of) geographic area or were of a similar size, but in other cases this was not clear. Responses that fall into these latter categories were therefore coded 'varies'.

2 – Scottish Index of Multiple Deprivation

2.4 Data cleaning and analysis

The main aim of this survey was to provide the Scottish Government with an estimated cost per hour of providing ELC for children, supported by detailed information about the costs that feed into this. In order to estimate costs per hour, we needed to calculate:

- **Overall costs incurred by ELC providers**. This was collected by the survey across various cost headings, including: staff costs, mortgage/rent, utilities, consumables, external catering costs, play and learning equipment, play and learning activities and services, course fees and expenses for staff training, ICT equipment and office supplies, transport costs, maintaining or improving buildings, contracts for building services, business rates, other taxes excluding payroll taxes, and anything else not covered by these. These figures were all taken from responses to sections C and D of the questionnaire.

- **The total number of hours of ELC being provided**. This was calculated by multiplying: the number of weeks a year providers were open for, by the average hours provided per child per session, by how many children they currently had attending. These component figures were derived using the data provided in response to sections A and B of the questionnaire. Providers were able to give the number of children attending either on a daily basis, or separately for morning and afternoon sessions. They were also asked how long their day or half-day sessions were.

The costs per ELC hour were then calculated by dividing the total annual costs incurred, by the total annual number of ELC hours being provided.

In order to carry out this analysis, a significant amount of data cleaning was required to deal with missing and incomplete data and outliers (data that looks to be outside the plausible range of responses for a particular question). The data cleaning process involved a combination of manually inspecting and making decisions about how to treat missing/unusual data (e.g. whether to include or exclude outliers from calculations based on whether or not they appeared to be within a plausible range of responses), and imputation of missing data where possible and appropriate. Imputation involved estimating a missing value based on what is known about the other characteristics of that provider and the values provided by other providers with similar characteristics – for example, if the number of children per session was missing for a particular provider, we imputed (estimated) this number based on (a) the number they were registered to take (which they had provided) and (b) average occupancy rates for providers of a similar size. As discussed above, 18 of 191 responses were excluded from the main analysis of costs, as they did not provide sufficient information (for example, they provided information about capacity but did not answer questions on costs)

More detailed information about cleaning and data processing is provided where relevant in the notes to individual data tables. However, this section summarises key decisions taken in relation to cleaning (a) costs data and (b) hours data.

Cleaning cost data

- **Imputing missing staff costs** – in most cases, staff costs were based on responses to a question which asked providers about their actual total staff costs (which they could provide on a weekly, monthly, termly or yearly basis). This question asked them to include costs for all categories of staff, and to include temporary and permanent staff. However, in addition to asking providers to give their total staff costs as a single amount (at question C1a), we also asked them about how many ELC staff they had at different levels, and the average salary paid to staff at these levels (questions C2a to C8c). These more detailed questions were used in two ways:
    - **As a check on the response to the total staff costs** – we used the detailed questions to derive an estimated annual salary bill (by multiplying the number of staff in each category by the average salary for staff in that category, and totalling these together), and compared this with the annual salary bill derived from C1a, which asked for overall staff costs as a single amount. The two figures were not completely comparable – the more detailed questions only asked about average salaries, and may therefore over or underestimate actual salary bills depending on how accurate an average providers were able to give. They also excluded ‘other’ staff – for example, administrative support staff or drivers – who should have been included in the total staff salary bill. However, being able to compare the two helped identify outliers for further inspection, where the difference between the annual staff costs derived from these two methods looked particularly large.

- **To impute overall staff costs where this was not given separately** – in 13 cases, providers were able to give numbers of staff and average salaries by level, but did not give an overall figure for their total staff bill. In these cases, the overall staff bill was derived based on the responses given about numbers of staff and average salaries.

- **Imputation of other missing costs** – non-staff costs were asked about in a standard way – providers were asked to complete a table and for each cost heading (listed above), to enter a value for costs incurred, and to indicate the period this covers. Where costs were not given in annual amounts, they were converted to annual amounts for analysis. There was a sizeable volume of missing data under 'other' costs (where providers had left the cell blank)[13]. It was unclear whether providers did not incur any costs under these headings, or whether they were simply unable to estimate these costs. We had to make some assumptions about this in order to calculate overall costs.

    - For mortgage and rental costs, where no answer was given we have imputed that their costs were the same as the mean mortgage/rental costs for providers in the same tenure

    - For all other non-staff costs, where no answer was given costs were imputed for blank cells based on the mean costs for other providers of the same type (private or not-for-profit).

Cleaning ELC hours data

- **Number of weeks open each year** was calculated as 52 minus the total number of weeks closed (asked at QA2)

- **Number of children attending per session** – partner providers were asked to say how many children currently attended each session, either per full day session for each day Monday to Friday, or split into morning and afternoon sessions. However, this information was missing for four partner providers. For these four cases, the number of children per session was imputed based on the number of children they were registered to take (collected at QB1a), multiplied by the average occupancy rates (that is, the numbers actually attending, divided by the numbers they are registered to take) for providers of the same size. (In 11 cases where the number of registered places was missing or unknown, we referred to the latest published inspection report for that provider to ascertain how many places they were registered for.)

- **Calculating occupancy rates** – for every partnership provider, we calculated occupancy rates – that is, what proportion of registered places were actually taken up by children

[13] For example, 22 cases where spend on ICT and office equipment was missing, 19 case where spend on play and learning equipment was missing and 59 cases were external catering costs were missing.

attending – for three age groups (under twos, two year-olds, and three to five year-olds). This was calculated by dividing the number of registered places per week (taken from their response to QB1a) by the number of children they reported attending in a week. For a small number of providers, occupancy rates calculated on this basis were above 100%. In other words, they appeared to have more children attending than they were registered to take. These cases were examined, and the most likely cause of error was inaccurate completion of attendance levels by age group. These cases were visually inspected for any errors and amended. All cases bar one had a final overall occupancy rate of 100% or less (with one having an occupancy rate of 101%). Obvious errors were corrected, leaving no cases where the overall occupancy rate was still over 105%. Where the occupancy rate for under twos or two year olds separately was higher than 100% but the overall occupancy rate was below 100%, it was assumed that this either reflected the current position in the partnership provider or that completion of the attendance figures by respondents had be correct in terms of the overall number but may have been attributed to the wrong age group. These were not edited.

- **Hours per child per week** – the number of hours of ELC provided per child per week was calculated based on multiplying the number of children attending per session by the session lengths. Based on this, the average hours of ELC provided per child per week ranged from 5 hours to 55 hours across providers, with a median of 23 hours. This is where there most cleaning by visual inspection was undertaken. For example, in some cases providers indicated (in open text responses) that the length of sessions varied on different days of the week (e.g. 2 hours on a Monday, 5 on a Tuesday, etc.), so it was necessary to derive an average session length from this for analysis. It is possible that some over-estimation of ELC hours in total has occurred, since we have had to estimate session lengths in some cases based on opening and closing times, and some children may only attend for a part of this time (particularly where providers offer hourly rates) – although of course, providers will incur costs for the hours they are open even when children are not present.

2.5 Key limitations and issues for interpretation

The analysis carried out for this study gives as accurate information as is possible about provider costs per ELC hour, based on the information we were able to collect. However, there are inevitably some limitations to this data. In particular, in interpreting and using the data for further modelling, it is important to keep the following issues in mind.

- **A modest response rate** – 22% of partner providers invited to participate in this survey took part. While this is a reasonable response rate for surveys of this type – issued to busy businesses and asking to collect detailed information which they may not have immediately to hand – we cannot be completely sure that there are no differences between average costs based on this survey and average costs incurred by partner providers who did not take part in the survey. However, as described above, the profile of the achieved sample was, overall, broadly similar to that of the issued sample. This gives

us reasonable confidence that the findings based on this sample are likely to be broadly representative of partner providers. The main exception to the relatively good match between the issued and achieved sample profile was with respect to the balance of providers in urban vs. rural areas.

- **Sample size for sub-groups** – while the overall sample size (191 responses covering 222 providers) is sufficient for the analysis required, the number of cases within specific sub-groups is smaller and the degree of confidence we can attach to any figures based on these sub-groups is consequently lower. For example, there were only 18 responses from providers in North Eastern Scotland (of a possible 120 in the issued sample). As such, any analysis or modelling based on this sub-group will have a much higher degree of uncertainty attached to it compared with analysis based on the achieved sample as a whole.

- **A relatively high volume of missing data, particularly in relation to non-staff costs** – as described above, in a relatively large number of cases, providers left particular cost cells blank. We therefore had to make decisions about imputing amounts based on the mean amount for similar kinds of provider. While this is standard practice for dealing with missing data, it is of course possible that this means that the total costs are either slightly higher or slightly lower than they are in reality. However, this should make only minimal difference to the overall average costs (particularly given that the largest share of the total costs are staff costs).

- **Challenges around measuring session times and estimating ELC hours** – the most difficult element of both the questionnaire design and the data cleaning related to estimating session times and ELC hours. Piloting indicated that the ways in which providers offered sessions varied widely, with some offering combinations of hourly, half-day and full-day sessions and others offering no standard sessions at all. It was practically impossible to include all possible variations of session lengths within the questionnaire, so we asked providers to estimate half day and full day session lengths. However, if high numbers of children for a given provider are on flexible hours that do not conform to these session lengths, then the total ELC hours derived from this may be under or (more likely) over estimates of the actual number of hours delivered. To the extent that the hours delivered are an over-estimate of actual hours, the hourly costs will be under-estimated (since these are derived by dividing total costs by total hours of ELC provided).

- **Exclusion of profit from costs** – in using these cost estimates, it is important to note that the questionnaire asked about costs but did NOT ask about profits. This is relevant in terms of discussions about funding – private companies are unlikely to continue to operate if they are not generating a profit in addition to their costs, although actual/desired profit margins will vary widely. It is also worth noting that for some private nurseries, the owner/managers' own income is taken as a draw-down from profits rather

than as a salary. It is possible that some owner/managers may have excluded these payments to themselves when asked about 'staff costs'. While we do not have any evidence that this caused widespread difficulties in completing the survey, if it did occur it may have resulted in some underestimation of total staff costs.

- **Future additional costs that may need to be taken into account in modelling** – it is also important to note that there are some additional costs that providers will be required to meet in the near future – in particular, pension costs relating to auto-enrolment. Providers who are currently providing lower numbers of hours may also incur some new costs (e.g. rental costs where venues are currently being provided rent free on a 600 hour per year basis) if they are to extend their opening hours to accommodate the extension of the ELC entitlement to 1,140 hours.

- **Degree of variation in childminder costs –** the aim of interviewing a small sample of childminders for this study was to establish whether or not their costs appeared to fairly consistent or not. In fact, there was a large degree of variation in both the costs reported by the 10 childminders interviewed and in their estimated income after costs. Given this, there may be a need for further work with childminders to gain a more accurate understanding of their cost base and operating assumptions, particularly if they may be asked to be more involved in delivery of government funded ELC in Scotland.

