



**EARLY  
EDUCATION AND  
CHILDCARE COALITION**

For children, for parents, for the economy

# **RETENTION AND RETURN:** Delivering the expansion of early years entitlement in England



## Acknowledgements

We would like to thank each of the participants – childminders, nursery professionals and nursery managers – who took part in this research. This report would not have been possible without your thoughts, ideas, perspectives and experiences as shared in surveys, focus groups and interviews. We are grateful for the time you have taken to share these with us. We hope that we are able to represent your voices in order to improve the conditions in which you deliver learning to all those in your care. Throughout the work, we've received extensive support from members of the Early Education and Childcare Coalition including reviewing our workforce modelling and challenging the assumptions contained within it; promoting the surveys to early years professionals working in group settings, working as childminders and to people who have recently left the sector; connecting us with passionate individuals who were willing to share their experiences of trying to develop good practice within their provision; supporting us with funding; sharing their own research and helping us to develop our findings. We are extremely grateful for all this support. Any errors within the work remain our own.

## About the Early Education and Childcare Coalition

The Early Education and Childcare Coalition was developed in response to the growing pressures facing the sector and families. Continued underfunding, rising costs, and workforce pressures created a growing need for collaboration among all those impacted by the crisis in early education and childcare. Members of the Early Education and Childcare Coalition know that the complexity of policy in this area means that no single organisation can address the challenges alone, or effectively advocate for the many different voices within the system. That requires collaboration and partnership in the form of coalition working. The Spring Budget in March 2023 recognised the importance of the sector in underpinning the economy, but proposals failed to address the underlying structural and funding crises that have become a hallmark of recent policymaking. We want to change that.

The Coalition was built over a period of 12 months and launched in 2023. Together we are using our collective voice, influence, and resources to drive public and political support for the sector. The Coalition has been co-designed with more than 30 organisations including children's charities, parent campaign groups, provider membership bodies, anti-poverty campaigners, NGOs, trade unions representing early educators, and business lobbying groups. We advocate for a 'rescue and reform' approach: short-term measures that will stabilise the sector now, alongside a national programme of reform and investment. We are supported by a range of experts from across educational and economic policy, and partner with think tanks and research organisations who share our vision.

The vision for the Coalition includes:

- High-quality provision for all children, especially those who benefit the most
- Sustainable provision that works for all kinds of working parents and their employers
- Good pay, terms and conditions for the professionals who deliver it
- Accessible and affordable options for all parents, in all communities
- Locally shaped options that respond to local circumstances

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# **Retention and return:** Delivering the expansion of early years entitlement in England

Kate Hardy, Lucie Stephens, Jennifer Tomlinson,  
Danat Valizade, Xanthe Whittaker, Helen Norman  
and Robyn Moffat.

Modelling developed by Ignacia Pinto.

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**ACECQA:** Australian Children’s Education and Care Quality Authority

**ASHE:** Annual Survey of Hours and Earnings

**BME:** Black and Minority Ethnic

**CCS:** Child Care Subsidy

**CIPD:** The Chartered Institute of Personnel Development

**CPD:** Continuing Professional Development

**DCEDIY:** Department of Children, Equality, Disability, Integration and Youth

**DfE:** Department for Education

**ECA:** Education Centre of Australia

**ECCE:** Early Childhood Care and Education programme

**ECEC:** Early Childhood Education and Care

**EEC:** Early Education and Childcare

**ELC:** Early Learning and Care

**EY:** Early Years

**EYE:** Early Years Educator

**EYNFF:** Early Years National Funding Formula

**JLC:** Joint Labour Committee

**NCS:** National Childcare Scheme

**NFQ:** National Framework of Qualifications

**NQF:** National Quality Framework

**NVQ:** National Vocational Qualification

**SAC:** School-Age Childcare

**SENCO:** Special Educational Needs Coordinator

**SEND:** Special Educational Needs and Disability

**VCSE:** Voluntary, Community and Social Enterprise Sector

# EXECUTIVE SUMMARY

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In the 2023 Spring Budget the Chancellor announced a significant expansion in early years funding. The announcement focused on the funding of this expansion, but little was said about the workforce who would deliver it. This research combines new modelling focused on the additional demand likely to be generated by the expansion, with the working conditions and experiences of those currently working in the sector and those who have recently left. The research team gathered nearly 1,000 surveys and 60 participants in interviews and focus groups. It aims to better understand the conditions of the current early years workforce, the implications of the extended entitlement and what is needed to ensure any expansion of access can be successful, while ensuring the high-quality places that children deserve.

## Entitlement expansion

The Government estimates that hundreds of thousands of families will benefit from the 'extended entitlement'.<sup>1</sup> Within the extended entitlement it is important to distinguish between:

- **Transfer of cost:** for children already in early years settings (or who would attend anyway) who will have payment for their place move from their parents to government
- **Expansion of access:** to children who would not otherwise attend early years settings, which requires more hours and places to be opened in settings

**Transferring some of the cost** of childcare from parents to the Government is essential in making childcare more affordable for parents.

**Expanding access** to early years is vital for addressing socio-economic inequality, for educating society's youngest members, for enabling early interventions in children's lives and for enabling more parents to access the labour market or increase their participation in work. The basis of this expansion must be high-quality early years education and care, which can only be delivered by committed professionals who are highly trained, recognised and rewarded. These working conditions lay the basis for the learning conditions of our youngest citizens.

Our modelling makes relatively conservative assumptions about the numbers of **additional** children that will need to access a place. Even so, we find that expansion of access is placed at risk due to a crisis of retention in the form of the potential loss of professionals, particularly experienced educators:

- We find a **six percent growth in childcare places** (from total places in 2022<sup>2</sup>) **will be required** for the additional children who will start to use formal childcare due to the extended entitlement

1 UK Government (2023) Budget 2023: Everything you need to know about childcare support (<https://bitly.ws/WQ5u>)

2 UK Government (2022) Childcare and early years providers survey: 2022 (<https://bitly.ws/XGP8>)

- Around half (48 percent) of nursery respondents are considering quitting their job in the next 12 months and moving to another job in early years (12 percent responded 'Yes I intend to leave' and 37 percent said that they may leave)
- Even more nursery staff (57 percent) are considering leaving the early years sector altogether (17 percent responded 'Yes I intend to leave' and 40 percent said that they may leave)
- Just under a quarter of childminders (24 percent) said that they were planning (or maybe planning) to leave their childminding role and move to another role in the early years in the next 12 months
- An even higher proportion of childminders said they were planning (nine percent) or maybe planning (29 percent) to leave their role and move to one outside the early years sector in the next 12 months
- More positively, few nursery managers said they were planning to leave their job and either move to another one in early years (seven percent) or another role outside of early years (11 percent) in 12 months' time
- Our sample was skewed towards longer-serving and experienced staff. Even amongst those who initially perceived their job in the early years sector as a long-term career, a quarter were now considering leaving. Loss of this type of staff matters because experienced professionals can provide a high-quality early years provision and tend to be more skilled at enabling early interventions
- With these high rates of turnover intention, our modelling combined with our original research with early years staff shows almost 50,000 new professionals will be required in 2024 and another almost 50,000 again in 2025
- 50,000 new professionals equates to a need for **15 percent** growth in the total workforce in 2024 and again in 2025 to keep existing places open for children and staff the additional places that will come from the extended entitlement

## Why are staff intending to leave?

- Early years educators in home-based and group settings who responded to our survey feel a strong vocational commitment to early years. They experience high job satisfaction with many elements of their work
- The majority view their work in the early years as a long-term career
- Despite this clear vocational and professional commitment to early years, the sector faces a severe retention crisis (with attendant recruitment crisis)
- Increasing staff to child ratios has been introduced as a way of addressing affordability in early years and to give providers greater flexibility. However, our research indicates that ratio changes increase the likelihood of staff stating that they intend to leave the sector
- Work intensification following the Covid-19 pandemic and higher numbers of children with Special Educational Needs and Disabilities (SEND) means that most educators view changes to ratios as likely to have a negative effect on their work, and also on the wellbeing of employees, children and families
- A vicious cycle appears to be occurring in which skilled and experienced educators are leaving the sector and there are problems recruiting new people

- Our qualitative data indicates that staff vacancies are leading to settings increasingly relying on agency or temporary staff
- Dependency on agency workers increases pressure on permanent employees, by intensifying their work and increasing their responsibilities, from communications with parents and pedagogic assessments of children to practical care tasks
- Early years staff are already undertaking an expanded scope of responsibilities which have followed under-funding of other agencies and working with children with higher levels of economic, social and educational need
- Key to this is what professionals across the sector see as a need to support growing numbers of children with Special Educational Needs and Disabilities (SEND) amongst this age group

## Recruitment crisis

- Across every setting type, recruitment has become more difficult in the last year compared to before Covid-19. Maintained nursery schools, private and school-based settings reported that the difficulty recruiting staff in the last year had roughly doubled since before Covid-19
- Qualified staff are more difficult to recruit. The number of NVQ Level 3 vacancies has increased in the average setting from 1.9 to 2.2 vacancies over the past year
- The average length to fill vacancies in the last year was 10 weeks
- However, most employees who have left the sector indicate they would consider returning to work in the early years in the future
- Most of the leavers, over 55 percent, still worked in education, but outside the early years sector, reflecting their ongoing commitment to education. Many others continue to work with children and families in adjacent roles in sectors such as social care

## Expanding access

- The number of additional staff needed, as shown by our original research, is significantly higher than projections based on recent workforce trends
- In order to meet additional demand as a result of the expansion of entitlement hours, providers face significant barriers and uncertainty
- Without additional government support, childminders said that they could expand the number of places they will offer by an average of five percent. Managers of group settings said they could expand on average by eight percent. But this does not account for increased turnover of staff identified in our survey
- Most childminders (77 percent) are likely to offer the entitlement to one- and two-year-olds, but 78 percent are unlikely to increase the number of hours of care that they offer
- For many nursery managers, there is still a high degree of uncertainty about how their setting will respond to entitlement changes in terms of the uptake, the setting's offer, and whether they will need to recruit or retrain staff to accommodate the changes (as reflected in the non-response rates)



- Few nursery managers are confident they will be able to accommodate the extended entitlement without government support, with confidence lower in supporting the expansion to nine-month-old children (six percent) than expanding for two-year-olds (18 percent)
- Only 17 percent of managers who responded felt it was likely they would increase the total number of places they offered as a result of the extended entitlement offer
- 35 percent of nursery managers said it was likely they would place limits on the number of places funded by the extended entitlement they would offer
- The most common reason given for not expanding was the inability to recruit professionals with appropriate qualifications
- Physical expansion of settings was not seen as key barrier to expansion; nearly all childminders (97 to 98 percent) said that they were not planning to make any physical changes to the structure of their buildings and for group settings, and only 27 percent of respondents ranked it as one of the top three challenges of responding to increased demand, with staff wellbeing and maintaining quality of provision rated higher

The high levels of intention to turnover are increasing the pressure on delivering the extended entitlements.

- Based on a steady state of historic turnover, the planned expansion of access would instead require an additional 11,340 educators in 2024 and a further 11,084 in 2025; this is equivalent to a seven percent growth in the current workforce
- Staffing the additional places would require 13,543 early years professionals with an NVQ Level 3 qualification by 2025 and 2,442 professionals qualified to NVQ Level 6 in the same timeframe in order to maintain the current skills mix
- This means that even if the retention crisis can be stemmed, recruitment would be needed of seven percent

## Summary of recommendations

The size of the challenge is significant. We need a comprehensive workforce strategy for all early years professionals, including childminders. Below we set out the key themes that should form this workforce strategy. Within this workforce strategy we identify two phases of intervention: ‘rescue’ and ‘reform’:

- First, urgent action is required to ‘rescue’ the sector from the current staffing crisis it faces and to provide a chance of achieving the expansion that has been pledged. These ‘rescue’ interventions are described below. However, simply stabilising the existing workforce is not enough
- Second, longer term ‘reform’ interventions are necessary to move early education and childcare towards the sustainable, high-quality provision that can enable every child (and their family) to thrive and realise the advantages of early years education. ‘Rescue’ interventions that lay the foundations for the longer-term reforms have been prioritised in our recommendations

We need to move away from piecemeal interventions towards comprehensive measures that are resourced and supported to embed change over suitable timeframes. To achieve this the Government must work in transparent and collaborative ways with wider stakeholders including provider groups, unions, children, and parent organisations.

### **‘Retain and return’ should be the key immediate policy objective**

‘Retain and return’ of early years professionals is essential in order to deliver the current places for children and to enable expansion in the short term. ‘Retaining’ current childminders is even more important, as many are leaving the sector in order to retire and as such, there is a smaller pool of potential ‘returners’.

There is a thirst for training and continuing professional development within the sector. The evidence shows a clear link between dissatisfaction with training opportunities and intention to leave the sector. Investing in measures to improve pay and opportunities for further training and professional development delivers a double dividend of retaining valued early years professionals whilst also improving the quality of provision that children and families can experience.