3 – List of data tables

Data tables to accompany this report are provided in a separate Excel file, to facilitate ease of use in further analysis and modelling. All tables included in this separate file are listed here, with accompanying technical notes. The majority of tables include breakdowns by the following variables (all taken from the sample provided by the Scottish Government):

- Provider type (not-for-profit or private)
- Provider size (small, medium and large, as defined by the number of funded places indicated in the sample – small = 0-15, medium = 15-39 funded places, large = 40+ funded places)
- Area of Scotland (Eastern, Highlands and Islands, North Eastern, South Western)
- Urban-rural location (Large urban, other urban, accessible small town, remote small town, accessible rural, remote rural)
- Scottish Index of Multiple Deprivation quintile attached to the provider location (1 to 5, with 1 being most deprived and 5 being least deprived).

Data for childminders is not included in these main tables, but in a separate table (46) at the end of the Excel file.

Note that any rows where the base size is lower than 10 respondents are suppressed in the tables (using the * symbol), both to minimise potential for identifying specific cases and to reduce the scope for over-interpretation of figures based on low numbers of cases.

3.1 Contextual information about current provision

1. **Currently provides funded places for funded 2 year-olds?**

   Taken from QB3 - Do you currently provide any government or council funded early learning and childcare places for eligible 2 year-olds?

2. **Currently provides funded places for 3-5 year-olds?**

   Taken from QB3 - Do you currently provide any government or council funded early learning and childcare places for eligible 3-5year-olds?

3. **Currently have children with ASNs registered?**

   Taken from QB6 - Do you currently have any children with disabilities or additional support needs registered with <ServiceName> for early years learning and childcare?

4. **Currently contribute to employee pension scheme?**

   Taken from QC9 - Do you currently contribute towards a pension scheme for any of your employees?

5. **Currently rely on any unpaid help for delivery of ELC?**

Taken from QF2 - In a typical week, do any unpaid trainees, volunteers or parent helpers directly help support the delivery of early learning and childcare at <ServiceName>?

6. Estimated proportion of total hours delivered to 0-1 year-olds

Derived from responses to section A (where number of children registered and lengths of session info are recorded). This data was used to calculate (for each provider) the estimated annual number of ELC hours delivered to each age group, and a total annual number of ELC hours delivered to all children aged 0-5. The percentage of hours delivered to 0-1 year-olds by each provider was then derived by dividing estimated annual hours delivered to 0-1 year-olds by estimated total annual hours for all children aged 0-5.

7. Estimated proportion of total hours delivered to 2 year-olds

See table 6, above, for note on how this was derived.

8. Estimated proportion of total hours delivered to 3-5 year-olds

See table 6, above, for note on how this was derived.

9. Proportion of (paid) staff qualified to SVQ 1 or equivalent

Derived from responses to QC2 (how many of each type of staff currently pay) and QF1a (How many of your early years staff (including managers and supervisors if they spend time working directly with children) have their highest early years or childcare qualification at each of the following levels? The total number of staff recorded at QF1a as qualified to either SVQ1, 2, 3 or 4 level was divided by the total number of staff recorded at QC2. Where the result was higher than 100% (e.g. because providers had recorded all the levels of qualification a member of staff had, rather than only their highest qualification), the proportion was trimmed to 100%.

10. Proportion of (paid) staff qualified to SVQ 2 or equivalent

The total number of staff recorded at QF1a as qualified to either SVQ 2, 3 or 4 level was divided by the total number of staff recorded at QC2. See additional notes above.

11. Proportion of (paid) staff qualified to SVQ 3 or equivalent

The total number of staff recorded at QF1a as qualified to either SVQ 3 or 4 level was divided by the total number of staff recorded at QC2. See additional notes above.

12. Proportion of (paid) staff qualified to SVQ 4 or equivalent

The total number of staff recorded at QF1a as qualified to either SVQ 4 level or recorded as a qualified teacher at QF1b was divided by the total number of staff recorded at QC2. See additional notes above.

13. Estimated proportion of managers qualified to SVQ 4 (degree level) or equivalent

The total number of staff recorded at QF1a as qualified to either SVQ 4 level or recorded as a qualified teacher at QF1b was divided by the total number of managers recorded at QC2. This is an imperfect proxy, since there may be non-managerial staff qualified at this level. The estimation assumes that if at least one member of staff is qualified at SVQ 4 level, this includes the manager.

3.2 Cost tables

14. Average total costs per hour of ELC provided to 0-5 year-olds

See section 2.4 for further detail about how total costs per hour were derived. In summary, they are based on providers' answers to detailed questions about individual costs (shown in subsequent tables), adjusted to give annual amounts, which was then divided by the estimated total annual number of ELC hours being provided to 0 to 5s.

15. Average total costs per hour of ELC provided to 0-5 year-olds – cost deciles by provider type

In addition to showing the median (50th percentile) cost, this table can be used to assess, for example, what level 80% of providers hourly costs would fall under (using the 80th percentile).

16. Average STAFF costs per hour of ELC provided to 0-5 year-olds

In most cases, this cost was derived based on the total staff costs entered at QC1a - In the last year, month, week or term (whichever is easier to provide), how much IN TOTAL did you pay in staff costs at <ServiceName>?

Please include:
Pension contributions
Costs for permanent and temporary staff
Costs for all categories of staff

An annual cost was derived from their response to this question (multiplying the cost by 1, 12, 52 or 3 depending on whether they gave a figure per year, month, week or term), which was in turn divided by the estimated total number of hours of ELC provided to create a staff cost per hour.

In a small number of cases (n = 13) where providers did not answer this question but did provide details of ELC staff numbers and average salaries at C2a to C8c, these

questions were used instead to calculated estimated staff costs. Although these 13 cases do not include costs for non-ELC staff (e.g. maintenance staff, administrators, etc.), and could therefore be a slight underestimate of the staff bill, in practice excluding these cases from the analysis of staff costs made no difference to the overall mean estimate or to the estimate for private providers, while it reduced the estimated mean staff costs per hour for not-for-profit providers by 2 pence. On this basis, it was deemed reasonable to use this approach to impute missing staff costs.

17. Average STAFF costs per hour of ELC provided to 0-5 year-olds – cost deciles by provider type

18. Average RENT/MORTGAGE per hour of ELC given

Derived from responses to QD2a (In the last year, month, week or term (whichever is easier), how much did you spend on rent or mortgage payments for <ServiceName>?), multiplied by the appropriate factor (e.g. x 12 for monthly, x 52 for weekly, etc.) to calculate an annual amount, and then divided by the estimated total number of hours of ELC provided to create a cost per hour.

Where providers did not answer QD2a, their spend was estimated based on the average (mean) rent/mortage cost for providers who occupied their property in the same way (i.e. if they rented from a private owner, their imputed cost was the mean cost for other providers who also rented from a private owner).

18b. Average RENT/MORTGAGE per hour of ELC given – cost deciles by provider type

19. Average UTILITIES cost per hour of ELC given

Derived from responses given for '**Utilities – such as gas, electricity, phone and internet'** at QD3 (For each of the costs listed in this grid, we would like to know the TOTAL SPENT by <ServiceName> over the last year. For each cost heading, you can give the amount spent per year, month, week, term or quarter – whichever is easier), multiplied by the appropriate factor (e.g. x 12 for monthly, x 52 for weekly, etc.) to calculate an annual amount, and then divided by the estimated total number of hours of ELC provided to create a cost per hour.

Where providers did not provide a cost for utilities, their spend was estimated based on the average (mean) utilities cost for providers of the same type (i.e. the mean cost for other private providers, or the mean cost for other not-for-profit providers).

19b. Average UTILITIES per hour of ELC given – cost deciles by provider type

20. Average CONSUMABLES cost per hour of ELC given

Derived from responses given for '**Consumables – e.g. food, nappies, toilet roll, cleaning materials etc**.' at QD3 (For each of the costs listed in this grid, we would like to know the TOTAL SPENT by <ServiceName> over the last year. For each cost heading, you can give the amount spent per year, month, week, term or quarter – whichever is easier), multiplied by the appropriate factor (e.g. x 12 for monthly, x 52 for weekly, etc.) to calculate an annual amount, and then divided by the estimated total number of hours of ELC provided to create a cost per hour.

Where providers did not provide a cost for consumables, their spend was estimated based on the average (mean) consumables cost for providers of the same type (i.e. the mean cost for other private providers, or the mean cost for other not-for-profit providers).

20b. Average CONSUMABLES per hour of ELC given – cost deciles by provider type

21. Average EXTERNAL CATERING cost per hour of ELC given

Derived from responses given for '**External catering costs'** at QD3 (For each of the costs listed in this grid, we would like to know the TOTAL SPENT by <ServiceName> over the last year. For each cost heading, you can give the amount spent per year, month, week, term or quarter – whichever is easier), multiplied by the appropriate factor (e.g. x 12 for monthly, x 52 for weekly, etc.) to calculate an annual amount, and then divided by the estimated total number of hours of ELC provided to create a cost per hour.

Where providers did not provide a cost for external catering, their spend was estimated based on the average (mean) cost for providers of the same type (i.e. the mean cost for other private providers, or the mean cost for other not-for-profit providers).

22. Average PLAY AND LEARNING EQUIPMENT costs per hour of ELC given

Derived from responses given for **'Play and learning equipment (e.g. toys, books, play materials)'** at QD3 (For each of the costs listed in this grid, we would like to know the TOTAL SPENT by <ServiceName> over the last year. For each cost heading, you can give the amount spent per year, month, week, term or quarter – whichever is easier), multiplied by the appropriate factor (e.g. x 12 for monthly, x 52 for weekly, etc.) to calculate an annual amount, and then divided by the estimated total number of hours of ELC provided to create a cost per hour.

Where providers did not provide a cost for play and learning equipment, their spend was estimated based on the average (mean) cost for providers of the same type (i.e. the mean cost for other private providers, or the mean cost for other not-for-profit providers).

23. Average PLAY AND LEARNING ACTIVITY costs per hour of ELC given

Derived from responses given for '**Play and learning activities and services** (e.g. trips, external providers of play or learning activities)' at QD3 (For each of the costs listed in

this grid, we would like to know the TOTAL SPENT by <ServiceName> over the last year. For each cost heading, you can give the amount spent per year, month, week, term or quarter – whichever is easier), multiplied by the appropriate factor (e.g. x 12 for monthly, x 52 for weekly, etc.) to calculate an annual amount, and then divided by the estimated total number of hours of ELC provided to create a cost per hour.

Where providers did not provide a cost for play and learning activities, their spend was estimated based on the average (mean) cost for providers of the same type (i.e. the mean cost for other private providers, or the mean cost for other not-for-profit providers).

24. Average STAFF TRAINING costs per hour of ELC given

Derived from responses given for '**Course fees and expenses for staff training'** at QD3 (For each of the costs listed in this grid, we would like to know the TOTAL SPENT by <ServiceName> over the last year. For each cost heading, you can give the amount spent per year, month, week, term or quarter – whichever is easier), multiplied by the appropriate factor (e.g. x 12 for monthly, x 52 for weekly, etc.) to calculate an annual amount, and then divided by the estimated total number of hours of ELC provided to create a cost per hour.

Where providers did not provide a cost for staff training, their spend was estimated based on the average (mean) cost for providers of the same type (i.e. the mean cost for other private providers, or the mean cost for other not-for-profit providers).

25. Average ICT AND OFFICE costs per hour of ELC given

Derived from responses given for **'ICT equipment and office supplies'** at QD3 (For each of the costs listed in this grid, we would like to know the TOTAL SPENT by <ServiceName> over the last year. For each cost heading, you can give the amount spent per year, month, week, term or quarter – whichever is easier), multiplied by the appropriate factor (e.g. x 12 for monthly, x 52 for weekly, etc.) to calculate an annual amount, and then divided by the estimated total number of hours of ELC provided to create a cost per hour.

Where providers did not provide a cost for ICT equipment and office supplies, their spend was estimated based on the average (mean) cost for providers of the same type (i.e. the mean cost for other private providers, or the mean cost for other not-for-profit providers).

26. Average TRANSPORT costs per hour of ELC given

Derived from responses given for **'Transport costs (e.g. vehicle hire/maintenance)'** at QD3 (For each of the costs listed in this grid, we would like to know the TOTAL SPENT by <ServiceName> over the last year. For each cost heading, you can give the amount spent per year, month, week, term or quarter – whichever is easier), multiplied by the appropriate factor (e.g. x 12 for monthly, x 52 for weekly, etc.) to calculate an annual

amount, and then divided by the estimated total number of hours of ELC provided to create a cost per hour.

Where providers did not provide a cost for transport, their spend was estimated based on the average (mean) cost for providers of the same type (i.e. the mean cost for other private providers, or the mean cost for other not-for-profit providers).

27. Average BUILDING MAINTENANCE costs per hour of ELC given

Derived from responses given for **'Maintaining or improving your building (including salaries /costs for any maintenance staff and one-off maintenance costs**)' at QD3 (For each of the costs listed in this grid, we would like to know the TOTAL SPENT by <ServiceName> over the last year. For each cost heading, you can give the amount spent per year, month, week, term or quarter – whichever is easier), multiplied by the appropriate factor (e.g. x 12 for monthly, x 52 for weekly, etc.) to calculate an annual amount, and then divided by the estimated total number of hours of ELC provided to create a cost per hour.

Where providers did not provide a cost for building maintenance, their spend was estimated based on the average (mean) cost for providers of the same type (i.e. the mean cost for other private providers, or the mean cost for other not-for-profit providers).

28. Average BUILDING SERVICES costs per hour of ELC given

Derived from responses given for '**Contracts for building services** (e.g. waste management, cleaning, fire, pest control, boiler, etc.)' at QD3 (For each of the costs listed in this grid, we would like to know the TOTAL SPENT by <ServiceName> over the last year. For each cost heading, you can give the amount spent per year, month, week, term or quarter – whichever is easier), multiplied by the appropriate factor (e.g. x 12 for monthly, x 52 for weekly, etc.) to calculate an annual amount, and then divided by the estimated total number of hours of ELC provided to create a cost per hour.

Where providers did not provide a cost for building services, their spend was estimated based on the average (mean) cost for providers of the same type (i.e. the mean cost for other private providers, or the mean cost for other not-for-profit providers).

29. Average BUSINESS RATES costs per hour of ELC given

Derived from responses given for '**Business rates**' at QD3 (For each of the costs listed in this grid, we would like to know the TOTAL SPENT by <ServiceName> over the last year. For each cost heading, you can give the amount spent per year, month, week, term or quarter – whichever is easier), multiplied by the appropriate factor (e.g. x 12 for monthly, x 52 for weekly, etc.) to calculate an annual amount, and then divided by the estimated total number of hours of ELC provided to create a cost per hour.

Where providers did not provide a cost for business rates, their spend was estimated based on the average (mean) cost for providers of the same type (i.e. the mean cost for other private providers, or the mean cost for other not-for-profit providers).

30. Average OTHER TAXES costs per hour of ELC given

Derived from responses given for '**Other taxes excluding payroll taxes** (e.g. VAT, corporation taxes)' at QD3 (For each of the costs listed in this grid, we would like to know the TOTAL SPENT by <ServiceName> over the last year. For each cost heading, you can give the amount spent per year, month, week, term or quarter – whichever is easier), multiplied by the appropriate factor (e.g. x 12 for monthly, x 52 for weekly, etc.) to calculate an annual amount, and then divided by the estimated total number of hours of ELC provided to create a cost per hour.

Where providers did not provide a cost for other taxes, their spend was estimated based on the average (mean) cost for providers of the same type (i.e. the mean cost for other private providers, or the mean cost for other not-for-profit providers).

31. Average OTHER COSTS costs per hour of ELC given

Derived from responses given for **'Anything else, not covered above'** at QD3 (For each of the costs listed in this grid, we would like to know the TOTAL SPENT by <ServiceName> over the last year. For each cost heading, you can give the amount spent per year, month, week, term or quarter – whichever is easier), multiplied by the appropriate factor (e.g. x 12 for monthly, x 52 for weekly, etc.) to calculate an annual amount, and then divided by the estimated total number of hours of ELC provided to create a cost per hour.

Where providers did not provide a cost for other costs, their spend was estimated based on the average (mean) cost for providers of the same type (i.e. the mean cost for other private providers, or the mean cost for other not-for-profit providers).

32. Average salary costs of different types of employee

Derived from responses given at QC3a to QC8a.

33. Average salary costs of different types of employee - deciles

Derived from responses given at QC3a to QC8a. In addition to showing the median (50th percentile) cost, this table can be used to assess, for example, what level 80% of average early years' practitioner salaries would fall under (using the 80th percentile).

3.3 Fees and income tables

34. Average fee per hour for 4 year-olds

Derived from responses to QE1 and QE2. Based on weekly fee (divided by length of week derived from responses in Section A) where given, or, if no weekly fee given, then based on day rate (divided by length of day in hours), or half-day rate (divided by length of half-day in hours) if no day rate given.

8 outliers, where hourly rates implied by fees specified looked implausibly low or high, were excluded from the table.

35. Average fee per hour for 3 year-olds

Derived from responses to QE1 and QE2. Based on weekly fee (divided by length of week derived from responses in Section A) where given, or, if no weekly fee given, then based on day rate (divided by length of day in hours), or half-day rate (divided by length of half-day in hours) if no day rate given.

9 outliers, where hourly rates implied by fees specified looked implausibly low or high, were excluded from the table.

36. Average fee per hour for 2 year-olds

Derived from responses to QE1 and QE2. Based on weekly fee (divided by length of week derived from responses in Section A) where given, or, if no weekly fee given, then based on day rate (divided by length of day in hours), or half-day rate (divided by length of half-day in hours) if no day rate given.

12 outliers, where hourly rates implied by fees specified looked implausibly low or high, were excluded from the table.

37. Additional charges for food, nappies/wipes, and learning/play activities

Taken from QE3 - Please indicate whether each of the following are included in your standard session fees, charged for separately, or whether parents are asked to bring them in themselves?

Lunchtime food and / or snacks

Nappies and / or wipes

Additional learning / play activities or trips

38. Hourly rates paid by Council per funded place for eligible two-year-olds?

Calculated from responses to QE7a and E7b - What rate does your Council pay you per funded place for eligible two year-olds? You can give the rate per hour, half-day, day, week, term or year, whichever is easier.

Where a rate was given for a period other than an hour, the hourly rate was calculated based on 600 funded hours a year during term time – i.e. if E7a was given per half-day, the hourly rate was calculated by dividing this by 3.15; if per week, it was divided by 16; if per month, it was divided by 50; per term by 200; and per year by 600.

39. Hourly rates paid by Council per funded place for eligible 3-5 year-olds?

And what rate does your Council pay you for funded places for eligible three and four year-olds? Again give the rate per hour, half-day, day, week, term or year, whichever is easier.

Where a rate was given for a period other than an hour, the hourly rate was calculated based on 600 funded hours a year during term time – i.e. if E8a was given per half-day, the hourly rate was calculated by dividing this by 3.15; if per week, it was divided by 16; if per month, it was divided by 50; per term by 200; and per year by 600.

40. Annual income from parents

Taken from QE4a and QE4b.

41. Annual income from government or council funding of ELC places

Taken from QE5a and QE5b. Note that two cases were excluded as they appeared implausibly high.

3.4 Views about recruitment and future provision/expansion of funded hours

42. Views on how difficult/easy to recruit appropriately qualified new staff

Taken from QF4a - How difficult or easy have you found it over the last year to … Recruit appropriately qualified new members of staff for <ServiceName>?

43. Views on how difficult/easy to retain existing staff

Taken from QF4a - How difficult or easy have you found it over the last year to … Retain existing members of staff at <ServiceName>?

44. Expectations about future size of service

Taken from QF5 - In the next year, do you expect <ServiceName> to expand, stay the same size, get smaller?

45. Confidence about accommodating increase in funded hours

Taken from QF6a - Finally, how confident are you that <ServiceName> can accommodate an increase from 600 to 1,140 hours for government/council funded places?

3.5 Childminder costs tables

46.Summary of costs and income

The childminders' questionnaire collected information from a small sample of childminders (n = 10) about costs, fees and income, using a simplified questionnaire adapted to reflect the cost categories typically used for childminder's tax returns.

Childcare hours per year were calculated by dividing their annual income by their fees. (This method was used in preference to using data on estimated average hours of childcare provided as the average weekly hours childminders stated they provided for different age categories did not tally with their annual income (generally taken from their tax returns) and fees). Costs (excluding any earnings/profit) were calculated by dividing the total annual costs by the total estimated annual hours. Their earnings per childcare hour were assumed to be the difference between their hourly fees (which were consistent for all under 5s for the childminders interviewed) and their hourly costs.

As noted above, in this small sample, there appeared to be a fairly wide variation in the reported costs incurred by childminders, as well as in their income and apparent earnings after costs. Given this, there may be a need for further research to better understand childminders costs.

4 – Summary of main findings

As discussed in Chapter 1, the purposes of this study was primarily to provide detailed estimates of the costs to private and not-for-profit providers of providing ELC in Scotland in order to inform further modelling by the Scottish Government to support the extension of government-funded ELC. As such, this report is intended primarily to provide technical information about how these estimates were arrived at, rather than to provide more substantive analysis or interpretation of the findings. However, in the interests of facilitating further dialogue around future expansion, this chapter includes a very brief summary of some of the key findings. Given the relatively small sample size for some sub-groups, and the greater caution that needs to be applied to any analysis based on these sub-groups, these key findings are presented primarily at the overall level (although in a few cases findings for private and not-for-profit providers are presented separately).