In the short-term we propose ‘rescue’ measures that include:

#### **On pay:**

- Increase early years funding rates with the expectation that providers will use this to improve pay for early years professionals. Funding must ensure that everyone with NVQ Level 1 achieves at least the Real Living Wage, with proportionate uplifts across more senior positions too. Ensure that future funding rates are reviewed annually and increased in line with at least the annual increase in RLW

#### **On training and professional development:**

- Re-establish a career development hub at the DfE that co-ordinates and resources professional development opportunities at no cost to all early years professionals, including childminders
- Resource ‘on-site’ training provided by quality mentors and coaches to support educators to learn regularly in their place of work. In-place and in-person training should ensure that professionals do not have to take time out of the setting in order to engage in CPD – defaulting to online training is not sufficient
- Ensure access to funded, universal, high quality SEND training for all early years educators. Make this a mandatory training requirement for every practitioner
- Develop a system for bank staff at Local Authority level which enables staff to take time out for training, with no negative implications for their setting
- Ensure the ‘Experts and mentoring scheme’ for childminders becomes a permanent programme

- Restart the Graduate-led Grant Scheme. Set a target to achieve a graduate led workforce by 2028
- Adjust the apprenticeship levy to enable it to be locally directed into early years recruitment and training programmes in areas of highest need

#### **On increasing understanding of the importance of the sector:**

- Invest in a large-scale campaign on the early years that establishes the importance of these professionals with the general public, whilst also recruiting people back to the sector
- Review the growing responsibilities of early years professionals in light of the work they are currently doing to 'replace' other public services. Ensure additional responsibilities, where appropriate, are adequately resourced and staff are sufficiently trained to take on these roles

In the longer term, we recommend:

#### **On pay:**

- Align early years professionals' pay with the wider education workforce within five years. Aim for parity with the equivalent qualifications held by people working across education and the maintained nursery sector
- Commission annual surveys to track pay and conditions across the workforce
- Introduce conditions on public funding to ensure that funding increases reach staff salaries
- Introduce collective bargaining for early years professionals
- Incentivise models of delivery and ownership of early education and childcare that build a stronger voice for those working in the sector and ensure they are able to shape the organisation and conditions within which they work (e.g. co-operatives, social enterprises and worker-owned organisations)

#### **On training and professional development:**

- Bring stakeholders and regulators together to establish a comprehensive national career framework in line with other education sectors. Link pay to qualifications and levels of responsibility. Establish clear routes to progression through continuing professional development
- Develop fast-track opportunities for people with NVQ Level 6 professionals with a qualification outside early education but relevant experience to achieve a relevant qualification to work in the sector
- Review funding and inspection routines to incentivise graduate-led settings

#### **On improving diversity within the sector:**

- Implement a series of targeted national recruitment programmes focused on increasing the numbers of under-represented groups entering the early education and childcare sector. Groups to target include minoritised people, men and minoritised men

### **More flexible working across the sector will support better work-life balance and reduce the number of early years professionals leaving the sector**

- Legislative changes are due in 2024 which will enable employees to request flexible working opportunities. It is unclear how prepared the sector is to embrace this change
- The DfE must fund a comprehensive package of support (training, funding and materials for settings to use) to prepare for forthcoming legislative changes, including the new day one right, and embed flexible working across the sector
- Pioneer sites can be funded to champion flexible working within early years settings and mentor and support other local providers
- Any package of support should learn from the pioneering work undertaken by the Timewise Foundation, London Early Years Foundation (LEYF) and the Early Years Alliance (EYA)

### **Urgent attention is needed to address the growing number of children with SEND needs identified by educators across the sector**

- SEND Training Taskforces should be developed to address the immediate issue and provide in-place training in nursery and home-based settings
- All early years professionals should receive high quality training on SEND to increase awareness and confidence in supporting children and their families

### **Childminders provide 12 percent of places, but are routinely sidelined. They must have access to the interventions listed above but also require specific policies:**

- Local networks between childminders, supported by the local authority
- Greater access to free spaces or discounts to activities which enrich the experiences offered to children
- Greater parity between childminder and nursery settings in terms of ratios, in particular to give childminders with higher level qualifications autonomy to increase the number of three- and four-year-olds as they deem it appropriate to do so

# INTRODUCTION

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Early education and childcare is forecast to be a key component of voter decisions to elect our next government. According to our recent Pulse Check report, 42 percent of UK voters say that early education and childcare reform will be key in deciding who to vote for in the next General Election.<sup>3</sup> This year's Spring Budget included a £4.1 bn uplift in investment to expand early years childcare provision.<sup>4</sup> By the end of 2025, working parents of all children over the age of nine months will be entitled to 30 hours of free childcare. To meet this expansion, the Government has pledged to increase the hourly rate paid to providers and has relaxed staff to child ratios so that one professional will now be able to look after five, not four, children.<sup>5</sup>

While the Spring Budget focused on the expansion of places for children, the Government failed to directly consult with the early years workforce, and little was announced to support providers with retaining existing educators and meeting provision. More than eight in 10 providers now say they are struggling to recruit professionals,<sup>6</sup> while parents have seen fees increase at twice the rate of wages in the last 10 years.<sup>7</sup> The number of childminders leaving the profession is at a record high, with most recent figures showing a 50 percent fall in the number of childminders over the last decade.<sup>8</sup> A 2019 investigation by Nursery World found that 14 percent of early years staff were living in relative poverty, with one in 10 using food banks.<sup>9</sup> In 2020, the average wage for early years educators (96 percent of whom were women) was £7.42 per hour, against the average wage for women workers of £11.37 per hour.<sup>10</sup> 40 percent of councils in England saw a spike in nursery closures in 2022, with 88 percent expecting more closures in 2023, citing workforce shortages as a key factor.<sup>11</sup>

The crisis in the early years sector is nothing new. The Nutbrown Review in 2012 found that quality had declined across the sector's provision, with qualifications lacking rigour and depth. Crucially, the report recommended a new long-term vision and strategy for the early years workforce, with a reformed qualification system to ensure high-quality provision across all settings.<sup>12</sup> Despite this, in the decade that has passed since the Nutbrown Review the recruitment and retention crisis in England's early years sector has worsened and no clear strategy has been developed. There has not been an early years workforce strategy in England since 2017.<sup>13</sup> Persistent underfunding has led to poor pay and conditions among the workforce, limited opportunities for professional development, and a pervading feeling of being undervalued. This was compounded during Covid-19 when nurseries remained open but received none of the structural support, or public recognition of other 'key services'.

3 EECC (September 2023) Pulse Check: Public Attitudes Towards Early Education and Childcare (<https://bitly.ws/WPZM>)

4 DfE (2023) Spring Budget 2023 Childcare Expansion – Policy costing information note (<https://bit.ly/3QzbQSa>)

5 UK Government (2023) Budget 2023: Everything You Need To Know About Childcare Support (<https://bitly.ws/WQ5u>)

6 TUC (August 2023) Every English region struggling to recruit childcare workers (<http://bit.ly/40dvYfU>)

7 TUC (2018) Childcare fees have risen three times faster than wages since 2008 (<https://bit.ly/3SgEylK>)

8 Pacey (September 2023) NEWS: Ofsted release data on declining childminder numbers (<https://bit.ly/45U6KEu>)

9 Nursery World (2019) Childcare Practitioners 'Living in Poverty' (<https://bitly.ws/WQa5>)

10 Nursery World (2019) Childcare Practitioners 'Living in Poverty' (<https://bitly.ws/WQa5>)

11 TUC (August 2023) A Strategy for the Care Workforce (<https://bitly.ws/YanJ>)

12 Nutbrown Review (June 2012) Foundations for Quality (<https://bitly.ws/WQfC>)

13 Early Years Educator (2023) Opinion: The Urgent Need for an early years workforce strategy – Nathan Archer (<https://bitly.ws/YJcq>)

Polling by the Fairness Foundation in March 2023 has shown that the public has high regard for early education and childcare workers, and significant concerns about the poor pay they receive. 79 percent of the public think early years educators wages are too low, a view that is consistent across parents, grandparents, men and women, and voters across party lines.<sup>14</sup> The Coalition's recent Pulse Check report surveyed the general public on issues related to early education and childcare. One third (33 percent) of those surveyed said that better pay for the workforce would help improve the availability of childcare and early education in the UK, while 36 percent said properly paid staff would help improve the quality of childcare and early education.<sup>15</sup> 49 percent said that high standards of training were key to good quality provision.<sup>16</sup>

Whilst it is positive that commitments have now been made in England to expand access to early education and childcare, there is an urgent need to take stock of the current workforce challenges. Countries such as Australia and Ireland have recently made large scale commitments to reform their early education and childcare systems. Fundamental to those programmes of reform are fresh approaches to workforce strategy, recognising that it is impossible to expand quality provision for parents and improve outcomes for children without a workforce that is rewarded and recognised.

Since the Spring Budget announcement, other commentators have rightfully focused on which families will benefit from the extended entitlement,<sup>17</sup> noting that many of these children are already accessing places and will benefit due to the Government entitlement paying a greater proportion of their existing fees. Our research shows that many of the children that will benefit from the extended entitlement funding are already using formal early education and childcare. We focus on modelling how many new places will be needed to meet the additional demand generated by the extended entitlement and if the sector will be able to respond to this.

In Section 1 we look at the current conditions within the early education and childcare workforce, including who is currently working in the sector (and who is missing) and explore the experiences of people currently working in the sector and their future work intentions.

In Section 2 we address the extended entitlements that were announced by the chancellor in the Spring Budget. We model how many additional children are likely to start using formal early education and childcare due to the extended entitlement and what this means for additional recruitment of early years professionals. Through our survey we review how early years professionals feel about the expansion and their capacity to expand places to meet parental demand.

In Section 3 we introduce the Chartered Institute of Personnel Development (CIPD) 'Good Work' Framework of core factors that enable people to thrive in their work.<sup>18</sup> We use this to review the recent policy and practical developments in Ireland and Australia and explore what England could learn from these.

14 Fairness Foundation (2023) Fair Pay for Critical Days (<https://bitly.ws/XGD6>)

15 EECC (September 2023) Pulse Check: Public Attitudes Towards Early Education and Childcare (<https://bitly.ws/WPZM>)

16 *ibid*

17 New Economics Foundation (2023) Childcare in Ireland (Forthcoming) and Institute for Fiscal Studies (2023) Early years (<https://bitly.ws/XvjN>)

18 RSA (September 2018) Measuring Good Work (<https://bitly.ws/WQkw>)

Section 4 draws together our conclusions from the work and details the policy interventions needed in the short and longer term to grow the quantity and quality of early years provision in England, building a strong and sustainable sector that can support every child and their family to thrive.

Our survey and qualitative findings distinguish between childminders and group settings. Group settings refer to settings including private, voluntary and independent settings, school-based settings and maintained nursery schools. Where 'nursery' is used, this is used as shorthand to refer to group settings in general.

# CHAPTER 1:

## THE CURRENT PICTURE

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### Introduction

In this section we examine the current conditions within the early education and childcare workforce. This includes using secondary data to outline who is currently working in the sector (and who is missing) and our original empirical survey and qualitative data to outline current conditions and how this is affecting people's future work intentions. We find a distinct lack of gender, ethnic and racial diversity in the sector and an ageing workforce amongst childminders. It is clear that the sector is populated by highly committed staff, who have a strong vocational drive and who want to remain working with children and families. Even those who have left the sector tend to stay very close to early years, taking on roles outside group settings and childminding. Despite this, the evidence strongly shows that there are serious issues relating to working conditions which are leading to high intention to leave in the sector. These core issues include low pay, lack of career progression, long hours, feelings of devaluation and low morale across the sector.

### The early education and childcare workforce

The most recent DfE data (2022) shows that 334,390 early years professionals in England provide education and care to 1,543,000 children. The vast majority of the workforce (248,184) are based in group settings, a further 52,337 are in school-based settings and 33,869 work as childminders. 11 percent of all early education and childcare places are offered by childminders, 21 percent in school based nurseries and 68 percent in group-based providers.<sup>19</sup>

There has been variation in the numbers of professionals employed in the sector in recent years (Figure 1). Whilst this historical data shows a small average growth in the numbers working in group-based provision there has been a pattern of decline in the number of childminders, with a significant decrease in 2019–2021 (minus 13 percent) and 2021–2022 (minus 14 percent).

**Figure 1: Average change in workforce numbers 2018–2022<sup>20</sup>**

	Change 2018–2019	Change 2019–2021	Change 2021–2022	Average
All school-based providers	4%	1%	-3%	1%
All group-based providers	4%	-5%	5%	1%
Childminders	1%	-13%	-14%	-9%

19 UK Government (2022) Childcare and Early Years Provider Survey (<https://bitly.ws/Yaou>)

20 Drawn from data in the Childcare and Early Years Providers Surveys 2018, 2019 and 2021. Full references provided in Appendix B



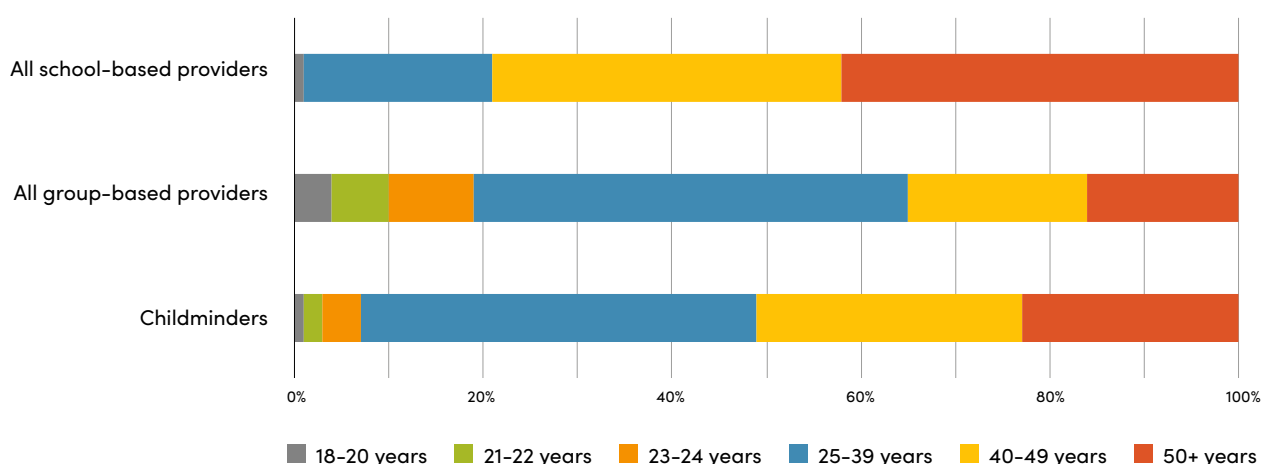
## Who works in the sector?

The early years workforce remains disproportionately female across all provider types, with men representing only two percent of the early years workforce in England. Previous small increases in the number of men working within the sector have been lost.<sup>21</sup> This workforce makeup contributes to gendered assumptions about the early years and care. More men in the early years can play a role in challenging gender stereotypes.<sup>22</sup> There are also practical issues that arise from this, with early years settings essentially missing out on employing some of the 51 percent of men that are currently part of England’s working population.<sup>23</sup>

Group-based and school-based providers have a proportionately younger workforce than the broader UK workforce, whilst childminders are considerably older. Across the whole early education and childcare workforce, nearly 66,000 people (20 percent of the whole sector) are 50 years old or older. This is significantly higher amongst childminders, with over 40 percent aged 50 years old or older (Figure 2). Within group-based providers, the majority of the workforce is 25 to 39 years and only 16 percent of people are aged 50 years or older.