4.1 An ’average’ partner provider

- The main focus of the analysis was on providing unit costs per hour of ELC provided, which is discussed in the following section. However, to set the context and give some idea of the ‘average’ provider, the table below shows the average (mean) annual costs (overall and for the two biggest cost categories – staff costs and rent/mortgage), as well as the mean total number of childcare hours provided and the mean number of children 0-5 providers are registered to take.
- Not-for-profit providers tend to have lower annual costs, reflecting the fact that, on average, they provide fewer hours to fewer children compared with private partner providers.
- The cost categories incurred by private and not-for-profit providers also vary – for example, most not-for-profit providers surveyed did not incur business rates, while on average private providers paid over £6,000 a year in business rates.

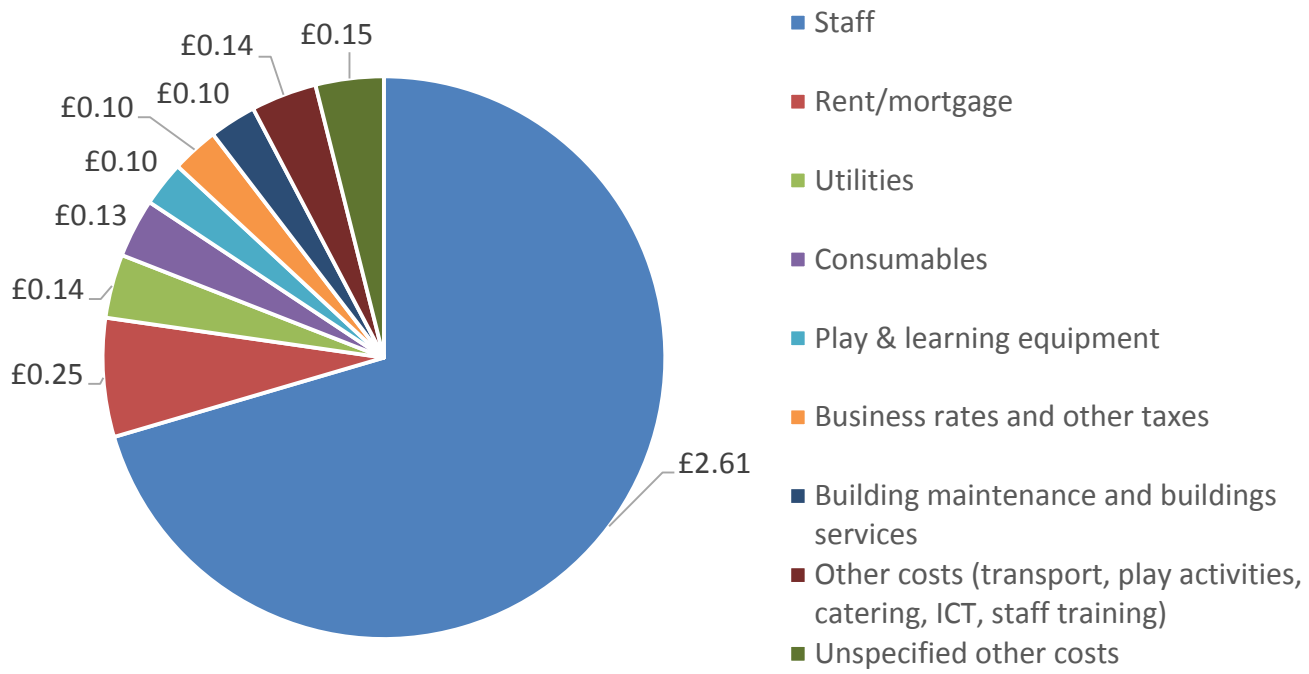
Table 4. 1 – ‘Average’ characteristics of partner providers

	Not-for-profit partner provider	Private partner provider
Total annual costs	£107,505	£303,406
Staff costs	£77,961	£204,905
Mortgage/ Rent	£4,493	£21,975
Total hours ELC provided	30,056	88,167
Children registered to take	36	56

4.2 Overall costs of providing ELC

- The overall estimated average (mean) cost to providers of providing one hour of ELC to 0-5 year-olds was **£3.70**. Figure 1 shows the composition of this figure in terms of different cost components. Staff costs clearly account for the lions share – 71% of the total cost.
- The cost estimates are an average across 0-5 year-olds. Because of the higher costs associated with younger children (for example, due to higher adult-child ratios), the average unit cost of providing ELC to 0-2 year-olds will be higher than £3.70, and for 3-5 year-olds will be lower.

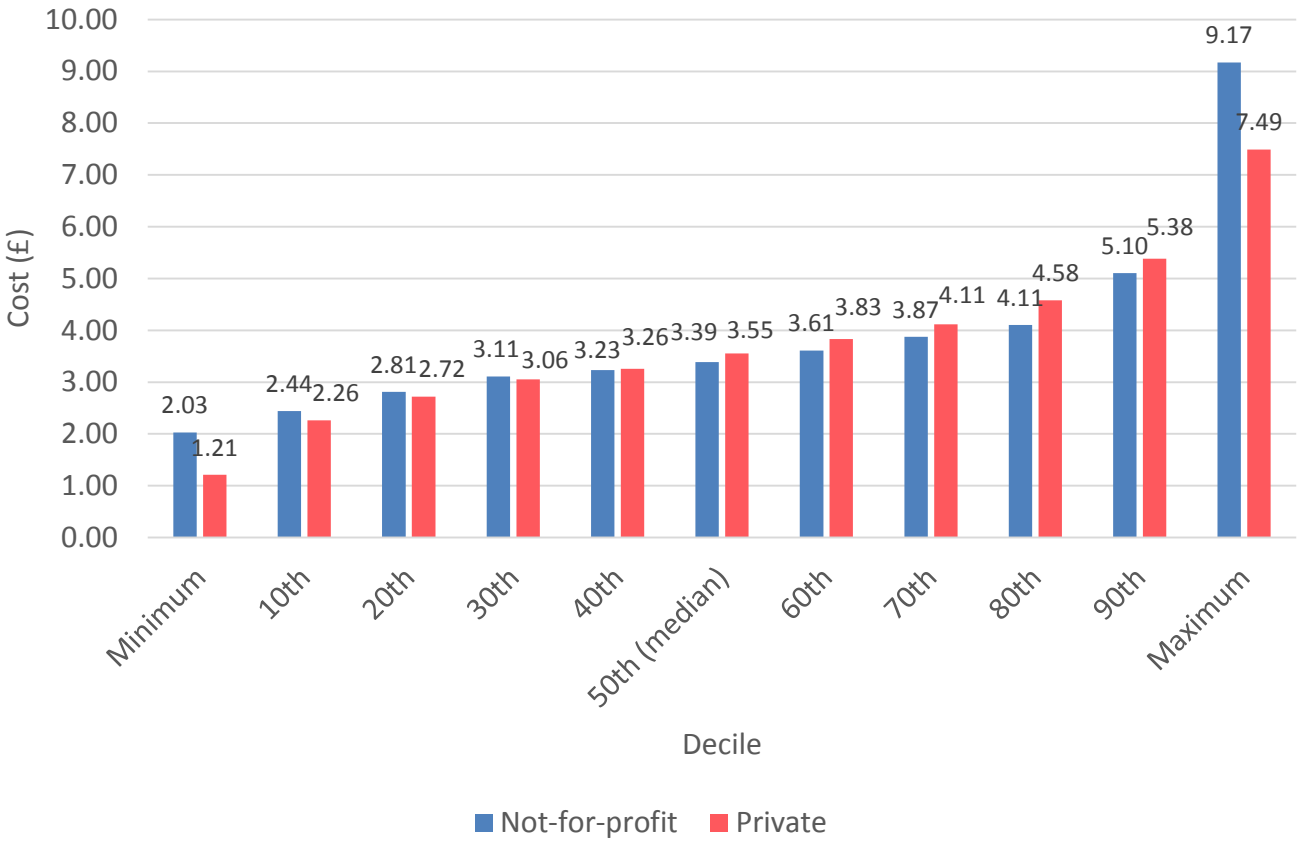
Figure 1 – Composition of mean ELC costs per child, per hour



Sample size = 173

- The median estimated costs per hour was slightly lower, at £3.49. However, the responses of providers who participated in the survey indicated a **relatively wide range of estimated costs around this median**. Among private providers, costs ranged from a minimum of £1.21 an hour to a maximum of £7.49, while among not-for-profit providers they ranged from £2.03 to £9.17 (Figure 2).

Figure 2 – Distribution of estimated ELC costs per child, per hour (deciles), by provider type



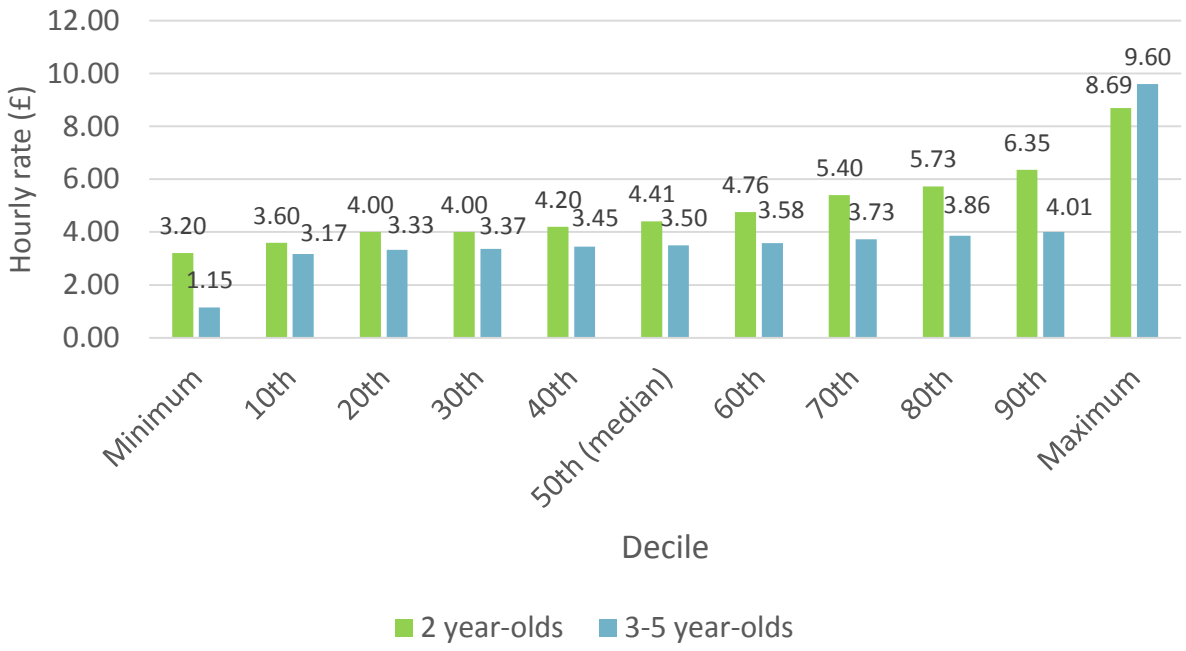
Sample size: Not-for-profit = 61; Private = 112.