Childminders will be at the highest risk of retiring out of the workforce and may face greater physical health challenges. Post-Covid-19 employment trends have seen a rise in economic inactivity in older workers; ‘over two-thirds of the rise in economic inactivity since the start of the Covid-19 pandemic has been among adults aged 50 and over... although it seems this is more concentrated amongst ‘higher-paying professional and scientific roles’.<sup>24</sup> Meanwhile, group-based providers are more likely to see professionals wanting to find working patterns that enable them to balance employment and caring for their own families. One in ten women in their 30’s (more than 450,000 women) are out of the labour market because of caring responsibilities – compared to just 1 in 100 men in their 30s. Therefore, women in their 30s are 10 times more likely than men to be unable to work due to family commitments at home.<sup>25</sup>

**Figure 2: Early years professionals age profile (2022)**



21 Warin, J, Wilkinson, J, Greaves, H.M. (2021) How many men work in the English early years sector? Why is the low figure so ‘stubbornly resistant to change’?, *Children and Society*: 35, pp. 870 – 884 (<https://bitly.ws/XGHP>)

22 Fawcett (December 2020) *Unlimited Potential: Report of the Commission on Gender Stereotypes in Early Childhood* (<https://bitly.ws/Xas8>)

23 ONS (2021) *Employment and Employment Types* (<https://bitly.ws/WXXX>)

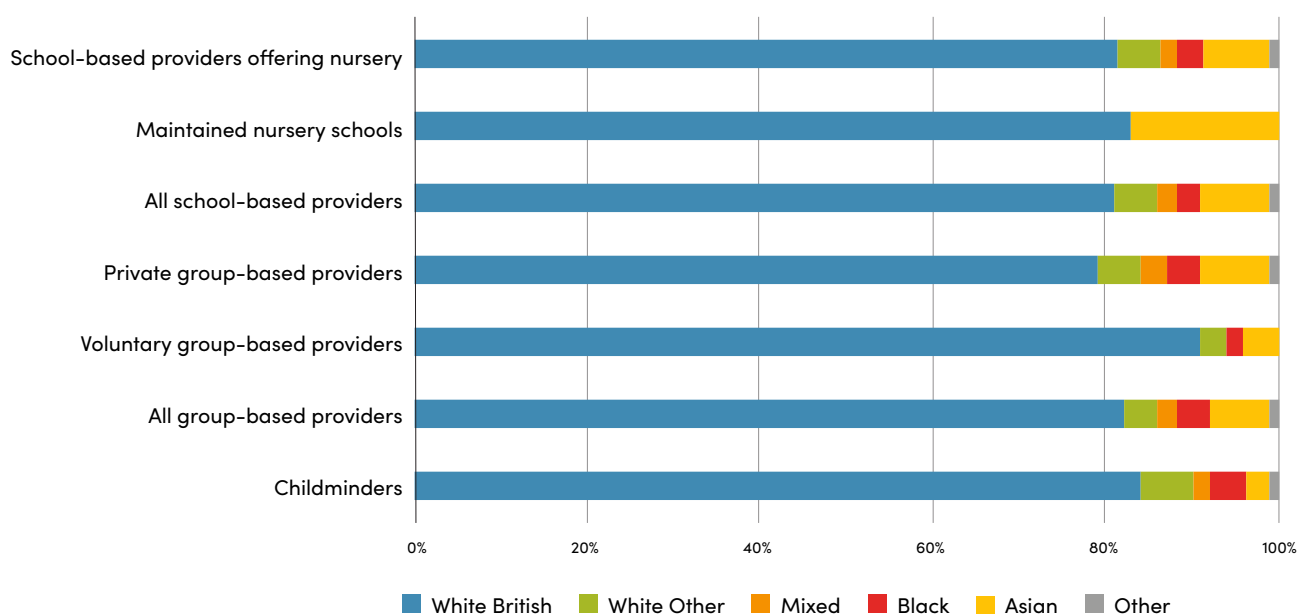
24 Resolution Foundation (February 2023) *Post-Pandemic Participation* (<https://bitly.ws/XGKn>)

25 TUC (2023) *Women seven times more likely than men to be out of work due to caring commitments* (<https://bitly.ws/Xva3>)

## Who is missing from the early years workforce?

When contrasting the ethnicity of early years professionals (Figure 3) with the population in England, it appears that Black and Asian people are under-represented in the early years workforce. There is very high under-representation of Black and Asian men. Diversity in the early years workforce is important. It allows ‘children to experience different cultures and beliefs, boosts their awareness of diversity and increases their sense of inclusion and belonging’.<sup>26</sup> The varied representation across different provider types suggests that there is an opportunity to draw out examples of positive recruitment practice from some parts of the sector.

**Figure 3: Ethnicity of early years professionals (2022)**



## Current conditions in the early years sector

Early years staff demonstrated a high level of commitment to their jobs and reported enjoyment and satisfaction from it. Respondents were asked about their overall perceptions of careers in the early years when they joined the sector and at present. Over 60 percent of people working in group settings perceived the early years as a long-term career. This proportion increased slightly over time as people who initially perceived early years careers as temporary began to view it as a longer-term career. Most childminders (67 percent) still saw their roles as a long-term career, double the proportion who thought this when they first started out. Both nursery staff and childminders found their work meaningful and enjoyed the work itself:

26 Nursery Story (2021) Inclusion, Equality and Diversity in the EYFS (<https://bitly.ws/WYcK>)

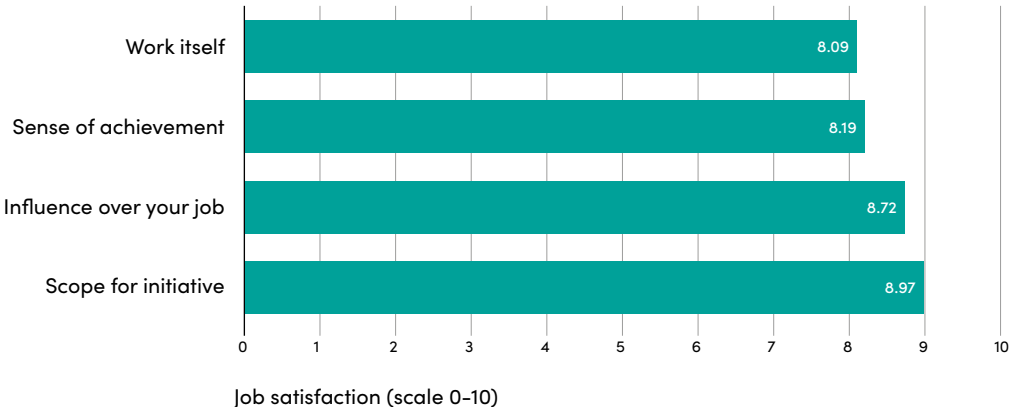
*I love the relationships that I build with the kids and their parents as well and as their carers...I think it's just sort of knowing you're making a difference to families' lives. (W09)*

*It's the most rewarding job that I think anybody can do. I don't think you can do it as a job if you don't have the passion for it. I love the children. I love the families. I love being a part of their little journey. You know, seeing them thrive and flourish. It's just amazing. I wouldn't do anything different. (CM24)*

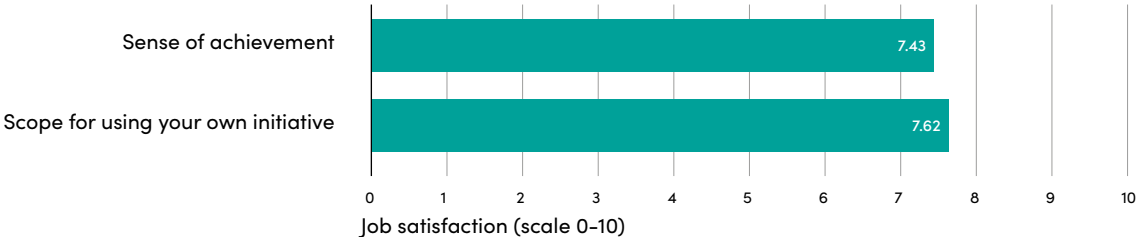
*I love being with pre-school age children. Feedback [on children in her setting] is they're all intelligent well-behaved children that go to school and have a really good grounding and nobody's ever come back and said did not settle or they're not doing well and I think well, if they've settled and they're doing well, we've done our job. (CM16)*

Job satisfaction amongst both nursery managers and childminders was high in relation to certain elements. Childminders received job satisfaction from the work itself, the sense of achievement it brought, the influence they have and the scope to use their own initiative (Figure 4). Nursery staff were very positive about the sense of achievement their work brings and the scope to use their own initiative (Figure 5).

**Figure 4: Job satisfaction amongst childminders**

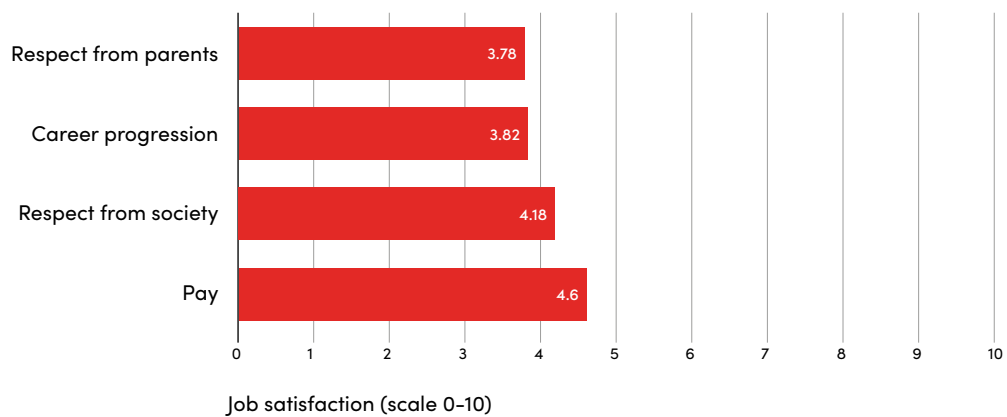


**Figure 5: Job satisfaction amongst group-setting staff**



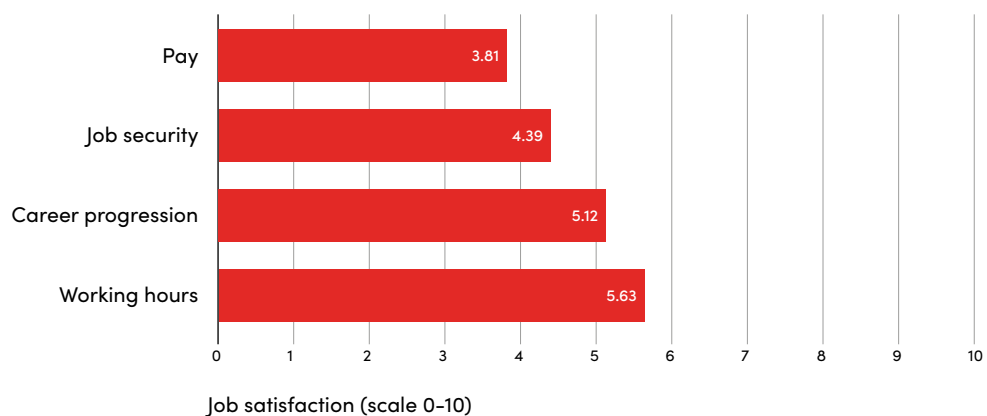
Alongside these areas of high level of satisfaction, there are elements of their jobs where respondents indicated they are less satisfied. Childminders report that the elements of their job they are least satisfied about are lack of respect from parents, limited career progression, lack of respect from society and pay (Figure 6).

**Figure 6: Childminders - Reasons for job dissatisfaction**



For staff working in group settings, there was common ground with childminders in terms of high levels of dissatisfaction with job security and pay. For staff working in nurseries, the next lowest rankings were opportunities for career progression and working hours (Figure 7).

**Figure 7: Nursery workers - Reasons for job dissatisfaction**



Interestingly, job security is a concern, despite nursery staff predominantly being employed on ongoing contracts (Figure 7). This is likely explained by the volatility of early years demand and funding, which results in settings being highly exposed to closures.

## Pay, progression and training

As demonstrated above, poor pay and career progression were both reported as elements of low job satisfaction amongst early years educators. Average hourly pay amongst group setting survey respondents stood at just below £11.00 per hour and annual pay was equal to £23,000 a year. Staff and managers consistently commented on the low levels of pay in the sector. Frequent comparisons with retail, cleaning and factory work were made, including stating that “I’ve seen jobs in cardboard box factories that pay more than my job” (W12). Apprentices, in particular, were low paid:

*But as an apprentice who was doing the exact same job as other practitioners, I got £3.00 an hour and other practitioners who were doing same if not less than what I was were getting like £8.00-£9.00. So I was like, how’s this fair? Because they’re learning? I think if you’re doing the same job, but you should be paid equally, it doesn’t matter your age. Age-wise, I think is a big thing. Like I think if you’re qualified that’s different. But age-wise I think it’s such a big thing like. I’m no different to my 20-year-old also=qualified coworker. So why she being paid like £3.00 less than I am? (FG W 17)*

It was not only low pay from the outset, but limited pay progression over time which was also frequently cited as an issue for educators. In particular, long-serving staff members who had experienced little pay progression over decades of work compared their work to other professionalised jobs:

*I think it kind of stood out for me is the fact that there was no money within the sector... there still is very much that feeling it’s undervalued, underpaid. You know it’s you’re not really hugely respected as an early years worker. My daughter is now doing an apprenticeship and she’s earning the same that I was earning working full-time in a leadership position in an early years setting - [she’s] a 17-year-old apprentice.... the pharmacy said we don’t want to pay you minimum wage. You know you’ve got good grades and they you know they pay above minimum wage for her and it just when she came back with the with the contract and it blew my mind that I was you know a person in my 30s working a leadership role with a Level 7 qualification behind me. (W03)*

*I think it is massively underpaid. For the amount of work that we actually have to do. You know some of the girls that I work with are unqualified. One of them has, she’s just had a baby, but she was saying to me before she left, she was on 7 pounds something an hour. And she was working 11 and 1/2 hour days on £7.00 an hour. (W09)*

Staff with higher levels of qualifications experience pay compression, meaning despite the greater levels of qualifications and significantly higher responsibilities that they take on, there is very little additional remuneration in comparison to their more junior colleagues.

*I was actually only getting £1.49 an hour more than the unqualified staff as a manager. And I was probably doing about 6 hours a month admin for free. (FG W 19)*

***So the pay is reviewed every year and there is a pay increase. So each member of staff tends to get a pay increase unless they're on a performance plan. But they are very small pay increases, you're talking like 10 pence. (NM14)***

Low levels of pay and pay progression had deleterious impacts on their life, including not being able to afford housing or have children:

***There are huge numbers of nursery workers that still live with parents and don't own houses. I live in a house I rent, you know, like we can't. I would never be able to afford to save up a deposit. I just wouldn't. I live month to month, you know, like even now as when I'm older and a marriage, you know, like we don't have money to be able to save up 40, 50, 60 grand for a deposit especially living in the area we live in. (NM04)***

***I'm not a mum. I'm now past that point, so I think when I look back maybe I should have prioritised having children, you know it was never an option. I just never could afford it... you just wouldn't be able to afford it on the maternity pay and you couldn't save. (NM04)***

In our survey, pay overall was low amongst childminders. Some reported that they were able to live on it, dependent on their circumstances. Many childminders reported being dependent on male partners' wages to subsidise low income from childminding:

***I love being with the children... at the moment I can do it. The husband does enough to cover the household bills so I can do it. If that continues, I don't know. You know if he lost his job tomorrow, then I wouldn't be able to afford to do childminding. (Childminder in a focus group)***

This sentiment was shared by many childminders:

***I couldn't, like, earn much... It was more like a supplement to what he was earning. (CM74 – ex-childminder)***

Others reported that the fact they had lower cost housing (mortgages which were low or paid off) meant that they could accept a lower income from childminding. A number also reported trying to survive on less and not increase fees, due to an acute awareness of what parents can afford, aware that parents are struggling with everyday costs and costs of childcare. Many were reluctant to pass on cost increases straight onto parents through raising fees. As such, there was a significant lack of pay progression amongst childminders and one experienced childminder described still only receiving minimum wage and paying ***“myself the same as my assistants”*** (CM16).

Only 10 percent of nursery employees received a pay rise as a result of training and the median hourly pay rise was £0.75 (£1,000 per annum for salaried employees), suggesting a disjuncture between engaging in training and pay progression. Importantly, every second respondent said

that they do not have regular access to paid leave to undertake training and 66 percent agree that funding or costs are a major barrier to receiving training. It is clear that there are major barriers to overcome in terms of supporting professionals to access training and to ensure that such training is linked to a career framework which results in pay uplifts and clear paths for progression for those engaging in training.