- Estimated mean full-time **salaries** across all providers were: £23,169 for a manager, £16,771 for an early years supervisor, and £14,520 for an early years practitioner.
- Only 37% of partner providers surveyed (44% of private and 23% of not-for-profit) currently contribute to a pension scheme for any staff. Auto-enrolment may therefore have a significant impact on this element of their costs.

4.3 Rates paid for government funded ELC places

- The average (mean) hourly rate providers reported being paid by Councils for government-funded ELC provision for two year-olds was £4.78, while the mean reported rate for 3-5 year-olds was £3.59. Again, there were quite wide ranges of reported hourly rates around these averages, as shown in Figure 3. While average rates are similar to those identified elsewhere, [14] the extreme ends of the spectrum are not consistent with other unpublished evidence.[15]

Figure 3 – Distribution of reported hourly ELC rates paid by Councils (deciles), by provider type



Sample size: Two year-olds = 62; 3-5 year-olds = 157
Base: All providers who had any children in the relevant age category registered for government-funded places and who gave a response when asked about rates paid by their local council.

[14] For example, NDNA estimate an average rate of £3.56 per hour for 3 and 4 year-olds - http://www.ndna.org.uk/NDNA/News/Reports_and_surveys/Surveys_and_reports.aspx

[15] It is possible that at the upper end some nurseries are including rates they are paid for children with Additional Support Needs.

4.4 Fees for ELC

- The average (mean) fees partner providers charged to parents per hour (based on weekly fees where given, or daily, half-day or hourly fees where not) were **£4.09** for two year-olds, **£3.93** for three year-olds, and **£3.87** for four year-olds.[16]
- Exactly what is included in these fees varies across providers. For example, only 28% of providers indicated that nappies and wipes were included in their fees (Table 4.2). Lunchtime food and snacks were more likely to be included in fees charged by private providers (63%) than by not-for-profit providers (34%).

Table 4.2 – Additional charges

	Nappies and wipes	Lunch and snacks	Additional play activities/trips
Included in fee	28%	53%	65%
Charged for separately	0%	32%	30%
Parents bring in	70%	13%	-

4.5 Staff qualifications

- All practitioners working in daycare services for children are required to have or be working towards an appropriate qualification at SCQF level 6 – equivalent to an SVQ level 3. In addition, managers are now expected to have or to be working towards an SCQF level 9 qualification (equivalent to degree level or SVQ level 4).[17]

[16] The most recent Family and Childcare Trust survey of childcare costs found that on average parents in Scotland were paying £104.06 for 25 hours of childcare for children aged 2+ – equivalent to £4.16 per hour, a slightly higher figure compared with the mean estimates based on this survey (see Rutter, J (2016) *2016 Childcare survey*, Family and Childcare Trust.)

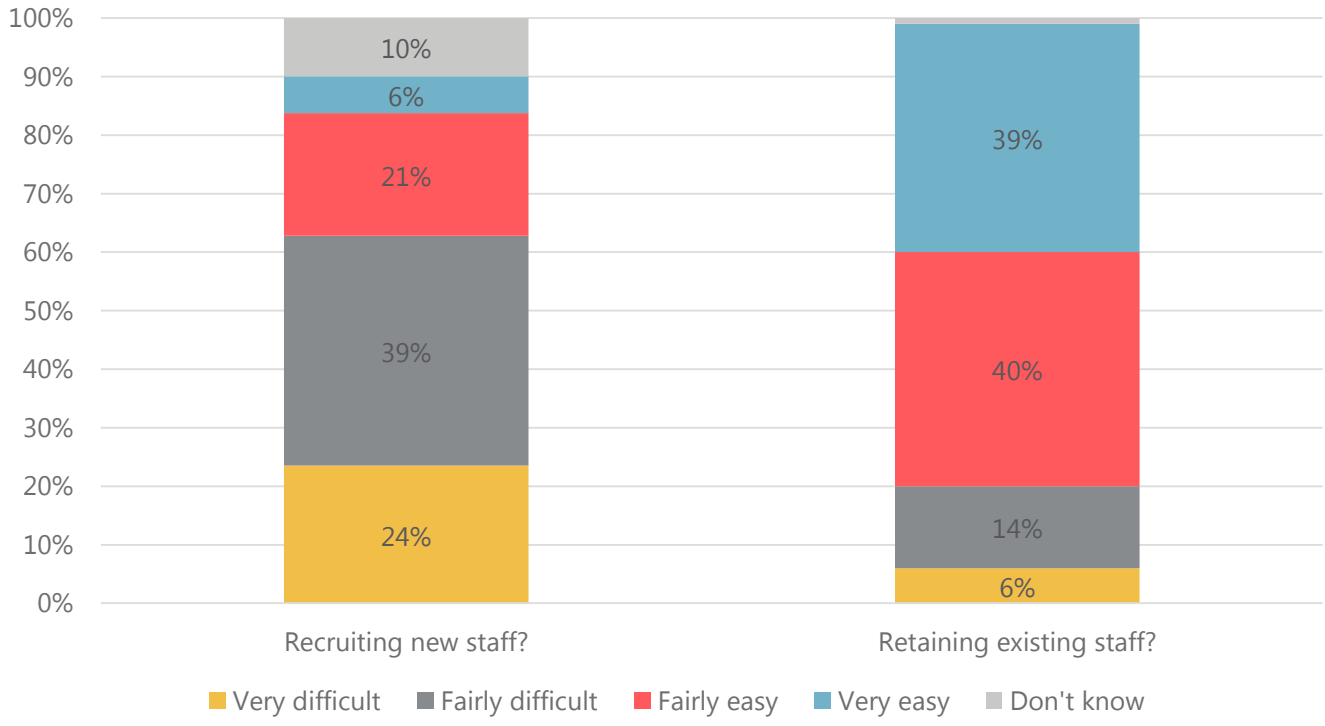
[17] See the Scottish Social Services Council website for further details. http://www.sssc.uk.com/

- Two-thirds (66%) of providers responding to this survey indicated that all their ELC staff were qualified to at least SVQ level 3, while a further quarter (26%) indicated that over three quarters of their staff were qualified to this level.
- Assuming that where any staff were qualified to SVQ level 4 this would include the manager, most (86%) of partner providers responding to the survey had a manager qualified to the equivalent of degree level.

4.6 Beliefs about the future

- While partner providers were broadly optimistic about the ease of retaining their existing staff, they were less positive about the ease of recruiting appropriately qualified new staff – 63% reported finding it very or fairly difficult to recruit suitable new staff (Figure 4).
- In terms of plans for the future, most (66%) partner providers expect to stay the same size in the next year, 17% expected to expand, 7% to get smaller, and 1% to close down altogether. Private partner providers were slightly more likely to be planning expansion (19% compared with 14% of not-for-profit providers).
- Partner providers expressed very mixed views on how confident they felt about their ability to accommodate the planned expansion of government funded hours from the current 600 to 1,140 by 2020. While half (51%) were very or fairly confident, 41% were not very or not at all confident, and 8% were unsure.

Figure 4 – Partner provider beliefs about ease of staff recruitment and retention



4.7 Childminder costs

A very small sample of childminders were interviewed for this study, and the range of costs they identified was relatively wide. There may be a need for further research to better understand their costs. However, based on this limited sample (n = 10), childminders had average outgoings of £1.55 per childcare hour, with an average income (hourly fee) of £4.29. Average annual income after costs was under £10,000 per childminder.

Appendix A – Provider questionnaire

The survey was administered online. As such, it is difficult to replicate exactly in Word. However, the text below shows what questions providers were asked and includes descriptions of routing (where questions were only asked of certain sub-groups), text-fills (where the precise wording varied depending on respondent characteristics) and other relevant scripting information in blue.

Introductory text

Who is doing this survey?

This survey is being carried out by **Ipsos MORI Scotland**, an independent research company, on behalf of the **Scottish Government**. It is being sent to private and not-for-profit partner childcare providers right across Scotland.

Why is it being carried out?

As you may know, the Scottish Government is planning to **increase the number of hours of free Early Learning and Childcare (ELC)** that parents are entitled to. This survey will ensure the Scottish Government has a **reliable and full understanding of the costs to providers** of delivering early learning and childcare.

Why should I take part?

This survey is **your chance to influence the Scottish Government** on childcare provider costs. They will use the findings to plan in detail for the expansion of free hours to 1,140 hours and for the important role that partner providers will play in that.

The survey is important for you and for the future of early learning and childcare in Scotland. It is endorsed by **National Day Nursery Association** and **Early Years Scotland**.

What information do you need from me?

The questionnaire includes questions about your costs (the money you spend on things like staff, rent, bills etc.), your income, your capacity and occupancy, and the fees you charge parents.

You may find it helpful to have relevant information – e.g. **annual accounts** – to hand when you complete the survey.

If you need another person to complete parts of the survey or you need to come back into the questionnaire at a later time, this is fine – just exit and the survey will resume at the place you left it when you're ready. You can also move forwards and backwards through the survey using the 'Next' and 'Back' buttons.

Please note, this survey is about Early Learning and Childcare for **children aged 5 and under who have not yet started school** – we are **not** interested in before or after school care for school-aged children.

How will my answers be used?

Individual responses will be completely confidential and will not be seen by anybody outside of Ipsos MORI. Only aggregate results – e.g. at regional level – will be provided to Scottish Government or published. All your data will be securely stored by Ipsos MORI in accordance with the Data Protection Act and destroyed after this project is completed.

Where can I go for more information?

If you have any questions now or while you're completing the questionnaire, please contact Ipsos MORI Scotland on 0808 238 5376 and we will be happy to help.

QX1.
This questionnaire is for <ServiceName>. Our sample indicates that <ServiceName> is part of a group of nurseries. You will be sent a link to this survey for each nursery in that group. However, if it is easier and you are able to provide costs, income and occupancy data for all your nurseries together, you can fill this survey in once for the whole group.

Please could you confirm if you are filling in this questionnaire for <ServiceName> **only**, or for a group of nurseries including <ServiceName>?

<ServiceName> only
A group of nurseries, including <ServiceName>

QX2
OE
ASK IF 2 (GROUP OF NURSERIES) AT QX1
Please can you confirm which nurseries you are answering this survey on behalf of?

QX3
ALLOW 2 DIGIT NUMERIC RESPONSE, RANGE 2 TO 99
ASK IF 2 (GROUP OF NURSERIES) AT QX1
Please indicate how many nurseries you are answering this survey on behalf of?

QX4
TO APPEAR IF 2 (GROUP OF NURSERIES) AT QX1
Please note that although the remainder of this survey will ask about <ServiceName>, you should give your responses for the whole group of nurseries you have listed.

SECTION A – OPENING HOURS

SECTION A INTRO
The first set of questions are about your opening hours.

QA1
ASK ALL
ALLOW 1 DIGIT RESPONSE BETWEEN 1 AND 7.
SOFT RANGE CHECK IF RESPONSE IS NOT 5 – 'Can you just confirm you are open for <number entered at QA1> days each week? If yes, click on NEXT'.
How many days is <ServiceName> open for Early Learning and Childcare each week?
Don't know

QA2
ASK ALL
ALLOW 2 DIGIT WRITE IN NUMBERS BETWEEN 1 AND 51.
SOFT RANGE CHECK IF >12 – 'Can you just confirm you are CLOSED for <number at QA2> weeks a year? If yes, click on NEXT'.
How many weeks of the year is <ServiceName> **CLOSED** for Early Learning and Childcare?
(If you are closed for less than 1 full week each year, please enter 1).
Don't know

QA3
SA
ASK ALL
Some providers only offer 600 hours a year (16 hours a week) of childcare. Others offer more hours than this. Which of the following best describes what hours you currently offer parents?

More than 600 hours a year
Only 600 hours a year (16 hours a week) during term time only

QA4
SA
ASK ALL
Thinking about all your Early Learning and Childcare places for children aged 5 and under, which of these best describes how you **normally** offer these to parents?

In either full day or half day sessions (or a mix of the two)
In full day sessions only
In half day sessions only
On an hourly basis with no standard sessions
Other specify

QA5
SA
ASK IF CODE 3 (half-day only) AT QA4
Do you offer morning sessions, afternoon sessions, or both?

Morning sessions only
Afternoon sessions
Both morning and afternoon sessions

QA6
SA
ASK IF MORE THAN 600 HOURS A YEAR AT QA3 AND 1-3 AT QA4
Leaving aside special arrangements for early or late drop-offs or pick-ups, do your standard session start and end times vary for children on Government or Council funded places and those on private places?

Yes – start and end times vary between Government/Council funded places and private places
No – standard start and end times do not vary between Government/Council funded places and private places

QA7
ALLOW 24 HOUR CLOCK RESPONSE FOR EACH LINE.
ALLOW (AND SHOW) 'Hours vary too much to answer' AS AN OPTION
ASK IF CODE 3 (half-day only) AT QA4, 3 (both morning and afternoon) AT QA5 AND 2 (standard times) AT QA6
SOFT RANGE CHECKS:

- IF START OF MORNING SESSION <07:00 OR >08:30
- IF END OF MORNING SESSION <11:30 OR >13:30
- IF START OF AFTERNOON SESSION <12:00 OR >14:00
- IF END OF AFTERNOON SESSION <15:00 OR >19:00

THEN PLEASE CHECK – 'You entered your session start and end times as: <SHOW START AND END TIMES FOR MORNING AND AFTERNOON>. Is that correct?' YES/NO – IF NO, LOOP BACK TO ENTER TIMES AGAIN.
Please enter your standard half-day session **start and end times** in **24 hour clock (i.e. 07:00 or 07.00)**.

By 'start time', we mean the time parents can normally drop their children off from, and by 'end time', we mean the time they are required to pick them up by.

Start of standard morning session
End of standard morning session
Start of standard afternoon session
End of standard afternoon session
Don't know

QA8

ALLOW 24 HOUR CLOCK RESPONSE FOR EACH LINE.
ALLOW (AND SHOW) 'Hours vary too much to answer' AS AN OPTION
ASK IF:

- CODE 1 OR 2 (FULL DAY ONLY, HALF OR FULL-DAY) AT QA4 AND 2 (standard times) AT QA6, OR
- CODE 4 OR 5 AT A4 (HOURLY/OTHER), OR
- CODE 2 AT A3 (600 HOURS/YEAR ONLY)

Please enter your standard **opening and closing times** in **24 hour clock (i.e. 07:00 or 07.00)**.

By 'opening time', we mean the time parents can normally drop their children off from, and by 'closing time', we mean the time they are required to pick them up by.

Standard opening time
Standard closing time
Don't know

QA9
ALLOW 24 HOUR CLOCK RESPONSE FOR EACH LINE.
ALLOW (AND SHOW) 'Hours vary too much to answer' AS AN OPTION
ASK IF CODE 3 (half-day) AT QA4, 1 OR 2 (MORNING OR AFTERNOON ONLY) AT QA5 AND 2 (standard times) AT QA6
Please enter your standard <morning/afternoon> session **start and end times** in **24 hour clock (i.e. 07:00 or 07.00)**.

By 'start time', we mean the time parents can normally drop their children off from, and by 'end time', we mean the time they are required to pick them up by.

Start of standard <morning/afternoon> session
End of standard <morning/afternoon> session
Don't know

QA10
ALLOW 24 HOUR CLOCK RESPONSE FOR EACH LINE.
ALLOW (AND SHOW) 'Hours vary too much to answer' AS AN OPTION
ASK IF:

- CODE 3 (half-day) AT QA4, AND 3 (both mornings and afternoons) AT QA5, AND 1 (session times vary) AT QA6, OR
- CODE 1 (full or half) AT QA4 AND 1 at QA6 (session times vary)

Please enter your standard half-day session **start and end times** for parents paying for **private places**, in **24 hour clock (i.e. 07:00 or 07.00)**.

By 'start time', we mean the time parents can normally drop their children off from, and by 'end time', we mean the time they are required to pick them up by.

If you do not have fixed 'standard times' for fee paying parents, please enter typical start and end times.

Start of standard morning session
End of standard morning session
Start of standard afternoon session
End of standard afternoon session
Don't know

QA11a
ALLOW 24 HOUR CLOCK RESPONSE FOR EACH LINE.
ALLOW (AND SHOW) 'Hours vary too much to answer' AS AN OPTION
ASK IF CODE 3 (half-day only) AT QA4, 1 OR 2 (MORNING OR AFTERNOON ONLY) AT QA5 AND 1 (session times vary) AT QA6
TEXTFILL <morning/afternoon> - IF 1 AT QA5 (Morning session only), TEXTFILL = 'morning', IF 2 AT QA5 (Afternoon session only), TEXTFILL = 'Afternoon'

Please enter your standard <morning/afternoon> session **start and end times** for parents paying for **private places**, using **24 hour clock (i.e. 07:00 or 07.00)**.

By 'start time', we mean the time parents can normally drop their children off from, and by 'end time', we mean the time they are required to pick them up by.

Start of standard <morning/afternoon> session
End of standard <morning/afternoon> session
Don't know

QA11b
ALLOW NUMERIC RESPONSE IN HOURS AND MINUTES
ALLOW (AND SHOW) 'No standard session length for Government/Council places' and 'Do not offer this kind of session for Government/Council funded places' AS OPTIONS
ASK IF

- CODE 3 (half-day) AT QA4, AND 1 (session times vary) AT QA6
- CODE 2 (full day only) AT QA4 AND 1 (session times vary) AT QA6
- CODE 1 (full or half) AT QA4 AND 1 (session times vary) AT QA6

Please enter your standard half and/or full-day session **lengths** for **government or council funded places** in hours and minutes.

If you do not have fixed session lengths for Government or Council funded places, please enter 'no standard session length.

Half-day session (Government/Council funded): NUMERIC RESPONSE IN HOURS AND MINUTES
Full-day session (Government/Council funded): NUMERIC RESPONSE IN HOURS AND MINUTES
Don't know

QA11c
ASK IF CODE 2 (full day only) AT QA4 AND 1 (session times vary) AT QA6
ALLOW 24 HOUR CLOCK RESPONSE FOR EACH LINE.
ALLOW (AND SHOW) 'Hours vary too much to answer' AS AN OPTION

And please enter your standard **opening and closing times** for **private places** in **24 hour clock (i.e. 07:00 or 07.00)**.

By 'opening time', we mean the time parents can normally drop their children off from, and by 'closing time', we mean the time they are required to pick them up by.

Standard opening time
Standard closing time
Don't know

QA12
OE
ASK IF 'Hours vary too much to answer' AT ANY OF QA7 TO QA11c
You said your hours vary too much to answer. Please describe your opening hours in more detail

QA13
ASK ALL
MA
In addition to your standard sessions or hours, do you offer parents of under 5s early drop-offs or late pick-ups for an additional fee?

(Please do not include ad hoc cases where parents drop-off their children early or pick them up late without prior arrangement)

Early drop-off available for additional fee
Late pick-up available for additional fee
No, neither
Don't know

SECTION B – CAPACITY, OCCUPANCY AND GOVERNMENT FUNDED PLACES

QB1a
ASK ALL
ALLOW 2 DIGIT ANSWER ON EACH ROW, RANGE 1 TO 5000.
What is the **maximum** number of early learning and childcare places for children aged 5 and under that <ServiceName> is **registered to provide** for each of these age categories?

That is, the total number of places you are registered with the Care Inspectorate to be able to provide, regardless of whether these are private or funded places.

DOWN SIDE OF GRID
Under 2s (0-1 year-olds)
2 year-olds
3 and over
Don't know

QB1b
ASK ALL (EXCEPT THOSE DON'T KNOW FOR ALL 3 AT QB1A)
Your responses indicate that you are registered to provide a maximum total of <TOTAL FROM B1a> early learning and childcare places for children aged 5 and under. Is that correct?

Yes
No IF NO LOOP BACK TO QB1a.

QB2a
ASK IF:

- CODE 2 OR 4 AT QA4 (ONLY OFFER FULL-DAY SESSIONS OR ONLY OFFER HOURLY) OR
- CODE 3 AT Q4 AND CODE 1 OR 2 AT QA5 (OFFER HALF DAYS BUT ON EITHER MORNING OR AFTERNOON, NOT BOTH)
- CODE 5 AT QA4 (other pattern)

How many children are actually **currently registered to attend** at <ServiceName> on each weekday?

If you do not have any children registered in that age group on that day, please enter ‘0’.

DOWN SIDE OF GRID
Monday
Tuesday
Wednesday
Thursday
Friday

ALONG TOP OF GRID
Under 2s (0 and 1 year-olds)
2 year-olds
3 and over
Don’t know how many children are currently registered to attend

QB2b
ASK IF:

- CODE 1 AT QA4 OR
- CODE 3 AT QA4 (OFFER HALF-DAY SESSIONS) AND CODE 3 AT QA5 (OFFER BOTH MORNING AND AFTERNOON SESSIONS)

How many children are actually **currently registered to attend** at <ServiceName> in each weekday morning or afternoon slot?
If you do not have any children registered in that age group for that slot, please enter ‘0’.