## Modelling pay rates

With such high levels of dissatisfaction with pay we sought to establish current pay rates and compare them with rates such as the National Living Wage (NLW) and the Real Living Wage (RLW). Sourcing data on current pay rates for the early years sector was challenging. The Childcare and Early Years Providers Survey 2013 is the latest dataset that includes mean hourly pay for early years professionals by qualification level. Despite extensive research we have been unable to find a more recent version of this mean hourly pay analysis. The lack of ongoing monitoring of pay levels in the sector (when similar surveys are conducted regularly for the health and education sectors) reinforces the sense that insufficient attention has been paid to the early years workforce.

We have used the Annual Survey of Hours and Earnings (ASHE), as this is updated yearly and includes earnings and hours worked by occupation, including mean, median and deciles. We have matched each qualification level within the early education and childcare workforce to an occupation-percentile combination based on several sources that detail commonly awarded qualifications and their counterpart in terms of levels. For levels that couldn't be matched to an occupation-percentile combination, the pay per hour used is the mean between the previous and the next level. We have also aimed to ensure a pay gradient that links to pay levels as we know responsibilities and experience increase with qualification levels.<sup>27</sup> The DfE report "The early years workforce: recruitment, retention, and business planning"<sup>28</sup> has included information on pay by qualification levels and other providers' characteristics in 2021. These figures are close to our assumed pay levels, confirming that the numbers used in the model are a good representation of actual pay levels.

Comparing pay rates of early years professionals to salaries across the UK highlights the very low pay rates in the sector. The median hourly earnings for all UK employees in 2022 was £14.77.<sup>29</sup> According to our modelling (Figure 8) the majority of early years professionals do not achieve this pay rate. Using the OECD definition of low pay (two-thirds of median hourly earnings or less<sup>30</sup>), low pay in the UK in 2022 was £9.85 per hour or less. The starting rate for those in the early years sector is considerably lower than that at £9.18. Our modelling shows a significant gap between the RLW and current pay rates for early years professionals and suggests around one in five early years professionals in England will not be receiving NLW.

27 Full method is shared in Appendix B

28 Department for Education (2021) The early years workforce: recruitment, retention, and business planning (<https://bitly.ws/WXdf>)

29 ONS (2021) Low and high pay in the UK: 2022 (<https://bitly.ws/YatQ>)

30 OECD (2023) Wage levels (<https://bitly.ws/Yaun>)

**Figure 8: Comparative pay rate**

Qualification level	Early Education and Childcare pay per hour	National Living Wage rate (2023)	Real Living Wage rate (2023)	Primary school pay per hour
No UK Early Years qualification	£9.18	£10.42	£11.06	£14.77
Level 1	£9.18	£11.64	£12.36	£16.50
Level 2	£10.08	£12.86	£13.65	£18.23
Level 3	£11.38	£14.08	£14.95	£19.96
Level 4	£12.67	£15.30	£16.24	£21.69
Level 5	£15.68	£16.52	£17.54	£23.42
Level 6	£18.68	£18.96	£20.13	£26.88

Contrasting early years professionals' salaries to those working within primary school settings with equivalent level qualifications shows a significant difference in hourly rates (Figure 8). Working in an early years setting with an NVQ Level 1 qualification you will earn £7.32 less per hour than someone with the same level of qualification working in a primary school setting.

The modelling also highlights the significant compression of wages within the early years workforce. The difference between the hourly pay rate of someone with a Level 1 qualification in early years and a Level 6 qualification (equivalent to degree level) is only £9.50, despite the significant additional requirements, experience and responsibilities. This compression of salary range impacts on people's ability and appetite to progress in work. Whilst pay rises at the bottom of the pay scale (through NLW or RLW increases) are important, our modelling demonstrates that steps must be taken to ensure a concurrent rise in wages for those with higher qualifications.

## Work intensification

Previous research demonstrated the Covid-19 pandemic expanded the responsibilities of early years educators<sup>31</sup> and it is clear that these patterns have had a lasting effect on the sector. The survey highlighted that early years professionals have increasing responsibilities including compensating for the loss of public services during Covid-19 (52 percent of nursery employees) and working with and assessing more children with SEND than pre-Covid-19. Nearly nine in 10 (87 percent) nursery respondents and 63 percent of childminders said that they were working and/or assessing more children with SEND. As one member of staff from a nursery recounted:

31 Hardy et al. (2022) Essential but Undervalued: Early Years Care and Education (<https://bitly.ws/Yaah>)



***I was also SENCO and all my key children were the SEND children [additional needs] and it ended up being that I spent more time being one-to-one than I was being a practitioner... It just got so stressful and exhausting. Just everything was just kind of ... too much, there was so many SEND children and not enough of us to support them and also not getting enough support from external agencies and that was just start getting so tiring... If I hadn't been made redundant, I probably would have debated leaving... And the support wasn't great from management either... I did love early years and I still love being with children, but I just think from COVID it's just got a lot more stressful and the Government aren't helping as much as they should. (FG W17)***

Staff routinely explained that they had experienced expanding responsibilities in their role from a greater emphasis on 'paperwork' (administrative tasks), to filling in for public services which they viewed as having been undermined in recent years, as well as increased reliance on agency staff which increased the amount of work for permanent staff to undertake. Expanding administrative tasks, for some, ***"got really frustrating... the amount of paperwork"*** (W19, focus group).

Staff who had worked in the sector for a long time referenced the ways in which they used to work with multi-agency teams including social services, speech and language and other SEND specialists and health workers. These multi-agency partnerships were frequently cited as not functioning, leaving early years staff to do some of the work of these agencies, for which they were not fully trained or resourced:

***Where the support falls down is for specialist placements, so a lot of children that come to us may not be best suited to us at the nursery and we're doing our best. Staff find it extremely difficult. They're not specialists, and let's face it, they're only getting a minimum wage and they're expected to deal with children who spit, bite, throw something at them could be sharp. They don't really like it. You know, it takes a special someone to be very patient and not everybody's like that. So that's really huge, huge issue. (NM05)***

In response to growing responsabilisation and low pay, agency work was increasingly seen as more attractive to staff; this was for multiple reasons including flexibility, better pay and less responsibility:

***Some of the agency staff we've had in some of our settings have been in post since the pandemic. So they've been now three years in our settings. So you know that they've been there a really long time. They're just not willing to make the jump to being permanent because there's a difference in salary obviously with agency too and we try and match salaries and things, but even then it's the flexibility of being able to work when you want to... we're paying such a high agency cost, it's eating into your profit obviously. (NM04)***

As this nursery manager explained, the extensive use of agency staff has many impacts, both on the setting overall and more directly on staff working conditions. At a setting level, agency costs cut into profit margins and make it more difficult to raise salaries.

These comments were reflected by a number of nursery managers who said that high costs for agencies limited their ability to increase core staff wages. Moreover, the dependency on agency workers increases pressure on existing staff by increasing the responsibilities of those permanent staff, from basic care tasks (nappy changing for safeguarding) to communications with parents and pedagogic assessments of children. We are at risk of a vicious cycle existing in which permanent staff cannot be attracted into the sector due to a lack of decent pay and conditions and in turn, use of agency staff exacerbates this situation. To counter this situation, some nursery managers emphasised the importance of bank staff, who can be called on by an employer when the need arises<sup>32</sup> rather than agency staff:

***No, no, we don't use agency staff at all. And so essentially we have a bank staff team. So if we did it for any reason we were short-staffed or anything like that, then we would be able to call upon them to help. I know from experience in many years ago, we used agency staff and they literally were a person in the room. They don't know the children, they don't know the other staff, they don't know the parents. And you could be wanting a member of staff for a week and they would send you a different member of staff everyday. (NM14)***

Access to a permanent body of bank staff, however, depends on the size of the setting and is more accessible for larger nurseries and particularly chains, leaving smaller settings with few options.

Growing and expanding responsabilisation was frequently directly linked by participants as sitting in contrast to the low rates of pay they received and there was a perception that the gap between responsibility and pay rates was widening:

***Essentially just serv[ing] over the counters or a cashier on a till or worked in the petrol station... They were all on a similar amount. However, that works out at £2.00 or £3.00 an hour more than an early years practitioner, and that's even against the Level 3 qualified practitioner that's over the age of 25. I can't seem to get my head round the lack of responsibility in retail, sitting there scanning someone's shopping, to say, the responsibility for somebody's life. (FG W18)***

Childminders, nursery staff and nursery managers alike reported seeing significant numbers of children with SEND. Nearly nine in every 10 (87 percent) nursery staff and 63 percent of childminders indicated they were working with or assessing more children with SEND than pre-Covid-19. Childminders reported that some of the pre-school children they cared for (an average of 0.4 to 0.6 children) had either suspected but undiagnosed, or diagnosed SEND. Although about half of childminders said these numbers had stayed the same, a fifth said that these numbers had increased since Covid-19. It is unclear whether this increase in SEND assessments is directly related to the impact of the pandemic or is part of a longer-term trend.

32 UK Careers Fair (2022) What Employment Rights do Bank staff have? (<https://bit.ly/3tYAUZV>)

*[Children's] socialisation skills are really delayed and so everything kind of you know, just reduces into fighting and hitting each other and destructive, very destructive behaviours. And we've not seen that to that degree with that many children at any one time. You might have the odd child like that [pre-Covid-19]. But I think it really has escalated in the past three years.... [They need more] social and emotional supports to help them to learn, to regulate, to socialise, you know, to interact with other children. I think we will never see all of the impact disappear. Yeah. It was a trauma. And - and those children are showing trauma behaviours. (CM 69)*

Even though childminders reported lower rates of suspected SEND, one childminder pointed out that compared to schools and even group-based settings, they were similarly expected to undertake all of the responsibilities on their own, as a sole independent contractor:

*Everything you do in school – be it SEND, multi-agency safeguarding, etc - we have to do as well. Except we have to do it all ourselves. But you've got dedicated professionals or you know, people do that particular role for you. (CM26)*

They also argued that when they sought support for SEND, childminders tended to find it hard to access that support:

*The waiting list for speech and language is so long that you've not sort of got access to that really before any of ours go to school. I think it's worse, but it has always been and I think the other thing is childminders get left out with that. Nurseries get access to things very easily. I don't mean necessarily that they get higher up the waiting list, but I do think that it's easier to access [SEND support] and it's quite difficult for us.*

Among those who experienced an increase in the number of children with SEND that they are working with, nearly 70 percent expect a mostly negative effect from changes to the staff to child ratios.

## **Misrecognition and devaluation**

There was a generalised sense that early years staff – whether in group settings or as childminders – had their skills and contribution misrecognised and felt undervalued, both in terms of the pay they received, but also in terms of respect. Childminders ranked 'respect from parents' and 'respect from society' (along with lack of career progression) as three of the elements of their working lives that they were least satisfied with:

*[Early years] is the time a where you're really building their secure attachments and their sense of self and where you also can be really developing their critical thinking skills which will actually make [them] more intelligent. But people just refuse to engage with those ideas. I don't know why. They don't want to value it, I feel like they really, really don't. And maybe it is just economic [to the Government]. (W12)*

*I really do hope it doesn't crash. I hope the sector doesn't fall apart. I hope the Government just learns to listen and not be short termist and that they really value this sector and put into place some good building blocks for the future. For the sake of all the children, really. (NM05)*

*A lot feel sort of abandoned. And yeah, not being listened to. There's always been a lot of reliance on the goodwill and the fact that people, a lot of people, are doing this because it's a vocation and they want the best for the children and all that. But with the cost-of-living crisis, how long can people keep working at this level of pay and with all the all the stress and anxiety that is causing them? (CM31)*

Childminders in particular also emphasised lack of respect not only from the Government, but also from parents, which sometimes resulted in their own needs being subsumed by those of other families:

*Our children always come second... Sports days are missed and parents evenings. The amount I had to miss because I was working. The parents are running late... I said "please be here for this time. I've got a parent's evening" .... You know nativities. End of year assemblies. You miss them... And I just thought I've had enough. (CM76)*

## **Intention to leave and turnover intention**

In summary, these factors suggest work intensification and widening responsibilities for early years professionals for which they feel misrecognised for the breadth of work and services that they perform and unable to access the resources necessary to perform their role well. This is the context which begins to explain why, despite the clear commitment to early education and childcare, high numbers of early years educators stated that they intended to, or were considering, leaving their jobs or the sector. Managers reported that the difficulty in retaining staff had increased from before Covid-19, rating it at a less than four out of ten difficulty before the pandemic and a more than five out of ten difficulty in the last year (with 10 the highest level of difficulty).

Around half (48 percent) of nursery respondents are considering quitting their job in the next 12 months and moving to another job in early years (12 percent responded 'Yes they intend to quit' and 37 percent said that they may quit). The proportion of nursery professionals considering leaving the early years sector altogether is even higher at 57 percent (17 percent responded 'Yes they intend to leave' and 39 percent said that they may leave). Even amongst those who initially perceived their job in the early years sector as a long-term career (61 percent), a quarter were now considering leaving.

Childminders were slightly less likely to consider leaving their role relative to nursery staff, but the proportions were still high. Just under a quarter of childminders (24 percent) said that they were planning (or maybe planning) to leave their childminding role and move to another role in the early years in the next 12 months. More worryingly, a higher proportion (almost 40 percent) said they were planning (or maybe planning) to leave their role and move to one outside the early years sector in the next 12 months.

More positively, few managers said they were planning to leave their job and either move to another one in early years (seven percent) or another one outside of early years (11 percent) in 12 months' time.

It should be noted that intention to leave differs from actually leaving jobs or the sector, but it should be taken as indicative of the widespread dissatisfaction in the sector in relation to the working conditions outlined above. Further, to put these intention to leave figures in comparative perspective, the latest NHS Staff Survey<sup>33</sup> conducted in autumn 2022, found that 17 percent of staff stated they “will leave this organisation as soon as they can find another job”; for ambulance staff that figure was 24 percent. Even in the post-Covid-19 health system, where staff leave rates have been a concern<sup>34</sup>, intention to leave is lower than among staff in group settings in the early years. Turnover intention figures for adult social care in England, another sector experiencing a critical workforce crisis, were more closely aligned with those among the early years workforce. In the Skills for Care 2023 report,<sup>35</sup> 67 percent of social care workers surveyed said they are thinking of leaving social care.

## Why do educators want to leave?

Amongst staff still working in the sector, the survey showed that the likelihood of wanting to leave a job increased if early years workers felt dissatisfied with the following factors concerning their jobs:

- Sense of achievement: four times more likely to consider leaving
- Lack of training: four times more likely to consider leaving
- Poor job security: four times more likely to consider leaving
- Pay levels: three times more likely to consider leaving
- Lack of opportunities for career progression: three times more likely to consider leaving

As demonstrated above, a decrease in satisfaction with training is correlated with intention to leave an early years job amongst nursery staff. There is important context to understand about the type and value of training that our survey provides. Over 78 percent of respondents participated in some form of training over the past 12 months. Over 50 percent of respondents who undertook training reported a typical length of a course as at least one full working day. This length of course is likely to represent mandatory training that is required to be regularly updated by early years professionals. However, around half of respondents indicated that they do not have access to paid leave for training. Furthermore, only a third of those who undertook training spent three to five working days a year on training suggesting that this was substantial and beyond basic mandatory training. In most cases, respondents said that training courses led to a formal qualification yet fewer than one in five said that their job title changed after training and around a third reported increased responsibilities.

33 NHS (2022) Staff survey (<https://bit.ly/3MfXjyQ>)

34 The Observer (February 2022) Stressed NHS staff in England quit at record 400 a week, fuelling fears over care quality (<https://bit.ly/46MUfvX>)

35 Skills for Care (2023) The state of the adult social care sector and workforce in England, 2023 (<https://bit.ly/3Mkj1GH>)

Nursery staff are dissatisfied with the level of pay and there is a correlation between pay satisfaction and intention to leave. Extreme dissatisfaction with pay leads to higher intention to leave. The data suggests long-term low pay and lack of career progression together are likely to be major factors contributing to staff turnover.

The widening responsabilisation of staff was also widely cited in qualitative interviews as a reason for staff leaving the sector:

***We had a staff member who left at Easter because she just couldn't do it anymore. And she was my SENCO. And her commitment to trying to meet the needs, the work she did was phenomenal. She was so passionate about it. But she burned herself out... And now she's working in a hotel, I think. (W15)***

Amongst staff who have left their jobs in group settings, the most widely cited reasons for leaving included:

- Seeking better pay in another sector (42 percent)
- Finding more flexible work (17 percent)
- Seeking better career opportunities (16 percent)
- No longer wanting to work long hours (16 percent)

A member of staff who had left the sector and moved on to a different sector where she earned twice as much, explained that she had depended on wage subsidies from her partner to make up for her own low pay:

***I don't understand how people, single parents, survive on that wage by themselves. I just don't. I don't see how it's possible. When I was working though, I was married and in a family unit and I wasn't the sole earner.... But yeah, [pay having left the sector] it's more than doubled. Like when I was at the nursery. I think when I was then promoted to room leader, I was on like £9.25, I think it was an hour. (W03)***

The issue of low pay is directly linked to poor recruitment and retention in the sector. In one setting alone, W07 reported: "We've had seven people, in the last month, leave because of money. It's really difficult as well because we've had all these people leave and are looking for new people to come in. But nobody wants to do it."

In terms of long hours, many exited staff talked about their unwillingness or inability to work long hours (often ten-hour shifts) and had left to seek better work-life balance. A nursery manager confirmed that she recognised this in the requests for working patterns she received from staff:

***Post-pandemic, people really looked at actually 'what kind of work-life balance do I want?' and I think for a lot of a lot of people the decision was made that [I] actually want to work to live and I don't live to work...it is definitely a trend where we're not even seeing people wanting to work full-time anymore. They just want part-time. So we're having to now do a lot more job-shares and that kind of thing as well. There's definitely a shift post pandemic of wanting to be a bit more flexible. (NM04)***

Nursery managers and other staff emphasised that a shift to greater flexible work post-pandemic had emphasised the negative aspects of these working patterns, particularly in relation to other sectors or even in comparison to agency workers who had greater ability to request shorter hours or later starts:

*I think it's really difficult when our current staff see family members or friends working part-time and having a lovely time or agency staff that can kind of pick and choose their hours. That's really difficult to then say you know how, well you've got like 8 till 6 every day. (NM04)*

Many staff cited receiving minimal breaks of just half an hour during 10-hour shifts and some had no breaks at all

*You had to ask to go to the toilet... If we were lucky, we got a 20 minute... lunch break which we had to take on site and if we wanted to go for a walk, we had to ask for permission. (W114)*

*We got half an hour lunch that was unpaid and then we got 10 minutes in the morning and 10 minutes in the afternoon... I think that was probably good compared to other places, cause when I worked [somewhere else], we literally just got our half an hour lunch and that was it. (W121)*

## Recruitment

In the context of a significant retention crisis, managers reported having difficulties recruiting staff to replace those who had left. On average, staff recruitment had become more difficult in the last year compared to before Covid-19, and this was also the case across every setting type:

- Managers rated the current difficulty of recruiting staff at 7.5 out of 10 (0 - extremely easy, 10 extremely difficult); this compares to 4.4 out of 10 before Covid-19
- School-based settings reported the greatest difficulty on average, both before Covid-19 and in the last year (NB: this is based on 2-3 school-based managers responding to this question)
- Maintained nursery schools, private and school-based settings reported that the difficulty recruiting staff in the last year had roughly doubled since before Covid-19
- NVQ Level 3 staff were the most frequently mentioned as the hardest group of staff to recruit (mentioned by 185 managers)
- NVQ Level 2 and below staff were the most frequently mentioned as somewhat hard to recruit (mentioned by 91 managers)

As one nursery manager told us: *"I've worked in the industry for over 20 years, like I've never seen staffing so bad ever"* (NM04). Managers and staff in nursery settings reported that they didn't simply face numerical difficulty in recruiting the appropriate numbers of staff; declining quality of staff and quality of provision is one of the biggest challenges arising from the recruitment crisis.

*The longer I stayed, the more staff the nursery seem to haemorrhage and we'd have new staff coming in.... We had somebody come and she just didn't last for a shift because she was asked to clean up after lunch.... So we'd end up with one or two members of supply staff most days. So quite often it was either him or me who was in with supply staff, so whoever was in was the only one who really knew the children and was having to run the whole thing...shift started at 8:00 and we were there till 6 and probably quite often after six. (W11)*

*So the sort of people that I'm now having coming for jobs are not qualified. And when they are qualifying or going through the process, they haven't got really got the skillset to achieve the level that we want them to, it's quite apparent from their approach to education and study that they haven't got those things you take for granted – communication skill, interest, perseverance, and professionalism. (NM05)*

Another manager told us that the context in which staff found themselves made it rational that people did not want to join or stay:

*"If you're joining post pandemic, to a setting that's short staffed, [with] lots of agency long hours. I understand why they don't think it's amazing." (NM04)*

Nursery managers had taken a number of measures to try and address the loss of educators and to try and attract new people. Measures to retain people included increasing pay (51 percent), offering additional training (43 percent), flexible working (39 percent) or offering free or reduced childcare (35 percent). As such, while managers are taking action to try and retain existing professionals and attract new people, it is clear that current efforts are insufficient.

## **'Returning' staff to the sector**

In terms of attracting staff who have exited the sector back into early years, every single ex-member of staff interviewed said that they would consider a return to early years if the conditions of work changed. Pay was frequently cited as needing to increase, but career progression and skill attainment were heavily emphasised.

Lack of scope to progress in their career is a key predictor of whether early years staff are likely to leave the sector. Where staff leave the early years sector, they often move into roles which allow them to continue to draw on their knowledge of the early years system, child development, learning, and supporting families; roles in early years quality assurance and policy, education, child support and child and family social services. This suggests that, in many cases, if they want to progress their career, early years staff must leave direct work with children or running settings and enter new roles in adjacent sectors that make use of their knowledge and skills. Offering better career progression within the sector itself offers a key avenue for retaining existing staff and bringing skilled staff back in.



Achieving better work-life balance was frequently referenced by staff who had left. Work-life balance arose repeatedly as an issue for participants. Staff who have now left the sector in particular made frequent reference to long working hours giving them little time in the evenings for their spare time:

***You know, in a day nursery the hours are very long and you know you are on your feet a lot. So I think it's it that's been my challenges is finding and holding on to staff that are really passionate about a career in childcare. (NM14)***

A number of participants cited arriving at work in the dark and leaving work in the dark in winter as a feature which made their working lives difficult and unenjoyable. As such, more flexible patterns of work were also seen as key in returning staff to the sector:

***I think it's just, um, explaining that we can now look at job-shares. You know, whereas previously we wouldn't have considered that. That's definitely been an attraction for some people to to want to come back, to be able to actually work part-time. And so that that's something, we advertise higher salaries now than ever before. (NM04)***

Additionally, leavers stated that shifting the content of the role away from 'paperwork' and administrative tasks back to greater focus on engagement with children would also increase the appeal of coming back:

***I think that's a massive change and that that is something we can advertise to people who have left the industry, you know, come back there is it isn't as much paperwork. You don't have to do as many spreadsheets and tick charts. And I think that can be quite attractive to people. (NM04)***

Overall, it appears that there is an distinct opportunity to attract experienced and skilled staff who have a strong vocational commitment to early years back into the sector if terms and conditions can be changed in terms of pay, career frameworks which enable upskilling, career and pay progression, changes in role content and innovations in flexible work.

## CHAPTER 2: IMPLICATIONS FOR EXPANDING AT PACE

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In this section we set out the modelling we have undertaken to establish how many additional children will be expected to take up places through the extended entitlement and consequently, how many additional professionals will be required to provide those places. We then review these projections against the experiences of those currently working in the sector.

### Staffing the expansion

We need to understand how many more early years professionals will be needed to support the planned expansion, over what time frames these professionals will be required and at what qualification grades. This enables us to estimate how long it will take to recruit and train them and assess whether this is feasible within the proposed timeframes for expanding the entitlement.

In order to know how many professionals are needed, we first have to understand how many additional children will be eligible for and take up the extended entitlement. Within our modelling we are focused on additional children requiring new places due to the entitlement, meaning that those children aged between nine months and two years who are already using early education and childcare will not be captured.<sup>36</sup> We assume that the number of three- and four-year-olds using early years entitlements will continue at the current rate and do not model any additional places through the extended entitlement for this age range. In all of the modelling, the total number of children requiring places declines over time to reflect the declining birth rate. The initial modelling for new places due to the extended entitlement does not include current turnover rates, but the implications of these are explored at the end of the section.

We need to be mindful that a number of children are already using formal early years provision (11 percent of children aged nine months to one-year-old; 36 percent of one-year-olds; 57 percent of two-year-olds).<sup>37</sup> These children may qualify for new government funding through the extended entitlement but we do not want to include these children in our modelling as we assume that there are already early education and childcare professionals supporting them. We note the challenges in how this funding is currently directed. The Institute for Fiscal Studies reports that while around 45 percent of early years support was ringfenced for low-income working families in 2007, by 2022 just 22 percent of support was explicitly targeted to low-income families (working and not). By contrast, support targeted at workers further up the income distribution has grown from a tenth of the overall pot to a third.<sup>38</sup> There are risks that the current criteria to determine which children will qualify for the extended entitlement places will increase rather than narrow inequalities.

36 Our modelling excludes existing children currently using formal childcare places because we assume that there is no need to expand the workforce to cover those children.

37 UK Government (2022) Childcare and early years providers survey: 2022 (<https://bitly.ws/XGP8>)

38 Institute for Fiscal Studies (2023) Early years (<https://bitly.ws/XvjN>)

We developed three different scenarios to give us a range of how many additional children will use formal childcare because of the expansion of the entitlement. From these projections we are then able to model how many additional early years professionals are required and at what qualification levels. We developed assumptions to guide our modelling from documents and reports that we reviewed. The technical note in Appendix B has the references. We then checked these assumptions with coalition members to ensure they were valid. This helped us to identify key details such as how additional educators' time would need to be allocated in practice to ensure high-quality provision for children, leading us to include non-contact time, holiday and training time.<sup>39</sup>

The three scenarios and the assumptions within them are described below, along with projections for the additional number of children that could take up places under each scenario, the implications for additional educator requirements and the timeframes for these. Within our workforce modelling we have shown how many additional professionals are required when expanding the workforce in line with the qualification profile of the current workforce.

Having established the most likely scenario for additional places required, we then also modelled the implications of moving from the current skills profile towards a graduate-led workforce. We used the qualifications profile of the maintained nursery sector to generate the 'desired' skills breakdown of a graduate-led workforce as we know that maintained nursery schools are graduate-led and frequently excel in providing high-quality care for children with SEND and those experiencing disadvantage.<sup>40</sup> This modelling shows the numbers of additional educators and the qualifications required built on a transition period of five years to move from the current qualification profile to a graduate-led one (across the new workforce for extended places).

## Scenario One

We used data on the number of children from nine months to two years old that currently use formal (paid-for) care and informal care (provided by friends or family).<sup>41</sup> We assume that these children are receiving care because their parents are engaged in activity outside the home which could include paid work, unpaid work or training. In Scenario One we have taken a conservative approach to the total take-up rate, assuming that some families who are currently using informal provision may not be eligible for a new place under the extended entitlement due to their parents not being in paid employment.<sup>42</sup>

39 Holiday, training and sickness replacement represents 10 percent of total contact time. Non-contact time, managerial and admin time represents 16 percent of total contact time.

40 Nuffield Foundation (2020) Graduates in early years settings have a positive association with children's learning outcomes (<https://bitly.ws/XvkR>)

41 The DfE Survey of Parents includes the following within 'Formal providers': Nursery school, Nursery class attached to a primary or infants' school, Reception class, Day nursery, Playgroup or pre-school, Breakfast club, After-school club, Childminder, Nanny or au pair. 'Informal providers' include grandparent, older sibling, another relative, friend or neighbour.

42 Our assumption is based on the current percent of three- and four-year-old children that use the 30 hours funded entitlement.

**Figure 9: Scenario 1 - Additional children using formal childcare provision**

Age of child	2024	2025	2026	2027	2028
9 months to 1-year-olds	9,989	9,876	9,765	9,655	9,546
1-year-olds	51,772	51,188	50,611	50,040	49,475
2-year-olds	28,480	28,159	27,841	27,527	27,216
<b>Total additional children qualifying for places</b>	<b>90,241</b>	<b>89,223</b>	<b>88,217</b>	<b>87,221</b>	<b>86,237</b>

The additional children using the entitlement is particularly concentrated amongst one-year-olds (Figure 9) with around 103,000 additional one-year-olds requiring places in the first two years of the extended entitlement. It represents an overall growth of early education and childcare places of six percent from total places in 2022.<sup>43</sup>

Delivering the expansion of places in Scenario One (Figure 10) would require an additional 11,340 early years professionals in 2024 and a total of 22,424 in 2025, equivalent to a seven percent growth in the total workforce from 2022.<sup>44</sup> Within this expanded workforce the majority (13,543) would need to be qualified to NVQ Level 3 and the ratio between Level 6 and Level 3 professionals would be 1:5.

**Figure 10: Scenario 1: Additional professionals (current qualification mix)**



43 UK Government (2022) Childcare and Early Years Provider Survey (<https://bitly.ws/Yaou>)

44 *ibid*

## Scenario Two

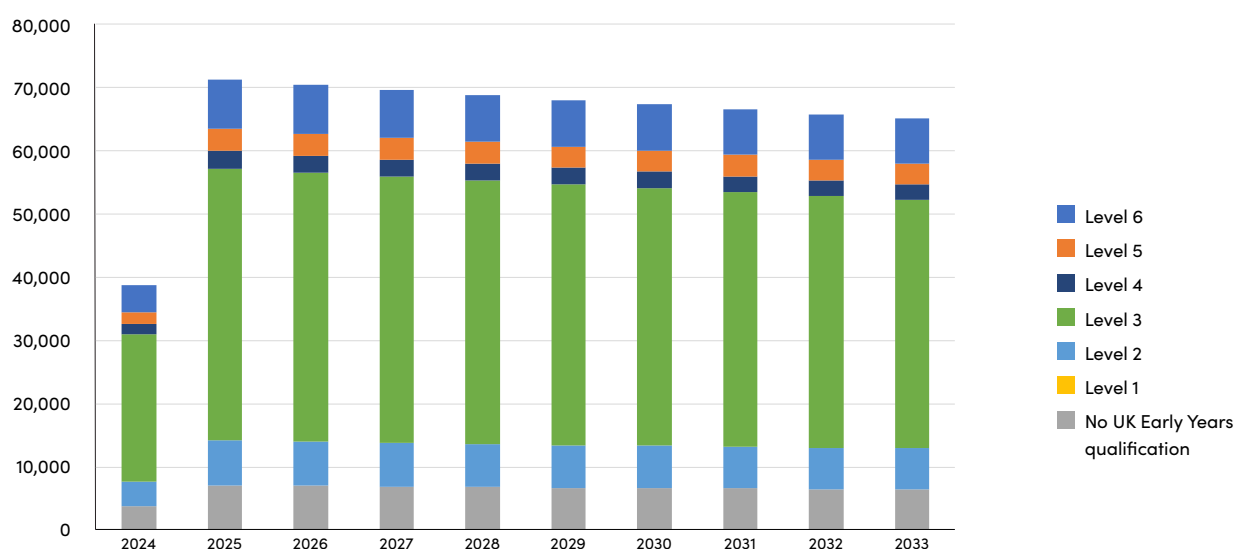
In Scenario 2 we have modelled how many additional places would be needed if all those children currently using informal childcare (from nine-months-old to two-years-old) move to formal childcare because of the extension of the entitlement from 2024 (32 percent of children aged nine months to one-year-old; 62 percent of one-year-olds; 71 percent of two-year-olds).