DOWN SIDE OF GRID
Monday morning
Monday afternoon
Tuesday morning
Tuesday afternoon
Wednesday morning
Wednesday afternoon
Thursday morning
Thursday afternoon
Friday morning
Friday afternoon

ALONG TOP OF GRID
Under 2s (0 and 1 year-olds)
2 year-olds
3 and over
Don't know how many children are currently registered to attend

QB3
ASK ALL
Do you currently provide any **government or council funded early learning and childcare places** for eligible …

DOWN SIDE OF GRID
a) 2 year-olds
b) 3-5 year-olds

ACROSS TOP OF GRID
Yes
No
Don't know

QB4
ASK IF YES AT B3a (DO PROVIDE PLACES FOR 2 YOs)
ALLOW 2 DIGIT RESPONSE, RANGE 1 TO 5000.
How many **eligible two year-olds** do you currently provide government or council funded early learning and childcare places for?
Don't know

QB5
ASK IF YES AT B3b (DO PROVIDE PLACES FOR 3-5 YOs)
ALLOW 2 DIGIT RESPONSE, RANGE 1 TO 5000.
How many **eligible three to five year-olds** do you currently provide government or council funded early learning and childcare places for?
Don't know

QB6
ASK ALL
Do you currently have any children with **disabilities or additional support needs** registered with <ServiceName> for early years learning and childcare?
Yes
No

SECTION C – STAFF COSTS

SECTION C INTRO

We are now going to ask you some questions about your costs. You may find it helpful to have relevant information – e.g. annual accounts – to hand for this section.

If necessary, you can ask someone else – e.g. another manager or Treasurer - to complete this section. (If you need to close your browser, please note that you will need to wait 10 minutes before going back into the questionnaire).

The Scottish Government needs detailed and accurate information to ensure it has a reliable understanding of what it costs providers to deliver early learning and childcare. Please answer as accurately as possible, but if you don't know please put in your best estimate.

Just to remind you, the information you give about costs will remain **confidential**. Ipsos MORI will not share individual providers' cost data with the Scottish Government or anyone else – we will use it to provide average figures to inform the Scottish Government's planning for extending free entitlement to early learning and childcare.

QC1a

ASK ALL

ALLOW UP TO 7 DIGIT RESPONSE, IN WHOLE £.

In the last year, month, week or term (whichever is easier to provide), how much **IN TOTAL** did you pay in **staff costs** at <ServiceName>?

Please include:

- Pension contributions
- Costs for permanent and temporary staff
- Costs for all categories of staff

Don't know

QC1b

ASK ALL WHO ENTERED AMOUNT >£0 AT C1a

And what period does that cover?

(NB 'Year' can be used for the last financial year, accounting year, calendar year or the last 12 months)

Year
Month
Week
Term

QC2a
ASK ALL
GRID FORMAT
SA IN EACH CELL
Please fill in the table below to show how many of each type of staff you currently pay at <ServiceName>.

- Please include both permanent staff and temporary staff if you rely on them regularly (other than for covering unexpected leave).
- If you are not sure which category to count people in, include them in the box you think is the best description.
- Please check that the total number shown at the bottom indicates how many staff you have in total in each category

DOWN SIDE OF GRID
Managers (people with overall responsibility for the day-to-day management of <ServiceName>)
Early years supervisors / room supervisors
Early years practitioners
Support workers who are not qualified early years practitioners
Other paid staff (e.g. secretarial, maintenance, catering, or domestic staff)

ACROSS TOP OF GRID
Full time (35+ hours/week)
Part-time 15-34 hours/week
Part-time under 15 hours/week

QC2b
ASK ALL – TO CALCULATE TOTALS FOR EACH CATEGORY FROM C2a – I.E. FOR MANAGERS, TOTAL = TOTAL FULL TIME, 15-34 HR AND <15 HOURS ENTERED FOR MANAGERS AT C2A.
Your responses indicate that you have the following numbers of staff in each category? Is this correct?

Managers = <TOTAL FROM C2a>
Early years supervisors / room supervisors = <TOTAL FROM C2a>
Early years practitioners = <TOTAL FROM C2a>
Support workers who are not qualified early years practitioners = <TOTAL FROM C2a>
Other paid staff (e.g. secretarial, maintenance, catering, or domestic staff) = <TOTAL FROM C2a>

Yes
No

IF NO AT C2b
C2c
Please use the ‘back’ button to check your answers about numbers of staff in each category.

QC3a
ASK IF 1+ MANAGER WORKING 35+ HOURS AT C2
ALLOW NUMERIC RESPONSE, RANGE £0-£300,000.
The next few questions ask about average salaries for different members of staff. For each of these:

- Please tell us per **year, month, week, hour or term** - whichever is easier.
- Please give the **gross salary**, before tax and national insurance
- If you are not sure of the exact average, please give us your **best estimate**

What is the **average full time equivalent salary** of a **manager** at <ServiceName>? That is, the average amount you pay a manager working 35 hours a week.

Don’t know

QC3b
ASK IF RESPONSE (OTHER THAN DK) AT C3a
And what period does that cover?

Year
Month
Week
Hour
Term

QC4a
ASK IF 1+ MANAGER BUT ALL MANAGERS WORK <35 HOURS WEEK AT C2
ALLOW NUMERIC RESPONSE, RANGE £0-£300,000.
The next few questions ask about average salaries for different members of staff. For each of these:

- Please tell us per **year, month, week, hour or term** - whichever is easier
- We’ll also ask you to tell us **how many hours a week** this average covers (e.g. average for a manager working 15 hours a week)
- Please give the **gross salary**, before tax and national insurance
- If you are not sure of the exact average, please give us your **best estimate**

What is the **average salary** of a **manager** at <ServiceName>?
Don’t know

QC4b
ASK IF RESPONSE (OTHER THAN DK) AT C4a
And what period does that cover?

Year
Month
Week
Hour
Term

QC4c
ASK IF RESPONSE (OTHER THAN DK) AT C4a
ALLOW NUMERIC RESPONSE, RANGE 1-80
And roughly many hours a week does that average **manager's** salary cover?
Don't know

QC5a
ASK IF 1+ EARLY YEARS SUPERVISOR/ROOM SUPERVISOR WORKING 35+ HOURS AT C2
ALLOW NUMERIC RESPONSE, RANGE £0-£300,000.
What is the **average full time equivalent salary** of an **early years' supervisor / room supervisor** at <ServiceName>? That is, the average amount you pay a supervisor working 35 hours a week.

Please tell us per **year, month, week, hour or term** - whichever is easier
Don't know

QC5b
ASK IF RESPONSE (OTHER THAN DK) AT C5a
And what period does that cover?

Year
Month
Week
Hour
Term

QC6a
ASK IF 1+ EY SUPERVISOR/ROOM SUPERVISOR BUT ALL SUPERVISORS WORK <35 HOURS WEEK AT C2
ALLOW NUMERIC RESPONSE, RANGE £0-£300,000.

What is the **average salary** of an **early years' supervisor / room supervisor** at <ServiceName>?
Please tell us per **year, month, week, hour or term** - whichever is easier

Don't know

QC6b
ASK IF RESPONSE (OTHER THAN DK) AT C6a
And what period does that cover?

Year
Month
Week

Hour
Term

QC6c
ASK IF C6b = 1-3 or 5 (i.e. ALL EXCEPT HOURLY)
ALLOW NUMERIC RESPONSE, RANGE 1-80
And roughly many hours a week does that average **early years' supervisor / room supervisor** salary cover?

Don't know

QC7a
ASK IF 1+ EARLY YEARS SUPERVISOR/ROOM SUPERVISOR WORKING 35+ HOURS AT C2
ALLOW NUMERIC RESPONSE, RANGE £0-£300,000.
What is the **average full time equivalent salary** of an **early years' practitioner** at <ServiceName>? That is, the average amount you pay a practitioner working 35 hours a week.

Please tell us per **year, month, week, hour or term** - whichever is easier

Don't know

QC7b
ASK IF RESPONSE (OTHER THAN DK) AT C7a
And what period does that cover?

Year
Month
Week
Hour
Term

QC8a
ASK IF 1+ EY SUPERVISOR/ROOM SUPERVISOR BUT ALL SUPERVISORS WORK <35 HOURS WEEK AT C2
ALLOW NUMERIC RESPONSE, RANGE £0-£300,000.

What is the **average salary** of an **early years' practitioner** at <ServiceName>?

Please tell us per **year, month, week, hour or term** - whichever is easier

Don't know

QC8b
ASK IF RESPONSE (OTHER THAN DK) AT C8a
And what period does that cover?

Year
Month
Week
Hour
Term

QC8c
ASK IF C8b = 1-3 or 5 (i.e. ALL EXCEPT HOURLY)
ALLOW NUMERIC RESPONSE, RANGE 1-80
And roughly many hours a week does that average **early years' practitioner's** salary cover?

Don't know

QC9
SA
ASK ALL
Do you currently contribute towards a **pension scheme** for any of your employees?

Yes – all employees
Yes – some employees
No – we do not contribute towards an employee pension scheme

Don't know

SECTION D – OTHER COSTS

QD1
MA
ASK ALL
Which of these best describes your premises?

Rented from a private owner
Rented / provided for a fee from a charity / church
Rented from council / other public sector organisation
Provided rent free
Being bought with a mortgage
Owned outright

Don't know

QD2a
ALLOW NUMERIC RESPONSE IN £, RANGE £1 UP
ASK IF CODE 1, 2, 3 OR 5 AT QD2 (MORTGAGE OR RENT)
In the last year, month, week or term (whichever is easier), how much did you spend on **rent or mortgage payments** for <ServiceName>?

Don't know

QD2b
SA
ASK IF RESPONSE >=£1 AT D2a
And what period does that cover?

Year
Month
Week
Term
Other period

QD2c
SA
ASK IF 'OTHER' (5) AT D2b
You ticked 'other'. What period did that rent/mortgage payment cover?
Every fortnight
Every four weeks
Every two months
Quarterly (every 3 months)
Twice a year (every 6 months)
Other specify –OTHER SPECIFY

QD3

GRID

For **each of the costs** listed in this grid, we would like to know the TOTAL SPENT by <ServiceName> over the last year. For each cost heading, you can give the amount spent per year, month, week, term or quarter – whichever is easier. Use the drop down list to select the relevant period and the table will calculate the yearly spend for you.

If you have not spent anything on a particular category in the last year, please enter '£0'.