**Figure 11: Scenario 2 - Total additional children using formal childcare**

Age of child	2024	2025	2026	2027	2028
9 months to 1-year-olds	29,380	29,048	28,721	28,397	28,076
1-year-olds	152,271	150,553	148,855	147,175	145,515
2-year-olds	83,765	82,820	81,885	80,962	80,048
<b>Total additional children qualifying for places</b>	<b>265,415</b>	<b>262,421</b>	<b>259,461</b>	<b>256,533</b>	<b>253,639</b>

Within Scenario Two we see an additional 265,415 children able to access the extended entitlement in 2024 (Figure 11). These children are predominantly one-year-olds but there are also significant additional two-year-olds. It represents a 17 percent increase in early education and childcare places from total places in 2022.<sup>45</sup>

**Figure 12: Scenario 2: Additional professionals (current qualification mix)**



<sup>45</sup> UK Government (2022) Childcare and Early Years Provider Survey (<https://bitly.ws/Yaou>)

Scenario Two would require an additional 38,726 early years professionals in 2024, a growth in the current workforce of 12 percent from 2022.<sup>46</sup> In 2025 the additional numbers of professionals would be 71,267, of which 43,042 would need to have NVQ Level 3 qualifications (Figure 12).

## Scenario Three

In this scenario we model a take-up rate similar to the Nordic countries, where universal access for young children has been the norm for some time. These take-up rates are considerably higher than the current extensions to the entitlement would allow but can be seen as indicative of a system with universal and free access.<sup>47</sup> In this Scenario we assume 67 percent of children aged nine months to one year old, 67 percent of one-year-olds and 90 percent of two-year-olds are using formal early education and childcare provision. This would translate into an additional 457,345 children using formal early education and childcare places in 2024 (Figure 13) a 30 percent increase in early education and childcare places from total places in 2022.<sup>48</sup>

**Figure 13: Scenario 3 - Additional children using formal childcare provision**

Age of child	2024	2025	2026	2027	2028
9 months to 1-year-olds	78,346	77,462	76,588	75,724	74,870
1-year-olds	181,554	179,506	177,481	175,478	173,499
2-year-olds	197,445	195,218	193,015	190,838	188,685
<b>Total additional children qualifying for places</b>	<b>457,345</b>	<b>452,185</b>	<b>447,084</b>	<b>442,040</b>	<b>437,053</b>

## Staffing the additional places

As Figure 14 shows, delivering the expansion of places will require 127,330 additional early years professionals by 2025, a 38 percent growth from the 2022 workforce.<sup>49</sup> The majority of additional educators (76,904) will need to have an NVQ Level 3 qualification. An additional 13,868 NVQ Level 6 professionals would also be needed by 2025.

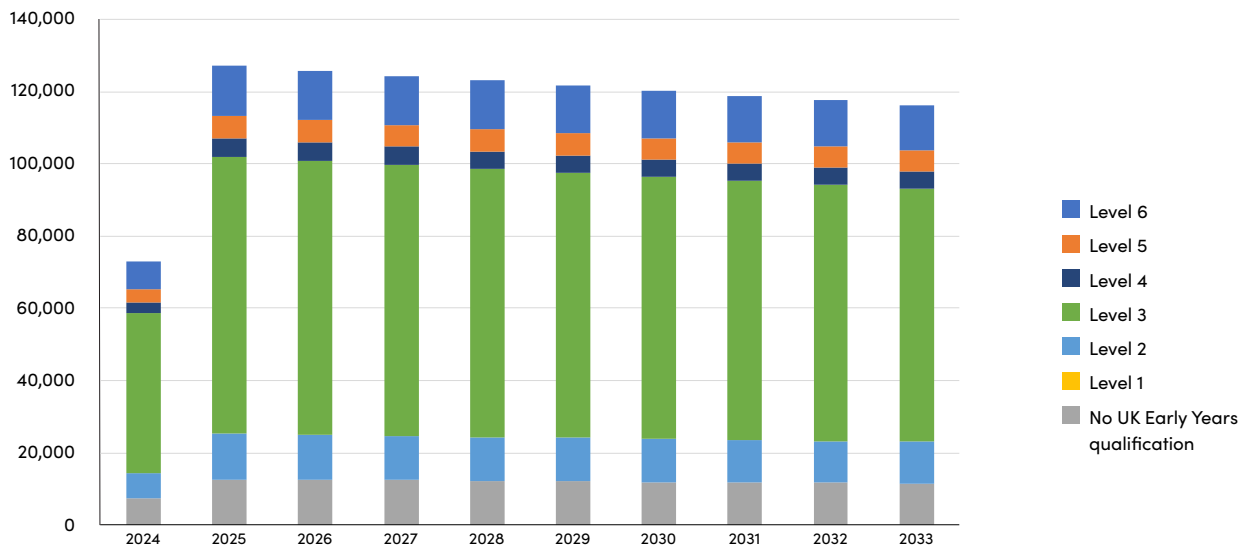
46 ibid

47 De Henau, J. (2022) Simulating employment and fiscal effects of public investment in high-quality universal childcare in the UK, International Journal of Child Care and Education Policy: 3 (<https://bitly.ws/XGQW>)

48 UK Government (2022) Childcare and Early Years Provider Survey (<https://bitly.ws/Yaou>)

49 UK Government (2022) Childcare and Early Years Provider Survey (<https://bitly.ws/Yaou>)

**Figure 14: Scenario 3: Additional professionals (current qualification mix)**

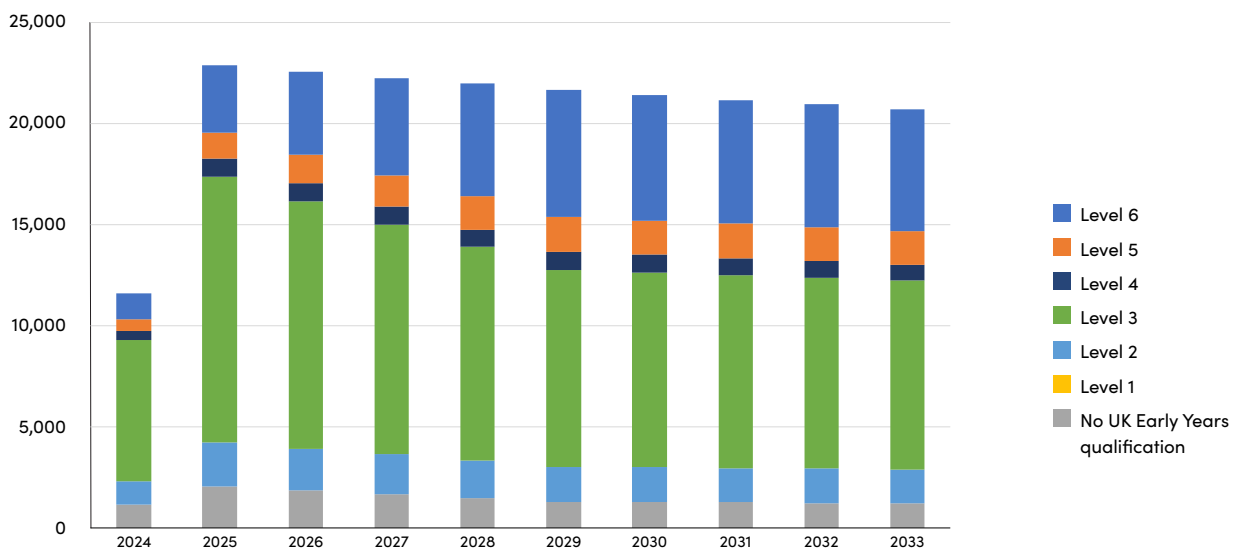


Whilst Scenarios Two and Three give us a sense of the variables in expanding an early entitlement offer, we have settled on Scenario One as offering a plausible and conservative response to the current extended entitlement announced by the Government.

### Expanding with a graduate-led workforce

We took the opportunity to model improved quality of provision (using Scenario One) alongside the quantity, using the expansion to shift towards a graduate-led workforce over five years. Through this route (Figure 15) we achieve a ratio closer to one-and-a-half NVQ Level 3 practitioners for every NVQ Level 6 educators after five years. This reflects a substantial increase in graduates within those recruited to deliver the extended entitlement, with the numbers holding an NVQ Level 6 qualification doubling in five years. The new qualifications profile will also have implications for professional pay in the sector.

**Figure 15: Scenario 1: Expanding with a graduate-led workforce within five years**



Our modelling suggests that a growth of at least six percent across all providers will be needed in order to meet the new places needed to respond to the extended entitlement offer. We used our survey of those currently working in the sector to understand how they felt about the feasibility of expanding provision. We explored with group settings and childminders their intention and capacity to expand and deliver places to meet the extended entitlement.

## How do childminders feel about expanding provision?

Most childminders plan to offer the new entitlements, with 77 percent of childminders planning to offer the entitlement for nine-month-olds to two-year-olds and 82 percent saying they plan to offer the entitlement for three- and four-year-olds. Contrary to this, other participants said that such expanded entitlement would mean that they would have to leave the sector:

*In terms of funding, I don't actually offer funding because I wouldn't be able to financially afford it. So when the 9 month old funding comes in, whatever that is might mean that I close my doors because I can't financially, it's not financially viable anymore. (CM06)*

Across all childminders surveyed, the number of places offered could expand by an average of five percent if no additional government support is offered. However, most childminders (78 percent) said that it was unlikely or very unlikely that they would increase the total hours they offered as result of the Government's pledge to extend entitlement hours. This indicates that, for childminders, the expansion of the entitlement offer is more likely to result in a shift in their funding source from parent fees to government funds, than the creation of additional hours or places.

Average occupancy for childminders we surveyed was 70 percent in June 2023, suggesting there is some capacity for childminders currently in the system to take on additional demand. Beyond this, nearly all childminders said they wouldn't be making changes to accommodate the forthcoming greater entitlements for parents. Specifically 90 to 92 percent said that compared to 2023, they had not offered places to a greater number of children to start from September/April 2024; 86 percent said that their settings would not provide training to educators to accommodate the changes; and nearly all (97 to 98 percent) said that they were not planning to make any physical changes to the structure of their buildings. This likely reflects the regulatory limitations on childminders' ability to expand the number of places they offer. Just over half (52 percent) of childminders said that their setting would be prepared to accommodate changes without additional government support but the remainder (47 percent) said that their setting would not. Childminders we interviewed tended to view the extended offer principally as affecting the source of their funding and increasing their administrative burden:

*My worry for next year is that ... the funding's getting me stressed because I know that realistically, I'm going to have to offer stretch funding. I don't have to. And I know I don't have to, but that's not who I am. I want to help the parents. I want to help the families. So I will go back to offering stretch funding. I'm going to be making less money than ever because of the funding rate and doing more work than ever, you know. (CM24)*



In addition, childminders highlighted the ways in which extended entitlement would mean that the Government would have even more control over price setting for their services, while still leaving no additional employment security:

*When [the Government] is telling people you can only earn this rate per hour, which is basically what they're doing and they just uplifted it and now they're saying come March that will go down, how many people and jobs would accept that? We have... none of the benefits of being an employee of the Government, but we're being dictated to how much basically we can earn. By then, I'm paid by them as long as we adhere to their rules. So we're basically employees. But you know, without any of the benefits of a teacher in a school. (CW33)*

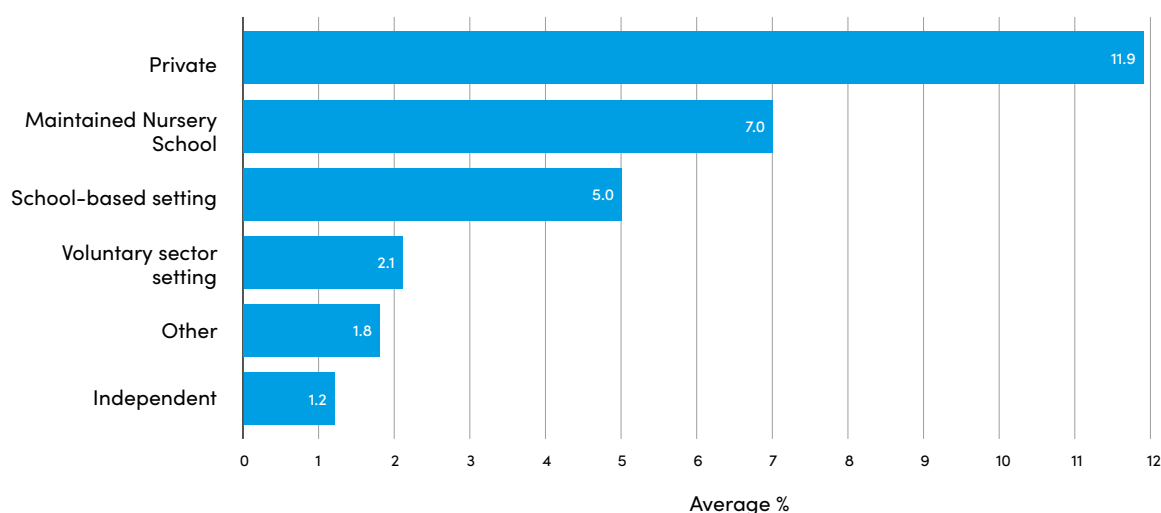
## How do nurseries feel about expanding provision?

On average, managers reported that they could expand the number of childcare places by eight percent, as it stands, with no additional government support. There was some variation in this. For example, managers of private settings said they could expand the number of places in their setting by an average of 12 percent, whereas managers of independent and voluntary settings said they would only be able to expand the number of childcare places in their setting by an average of one or two percent (Figure 16).

Yet most managers said they felt less confident (23 percent) or they didn't know (26 percent) whether their setting would remain open in six months' time following the funding entitlement announcements. This reflects significant uncertainty in the sector which exacerbates the volatility in the sector. Only 14 percent said they felt more or a lot more confident about remaining open. Those that felt less confident were more likely to be managers of private, voluntary and independent settings. 70 percent of managers said that it was time for a new model for funding the early years sector.

**Figure 16: which type of settings will be able to expand places?**

*If nothing changed and without additional government support, how far could you expand the number of places? By setting type (average %) (n=152)*



In transferring the cost of provision from parents to government, funding streams to providers also shift to rely more heavily on government funding. When government funding does not reflect the full cost of the provision of places, this has the effect of lowering income overall for providers and challenging their budgeting strategies.<sup>50</sup> As such, the rate of pay for delivering entitlement hours makes a difference as to whether providers intend to offer them.

The most common challenges of responding to increased demand was the inability to recruit professionals with appropriate qualifications (reported by 116 nursery managers), followed by maintaining quality standards (reported by 98 nursery managers). Vacancies appeared to be increasing across all levels. On average, recruitment had become more difficult in the last year compared to before Covid-19, and this was the case across every setting type. Level 3 staff were the most frequently mentioned as the hardest group to recruit (mentioned by 185 managers) and a decline in the quality of staff was cited as one of the biggest challenges arising from the recruitment crisis.

*It's really difficult as well because we've had all these people leave and are looking for new people to come in. But nobody wants to do it. Nobody wants to do it anymore because I think it is. It's because of the wage and the amount of work. It is as well. I don't think people realise how exhausting it is emotionally, physically, mentally. (W07)*

The links between the need for trained, experienced staff to work with SEND children and the need to fund SEND at a higher staff-to-child ratio are articulated by the head of this chain which specialises in SEND:

*It is tricky cause it costs a lot of money. And it costs a lot of money cause we need a lot of staff, so we only recruit staff who are Level 3 or above, because we need staff who have some experience, knowledge and skills already in place...we do want experienced staff to work with our children because you know, they're hard. (NM09)*

For settings which have the capacity to train staff, recruitment is less of an issue. For those with limited time and resources, the provision of training, mentorship and guidance is challenging.

## What capacity is there to expand provision?

Most settings were already operating at close to full capacity and the majority with waiting lists for their services:

- Over 67 per cent of settings had waiting lists with the average number of weeks on the waiting lists equal to 25. These were most likely to be private settings
- Settings in the most deprived IMD decile 1 were the least likely to have waiting lists and were less likely to have waiting lists compared to settings in the least deprived deciles (7-10)
- Children aged one- to two-years-old have a longer wait time, averaging at 12.8 weeks - compared to children aged under one (including those unborn) who have an average wait time of 9.7 weeks

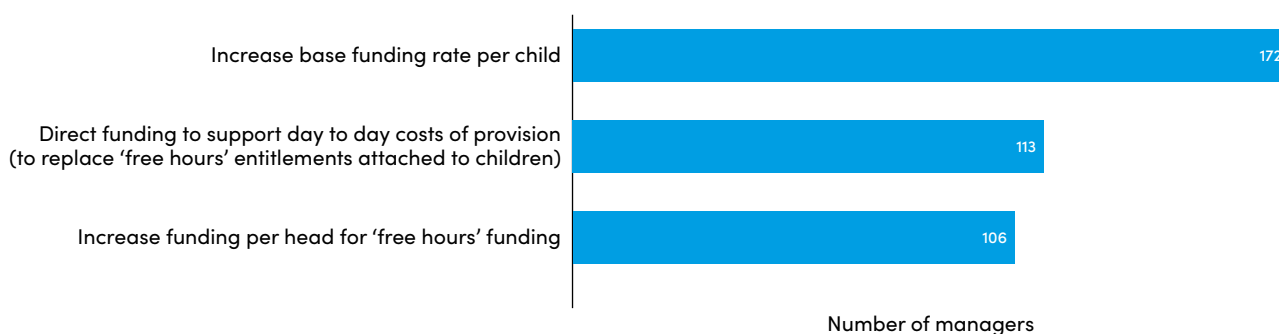
50 Leeds University Business School (2023) Not for love nor money: How will the government staff its proposed expansion of childcare entitlement hours amid a crisis of recruitment and retention in the early years (<https://bit.ly/3QwjQNr>)

- Maintained nursery schools have some of the longest wait times. Children aged one and under (including those unborn) wait an average of 26 weeks and children aged one- to two-years-old wait an average of 18 weeks

The most common reason for nursery settings to have waiting lists was because they were operating at full capacity, followed by having high demand for their services (93 managers).

**Figure 17: What will enable the expansion?**

What are the **THREE** main things that would enable your setting to respond to the Government's planned expansion of entitlement-funded hours? (Most frequent response)



Childminders had an average of nearly three children on their waiting lists. The main reasons for having waiting lists was because they were at operating at capacity (reported by 89 percent of childminders), because of high demand (reported by 81 percent of childminders) and because families reserve places for their children to start at a later date (reported by 59 percent of childminders).

*I feel as though I could fill our space three times over. No, we haven't got any space and ...there seems to be a trend at the minute of children not staying for very long at nursery and then wanting them to come to a childminder. Mums are saying you know they would prefer that smaller environment and obviously less children and a bit more focused on them. I'm finding that a lot lately. (CM01)*

A fifth of childminders that responded to the survey employed someone else in their setting. The average number of people employed was 1.6 (so between one and two people). Childminding business models are small, with a small number of employees. A fifth of childminders responding to the survey said they had vacancies and that these vacancies had been in place for an average of 19 weeks, indicating that there is a shortage of professionals with many childminders unable to fill vacancies. This could indicate that finding additional educators to support any expansion of places may prove difficult, even in cases in which childminders would seek to expand. Nearly all childminders (92 to 93 percent) said that they would not be able to recruit the relevant qualified and experienced staff necessary to increase the number of places. Moreover, some childminders have had to stop taking on assistants because the funding rate had not increased in line with increases in the national living wage:

*They keep putting the living wage up, but the Government don't pay us a very good rate for the hourly rate for funded children. I can't afford to have staff anymore. (CM14)*

Childminders had mixed attitudes about the impact that changes to the child:staff ratios would have on them and their work. Over a third (35 percent) said that these changes would have both positive and negative impacts. Over a quarter (27 percent) of childminders said that the impacts would be positive whilst another quarter were unsure about the impacts; 14 percent said it would have a negative impact. Despite this mixed response to the impacts of changes to child:staff ratios, over half (53 percent) of childminders said it was very unlikely or unlikely that they would actually make use of them.

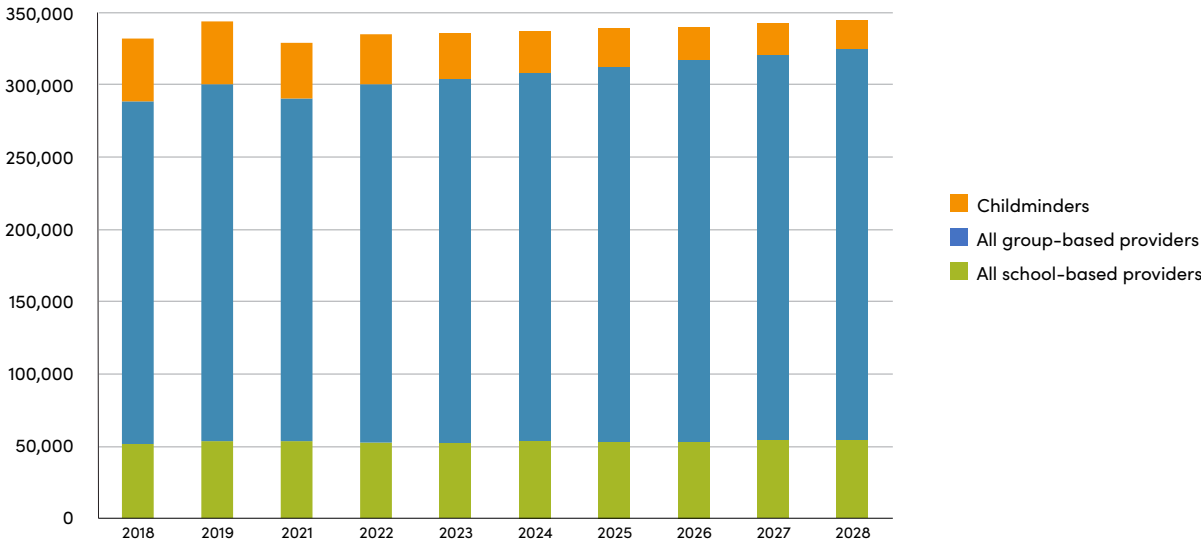
The vast majority of childminders said that they intended to offer the new entitlements, with 77 percent stating they would offer the nine month entitlement and 81 percent the two-year-old entitlement. At a time of financial pressure on many households due to the increasing cost of living, this lack of clarity may lead to more professionals choosing to seek employment elsewhere due to the need for secure income.

### What are future workforce numbers based on current trends?

Using average change in the workforce figures between 2018, 2019 and 2022 (Figure 1) we projected the future size of the early years workforce up to 2028 (Figure 18). This modelling shows that if historic recruitment and retention patterns continue as they have historically we would expect a further 10,234 professionals to be in post by 2028. Growth would come predominantly in group-based settings and to a smaller extent in school-based providers with an ongoing decline in childminders, reducing to 19,556 in 2028.

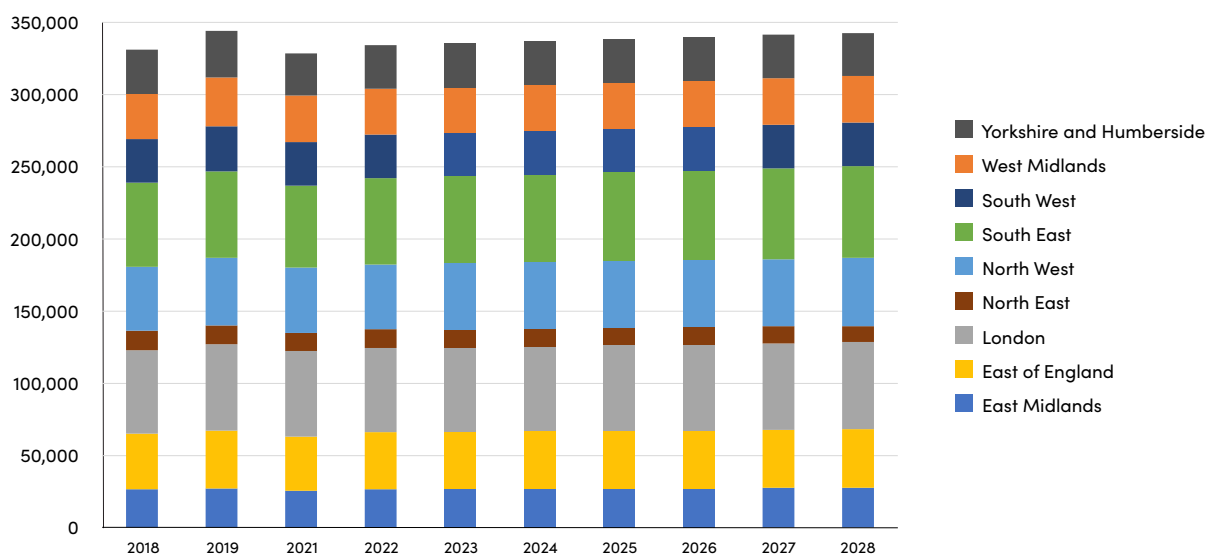
These figures, drawn from historic patterns, are likely to be significantly inaccurate when contrasted to the data generated by our survey, which finds significant numbers of staff intending to leave the sector.

**Figure 18: Projected early years workforce (from historic trends)**



Alongside national workforce patterns, we used historic trends to project workforce numbers at a regional level across England (Figure 19). This highlights that changes in the workforce are not evenly spread. By 2028 the number of early years professionals in the North East will decline by 12 percent, whilst the workforce in the South East will increase by seven percent. The pattern of future early years workforce distribution raises concerns that children living in areas already experiencing high levels of disadvantage may face the greatest challenges in accessing high-quality early education places.

**Figure 19: Regional analysis of future workforce**



In contrast to historic data, our survey spoke directly to the current workforce and those who have recently left. It demonstrates that there is potentially a far greater problem of turnover and loss of professionals than previous trends suggest.

## How do current workforce pressures affect the planned expansion?

Whilst the workforce modelling earlier in this section presents a useful overview of the number of additional practitioners required for the extended entitlement offer, it doesn't account for the high intention to turnover that we have found in our research. As Section One describes, there are very high levels of early years professionals intending to leave. Alongside expanding the entitlement to new families, it is very important to maintain current levels of provision for the children and families that already access it. When combining the additional educators needed for the expansion with the 'replacement' professionals needed to keep current provision open we see a significant number of additional early years professionals is required across a short period of time (Figure 20).

**Figure 20: Additional professionals required for current provision and expansion commitments**

	2024	2025
Professionals in group settings 'intending to leave' (12%)	36,092	36,567
Childminders 'intending to leave' (9%)	2,440	2,226
Additional professionals for the extended entitlement (Scenario 1)	11,340	11,084
<b>Total additional early years professionals required</b>	<b>49,872</b>	<b>49,877</b>

As the earlier modelling has shown, a large proportion of these roles will need professionals with at least NVQ Level 3 qualifications. These qualifications take around two years to achieve. Survey respondents have highlighted that recruitment has become harder since Covid-19 and is taking longer. Recruiting the equivalent of 15 percent of the current workforce before September 2024 and again in 2025 appears to be extremely challenging.

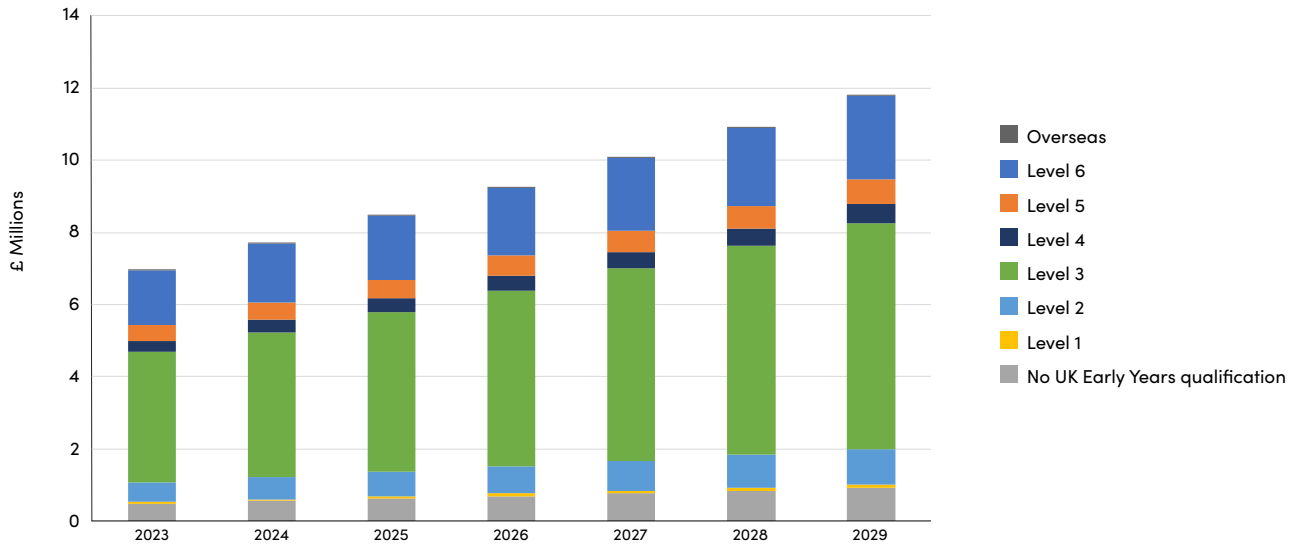
## Tackling pay

Pay rates for the majority of early years professionals are tied to the Government's 'free hours' funding model.<sup>51</sup> With such a large proportion of income coming from this route, low funding rates work to suppress wages across the early years workforce. Providers are more likely to increase staff pay if the hourly rate for entitlement hours was increased by the Government (likelihood ranked seven out of 10 in our survey) than through increasing costs for parents (likelihood ranked six out of 10 in our survey).