DOWN SIDE OF GRID

Utilities – such as gas, electricity, phone and internet
Consumables – e.g. food, nappies, toilet roll, cleaning materials etc.
External catering costs
Play and learning equipment (e.g. toys, books, play materials)
Play and learning activities and services (e.g. trips, external providers of play or learning activities)
Course fees and expenses for staff training
ICT equipment and office supplies
Transport costs (e.g. vehicle hire/maintenance)
Maintaining or improving your building (including salaries /costs for any maintenance staff and one-off maintenance costs)
Contracts for building services (e.g. waste management, cleaning, fire, pest control, boiler, etc.)
Business rates
Other taxes excluding payroll taxes (e.g. VAT, corporation taxes)
Anything else, not covered above

ALONG TOP OF GRID

TOTAL SPEND

ALLOW NUMERIC RESPONSE IN £, RANGE £0+

PERIOD COVERED

Year
Month
Weekly (term time only)
Weekly (year round)
Term
Quarter

TOTAL SPEND LAST YEAR

CALCULATED FROM TOTAL SPEND AND PERIOD COVERED AND SHOWN SO RESPONDENTS CAN SEE IT. I.E.:

- IF PERIOD = YEAR, TOTAL SPEND LAST YEAR = TOTAL SPEND X 1
- IF PERIOD = MONTH, TOTAL SPEND LAST YEAR = TOTAL SPEND X 12
- IF PERIOD = WEEKLY (TERMTIME ONLY), TOTAL SPEND LAST YEAR = TOTAL SPEND X 38
- IF PERIOD = WEEKLY (YEAR ROUND), TOTAL SPEND LAST YEAR = TOTAL SPEND X 52
- IF PERIOD = TERM, TOTAL SPEND LAST YEAR = TOTAL SPEND X 3
- IF PERIOD = QUARTER, TOTAL SPEND LAST YEAR = TOTAL SPEND X 4

QD4
OE
ASK IF RESPONSE >£0 FOR 'ANYTHING ELSE, NOT COVERED ABOVE' AT D3
Please give a brief description of any other costs you have incurred in the last year, that were not covered by the other items listed.

SECTION E – FEES AND INCOME

QE1
ASK ALL
Do the fees you charge **parents** for pre-school early learning and childcare for children aged 5 and under vary depending on the age of the child?

Yes
No

QE2a
GRID – RESPONSE IN EACH BOX
ASK IF 1 (YES) AT QE1
ALLOW NUMERIC RESPONSES FROM £0 UP
Please enter your standard **parent fee structure** for 2, 3 and 4 year-olds.

Please enter to the nearest whole £.

If a particular fee does not apply at <ServiceName>, please enter '£0' in the box.

If your fees for a particular category vary (other than by age of child), then please enter your average or typical fee for that category.

DOWN SIDE OF GRID
Cost per half-day session
Cost per full day
Cost per week
Cost per hour
Cost per term

ALONG TOP OF GRID
2 year-olds
3 year-olds
4 year-olds

QE2b
ANSWER ON EACH ROW
ASK IF 2 (NO) AT QE1
ALLOW NUMERIC RESPONSES FROM £0 UP
Please enter your standard **parent fee structure** for 2, 3 and 4 year-olds.

Please enter to the nearest whole £.

If a particular fee does not apply at <ServiceName>, please enter '£0' in the box.

If your fees for a particular category vary (other than by age of child), then please enter your average or typical fee for that category.

Cost per half-day session
Cost per full day
Cost per week
Cost per hour
Cost per term

QE3
SA ON EACH ROW
ASK ALL
Please indicate whether each of the following are included in your standard session fees, charged for separately, or whether parents are asked to bring them in themselves?

DOWN SIDE
Lunchtime food and / or snacks
Nappies and / or wipes
Additional learning / play activities or trips

ACROSS TOP
Included in standard session fees
Charged for separately
Parents bring in themselves
Don't know

QE4a
ALLOW NUMERIC RESPONSE (£0+)
ASK ALL
In the last year, month, week or term (whichever is easier), what was your **TOTAL income from fees and additional charges paid by parents**?

Don’t know

QE4b
SA
ASK IF RESPONSE >=£1 AT QE4a
And what period does that cover?

Year
Month
Week
Term

QE5a
ALLOW NUMERIC RESPONSE (£0+)
ASK ALL
In the last year, month, week or term (whichever is easier), what was your **TOTAL income from government or council funding of early years learning and childcare places**?

Don’t know

QE5b
SA
ASK IF RESPONSE >=£1 AT QE4a
And what period does that cover?

Year
Month
Week
Term

QE6a
ALLOW NUMERIC RESPONSE (£0+)
ASK ALL
In the last year, month, week or term (whichever is easier), what was your **TOTAL income from other sources, such as fundraising**?

Don’t know

QE6b
SA
ASK IF RESPONSE >=£1 AT QE4a
And what period does that cover?

Year
Month
Week
Term

QE7a
ALLOW NUMERIC RESPONSE (£0+)
ASK ALL
What rate does your Council pay you per funded place for eligible two year-olds? You can give the rate per hour, half-day, day, week, term or year, whichever is easier.

Don’t know

QE7b
SA
And is that the rate per …

Hour
Half-day
Week
Month
Term
Year

QE8a
ALLOW NUMERIC RESPONSE (£0+)
ASK ALL
And what rate does your Council pay you for funded places for eligible three and four year-olds? Again give the rate per hour, half-day, day, week, term or year, whichever is easier.

Don’t know

QE8b
SA
And is that the rate per …

Hour
Half-day
Week
Month
Term
Year

SECTION F – OTHER QUESTIONS

SECTION F INTRO TEXT
Finally, we just have a few other questions about <ServiceName>

QF1a
ASK ALL
GRID FORMAT
ALLOW NUMERIC RESPONSE ON EACH ROW, RANGE 0 TO 100
How many of your early years staff (including managers and supervisors if they spend time working directly with children) have their highest **early years or childcare qualification** at each of the following levels?

If no staff have a qualification at that level, please enter '0'.

SVQ level 1 or equivalent
SVQ level 2 or equivalent
SVQ level 3 or equivalent (including HNC)
SVQ level 4 or equivalent (including HND or degree) or above
Don't know

QF1b
ASK ALL
ALLOW NUMERIC RESPONSE, RANGE 0 TO 100
And how many of your early years staff (including managers and supervisors if they spend time working directly with children) are qualified teachers?
Don't know

QF2
ASK ALL
SA
In a typical week, do any unpaid trainees, volunteers or parent helpers directly help support the delivery of early learning and childcare at <ServiceName>?

Yes
No
Don't know

QF3
ASK IF YES (1) AT QF2
GRID FORMAT
NUMERIC RESPONSE IN EACH CELL, RANGE 0 TO 100.
Please enter the **number of trainees/volunteers** who spend 35+, 15-34 or less than 15 hours with you in a typical week.

ALONG TOP
Number of unpaid trainees/volunteers helping for …

DOWN SIDE
35+ hours/week
15-34 hours/week
Less than 15 hours/week
Don't know

QF4
ASK ALL
SA PER ROW
How difficult or easy have you found it over the last year to …

DOWN SIDE
Recruit appropriately qualified new members of staff for <ServiceName>?
Retain existing members of staff at <ServiceName>?

ALONG TOP
Very difficult
Fairly difficult
Fairly easy
Very Easy
Don't know

QF5
ASK ALL
SA
In the next year, do you expect <ServiceName> to …

Expand to cater for more children
Stay the same size
Get smaller (cater for fewer children)
Close down altogether
Don't know

QF6 a
ASK ALL
SA
Finally, how confident are you that <ServiceName> can accommodate an increase from 600 to 1,140 hours for government/council funded places?

Very confident
Fairly confident
Not very confident
Not at all confident
Don't know

QF6b
ASK IF 3 OR 4 (NOT VERY/AT ALL CONFIDENT) AT QF6a
OE
Why would you say you are not confident about being able to accommodate an increase in hours?

QF7
ASK ALL
OE
Is there anything else you would like to add in response to the topics covered in this survey?

END TEXT
Thank you very much for taking the time to complete this. Your views will help shape the planning of childcare provision in Scotland. Just to remind you, your individual responses are confidential and will not be shared outside Ipsos MORI.

Appendix B – Advanced letter

Reference: 16-012784-01 / [ID NUMBER]

June 2016

Your chance to influence Scottish Government childcare policy

Dear [NAME],

We are writing to invite you to take part in an **important survey for the Scottish Government** about the costs of providing early learning and childcare.

Why should I take part?
As you may know, the Scottish Government is planning to increase the number of hours of free Early Learning and Childcare (ELC) that parents are entitled to. This survey is **your chance to influence the Scottish Government** on childcare provider costs. The Scottish Government will use the findings from this survey to plan in detail for the expansion of free hours and for the important role that partner providers will play in that.

The survey is important for you and for the future of early learning and childcare in Scotland. It is endorsed by **National Day Nursery Association** and **Early Years Scotland**. All partner providers in Scotland are being asked to take part – the more people who respond, the more accurate a picture we will be able to provide.

What will I be asked?
The questionnaire includes questions about your costs (the money you spend on things like staff, rent, bills etc.), your income, your capacity and occupancy, and the fees you charge parents at [PROVIDER NAME]. This information will ensure the Scottish Government has a **reliable and full understanding** of the costs to providers of delivering early learning and childcare.

How do I take part?
Taking part is easy – all you need to do is enter this link www.ipsos-mori.com/childcare in your web browser and enter you unique ID when prompted. Your unique ID is [REFERENCE]

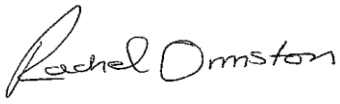
You may find it helpful to have relevant information – e.g. annual accounts – to hand when you complete the survey. If you require another member of your team to complete parts of the survey, you will be able to pause the survey and go back to it later. If you are part of a group of nurseries and it would be easier to complete the survey for one or more nurseries together, you will be able to do this – just go in through the link above and it will explain what to do.

How will my answers be used?
Individual responses will be completely **confidential** and will not be seen by anybody outside of Ipsos MORI. Only aggregate results – e.g. at regional level – will be provided to Scottish Government or published.

Please be assured that the survey is being hosted by Ipsos MORI, and all responses to this survey will only be processed by us and stored securely by us. Scottish Government will not have access to individual survey responses. Ipsos MORI is bound by the **Data Protection Act** and strictly adheres to the Market Research Society's Code of Conduct.

Any questions?
If you have any questions or would like any further information regarding the survey please do not hesitate to contact the research team (Rachel Ormston, Chris Martin or Sanah Saeed Zubairi) at Ipsos MORI on 0808 238 5376 or the Project Manager at the Scottish Government, Sasha Maguire 0131 244 0563. You can also e-mail us at ScotCCSurvey@ipsos.com.

Yours sincerely,



Rachel Ormston
(Project Manager)

social research

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This document is also available from our website at www.gov.scot.
ISBN: 978-1-78652-476-8

The Scottish Government
St Andrew's House
Edinburgh
EH1 3DG

Produced for
the Scottish Government
by APS Group Scotland
PPDAS78830 (09/16)
Published by
the Scottish Government,
September 2016

GSR
GOVERNMENT SOCIAL RESEARCH
Social Science in Government

Social Research series
ISSN 2045 6964
ISBN 978-1-78652-476-8

Web and Print Publication
www.gov.scot/socialresearch

PPDAS78830 (09/16)