Our modelling suggests that current workforce salary costs (using our 'approximate hourly rate' figure and the current qualifications profile) are around £6.9 billion. Increasing the salaries of the lowest paid in the workforce to be in line with Real Living Wage rates (and maintaining appropriate pay intervals between senior roles) would require an additional £1.7 billion of funding to be invested. Aligning pay and qualification rates between early education and childcare professionals and maintained nurseries and primary school settings requires an additional £4.6 billion in total. This would be best achieved as a phased transition, supported by wider work to design and implement a national pay framework that provides greater clarity around job roles as is already the case in the education sector. We have modelled a six-year transition for this (Figure 21).

51 Staff working within the Maintained Nursery Sector are paid in line with primary school pay rates and receive supplementary funding

**Figure 21: Phased alignment of pay rates over 6 years (staffing costs per year)**



# CHAPTER 3:

## THE NEED FOR INTERVENTION

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Fundamental changes are required to enable the sector to deliver the planned expansion of entitlement that parents are expecting. To the question ‘*Is it time for a new model for funding the early years sector (i.e. replace the Early Years National Funding Formula (EYNFF) with a new way to fund the sector)?*’, 70 percent of Nursery Managers answered yes.

The early years sector is largely staffed by highly committed professionals who experience high levels of job satisfaction from the content of their roles and who view the sector as a long-term career option. They have an appetite for advancing their skill levels and knowledge. Most childminders (67 percent) still saw their roles as a long-term career, with only a minority (10 percent) seeing childminding as a temporary role. Many people are committed to the work and report high levels of job satisfaction due to the positive impact that they are having on the lives of children and families:

*It’s a vocation. I absolutely love so many things about it. It’s quite physically and emotionally demanding. So sort of how long I’ll be able to continue with it? It’s more than that. I won’t want to end [childminding]. But also, yeah, there’s all the uncertainty with more funding coming in and the lack of support. (CM31)*

However, with so many considering leaving the profession it is clear that despite their love of the role, their conditions of work need to improve. For many years early years professionals have sought to be recognised for the valuable and skillful role that they deliver.<sup>52</sup> We know low pay is a serious factor but in our survey, those working in the sector have talked about multiple issues that reach beyond an improvement in pay rates. In this section we use the CIPD’s ‘Good Work’ framework to analyse recent reforms to the early education and childcare systems in Ireland and Australia. From there we summarise key learning for England and share the priorities for change of people currently working in the sector.

### What is Good Work?

The Chartered Institute of Professional Development (CIPD) defines Good Work as work that:

- Is fairly rewarded and gives people the means to securely make a living
- Allows for work-life balance
- Gives opportunities to develop, and ideally a sense of fulfilment
- Provides a supportive environment with constructive relationships
- Gives employees the voice and choice they need to shape their working lives
- Is physically and mentally healthy for people <sup>53</sup>

52 Early Years Alliance (2023) We Are Educators Campaign (<https://bitly.ws/YavN>) and National Day Nurseries Association (2023) #FirstFiveYearsCount (<https://bitly.ws/Yawv>) and Pacey (2023) #ChangedALife - supporting recruitment in the early years and childcare sector (<https://bitly.ws/YawY>)

53 RSA (September 2018) Measuring Good Work (<https://bitly.ws/WQkw>)



The elements set out below (Figure 20) combine the CIPD components of ‘Good Work’ with recommended measures identified by the ‘Measuring Job Quality Working Group’ convened by the RSA and Carnegie UK.

**Figure 20: Good Work**

Good Work Index (CIPD)	Measuring Job Quality working group. (RSA/ Carnegie)
Pay and benefits	Pay (actual), satisfaction with pay
Contracts	Job security, minimum guaranteed hours, underemployment
Work-life balance	Over-employment, overtime (paid and unpaid)
Employee voice	Trade union membership, employee information, employee involvement
Job design and the nature of work	Use of skills, control, opportunities for progression, sense of purpose
Health and Wellbeing	Health, safety and psychosocial wellbeing, physical injury, mental health
Relationships at work	Peer support, line manager relationship

In exploring learning from other countries we applied the ‘Good Work’ framework to draw out areas of policy and practice that support these fundamental aspects. We focused our attention particularly on Ireland and Australia. These two countries have comparable liberal welfare states with more familiar ‘tax and spend’ approaches than the Scandinavian countries who are frequently lauded for their early years approach. In recent years, in part as a response to the pandemic, both countries have invested in reforms to their early education and childcare systems.

## The Early Education and Childcare system in Ireland

In 2020/21 approximately 31,600 professionals worked in the early years sector in Ireland.<sup>54</sup> There were an estimated 15,000 childminders in 2020.<sup>55</sup> The workforce has higher professional qualifications than in England. 95 percent of those working directly with children have qualifications at National Framework of Qualifications (NFQ) Level 5 or higher (equivalent to NVQ 3 Level in England) and 70 percent have qualifications at Level 6 (NVQ Level 4-5 in England) or higher. Amongst managerial staff, 45 percent have a qualification at NFQ Level 7.<sup>56</sup> The Irish Government initially implemented mandatory requirements for the qualifications of childcare professionals in 2010. The Workforce Plan for Early Learning and Care 2022-2028 outlines additional strategies to enhance the working environment for childcare professionals, with the goal of achieving a primarily graduate-led workforce by the conclusion of this timeframe.<sup>57</sup>

54 Pobal (May 2022) Annual Early Years Sector Profile Report (<http://bitly.ws/SfDP>) p. 14

55 Lloyd, E (2023) Learning from Ireland (Forthcoming)

56 Pobal (May 2022) Annual Early Years Sector Profile Report (<http://bitly.ws/SfDP>) p. 14

57 New Economics Foundation (2023) Childcare in Ireland (Forthcoming)

Under the Early Childhood Care and Education programme (ECCE), all children over the age of two years and eight months can access fifteen hours of free childcare per week for 38 weeks a year.<sup>58</sup> Alongside this is the National Childcare Scheme (NCS) which comprises two elements: firstly a universal, non-means tested, subsidy for parents of children aged between 24 weeks and 36 months using childcare delivered by a registered provider, and secondly an income-related subsidy for parents of children aged 24 weeks to 15 years, who are employed or studying, and who use childcare or out-of-school care from a registered provider. Multiple child discounts apply, and the subsidy is based on parents' net income.<sup>59</sup> In 2022 45 percent of children under six-years-old were cared for informally by parents, 16 percent by childminders, 10 percent by other relatives, while 27 percent were enrolled at formal care settings.<sup>60</sup>

The early education sector is run through a privatised system by independent for-profit and voluntary providers with no history of public sector provision. Approximately 70 percent of early years providers are for-profit and the remaining 30 percent are in the Voluntary, Community and Social Enterprise (VCSE) sector.<sup>61</sup> Regulation requirements by age group are: 1:3 for zero to one-year-olds in day care centres; 1:5 for one to twos; 1:6 for two to three; and 1:8 for three to eight.<sup>62</sup> For childminders, these staff to child ratios are the same.

In 2020/21, the national average weekly fee per child was €186.84 for full-time and €110.92 for part time.<sup>63</sup> Average weekly fees charged by private providers were higher than fees charged by community providers (10 percent higher for full day care, 24 percent higher for part-time care).<sup>64</sup> Under the National Childcare Scheme (NCS), subsidies to reduce parental costs were introduced to replace previous childcare support schemes.<sup>65</sup> There is a non-means tested Universal Subsidy for parents of children aged between 24 weeks and 36 months using childcare provided by a registered provider, and a means-tested Income Assessed Subsidy for parents of children aged 24 weeks to 15 years, who are employed or studying, and who use childcare or out-of-school care from a registered provider.<sup>66</sup> Dual earner families with only one parent employed only qualify for up to 20 hours, whereas employed single parent and dual-earner families can claim for up to 45 hours.<sup>67</sup>

In 2020, public expenditure on early education was 0.33 percent of GDP – a figure that is below half of the EU average at 0.7 percent.<sup>68</sup> The Government launched plans in 2018 to double expenditure by 2028 to at least €970 million under the ECCE 'First5' programme. The 'First5' is a whole-of-government strategy for babies, young children and their families delivering between 2019 to 2028.<sup>69</sup> However, increased expenditure might happen much sooner than anticipated as €269 million was put towards the Core Funding Scheme in the recent 2023 budget.<sup>70</sup>

58 First5 (2021) About First5 (<http://bitly.ws/SELP>)

59 Lloyd, E (2023) Learning from Ireland (Forthcoming)

60 Early Childhood Ireland (2022) Policy Brief – DCEDIY Survey of Parents 2022 (<http://bitly.ws/SETC>)

61 Schreyer, I. and P. Oberhuemer (2018) Ireland—Key contextual data, Systems of Early Education and Professionalisation (<http://bitly.ws/SERs>)

62 New Economics Foundation (2023) Childcare in Ireland (Forthcoming)

63 Pobal (May 2022) Annual Early Years Sector Profile Report (<http://bitly.ws/SfDP>) p. 13

64 *ibid*

65 National Childcare Scheme (2023) Home (<http://bitly.ws/SEUh>)

66 IPPR (September 2022) Towards a Childcare Guarantee (<http://bitly.ws/SEUA>)

67 Lloyd, E (2023) Learning from Ireland (Forthcoming)

68 New Economics Foundation (2023) Childcare in Ireland (Forthcoming)

69 Government of Ireland (2018) First5, a whole-of-government strategy for babies, young children and their families 2019-2028 (<http://bitly.ws/SfAM>)

70 Lloyd, E (2023) Learning from Ireland (Forthcoming)

Two government departments, two independent state agencies, and thirty regional committees share the Irish ECEC system's governance and form its operating model.<sup>71</sup> Each City/Childcare Committee involves a partnership with all local ECEC stakeholders, including parents.<sup>72</sup> Regulation comes through the Department of Children, Equality, Disability, Integration and Youth (DCEDIY) and the Department of Education.<sup>73</sup> The National Action Plan for Childminding 2021 to 2028 is a new government strategy to bring the childminding workforce within the scope of support and regulation, to improve the coordination and delivery of childminding services.<sup>74</sup>

## Reform in Ireland

Activity in Ireland relates to several interrelated elements of the Good Work framework. They are explored briefly below.

**Pay and benefits:** The implementation of an employment regulation order and establishment of a Joint Labour Committee (JLC) has reviewed minimum pay levels across the sector and developed a national pay scale. This has a direct impact on professionals levels of pay. The framework supports ongoing monitoring of wages within the sector and more consistency across pay rates.

**Contracts and Terms of Employment:** In 2021 legislation was introduced to give all workers the right to paid sick leave: three days per year in 2022, rising to five days payable in 2023 and seven days in 2024.<sup>75</sup>

**Employee voice and representation:** The JLC includes union representation and takes on a monitoring role and continuous sectoral consultations, negotiating directly with employers and government. A programme to increase the diversity of the workforce has been established which combines targeted career support for groups currently underrepresented in the early years workforce, ongoing monitoring of workforce diversity against targets and a roll-out of Equality, Diversity and Inclusion training across the whole sector.

**Job design and the nature of work:** Government has committed to a graduate-led workforce by 2028. This is supported by a career framework with a Continuing Professional Development (CPD) approach and a central hub for career development with information on career pathways, training opportunities and job vacancies. Targets and funding underpin the pledge. For example, a target that all Lead Educators should have a Level 7 (degree level) qualification by 2028<sup>76</sup> is supported by higher rates of funding for settings that have graduate 'room leaders' and higher rates of funding for settings that employ qualified Inclusion Coordinators to support children with SEND. Payments are also accessible to providers to support staff's 'non-contact time' activities<sup>77</sup> which could include training, learning and reflection time. The Learner Fund is available to support training for practitioners and childminders to achieve the minimum

71 First5 (November 2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<https://shorturl.at/yLP48>)

72 Lloyd, E (2023) Learning from Ireland (Forthcoming)

73 New Economics Foundation (2023) Childcare in Ireland (Forthcoming)

74 Government of Ireland (April 2021) National Action Plan for Childminding (2021 – 2028) (<http://bitly.ws/SEWA>)

75 University of Leeds (2023) Essential but undervalued: Early years care and education during Covid-19 (<https://bitly.ws/XtV4>)

76 University of Leeds (2023) Essential but undervalued: Early years care and education during Covid-19 (<https://bitly.ws/XtV4>)

77 ibid

qualifications that will be required by 2028 and a funded degree programme has been established for professionals to follow a career pathway from Early Years Educator to graduate level Lead Educator.<sup>78</sup>

A key aspect of the work in Ireland is that activity to develop core elements such as a national pay scale took place in conjunction with the reform of the funding system for early education and childcare. The new 'Public Good' model in Ireland includes a core funding stream paid directly to providers that comes with conditions, including expectations around pay, training and development of early years providers. This new 'conditional' approach to funding enables government to be confident that increases in overall funding reach the workforce as intended. It has resulted in 75 percent of early years professionals seeing pay improve since the introduction of the new funding approach.<sup>79</sup>

## The Early Education and Childcare system in Australia

In 2021 over 216,000 educators worked in the Australian early years sector. 85 percent of those have an early childhood education and care qualification, while 12 percent have a bachelor's degree.<sup>80</sup> The largest proportion of childcare provision (in 2020) was by private for-profit settings (49 percent), while private not-for-profit community managed settings accounted for 21 percent of provision.<sup>81</sup> Other types of provision include State/Territory and Local Government managed settings (seven percent), State/Territory Government schools (four percent), Independent schools (three percent), and Catholic schools (one percent).<sup>82</sup> Seven percent of childcare places in Australia are provided by childminders.<sup>83</sup>

In Australia children must attend school by their sixth birthday but Early Childhood Education and Care (ECEC) prior to this is not compulsory.<sup>84</sup> In 2019, 40 percent of children aged between zero and three years old attended ECEC, while 67 percent of children aged three attended ECEC.<sup>85</sup> There have been lower attendance rates for Indigenous Australian children and a targeted programme (Closing the Gap) to ensure 95 percent of Indigenous Australian children are enrolled in ECEC by 2025.<sup>86</sup> Early years care provision includes family day care and long-day care.<sup>87</sup> Within family day care settings there is a 1:7 educator-to-child ratio. For centre-based care ratios requirements change depending on the age of children and the state/territory.<sup>88</sup>

The average fee for full-time care in an early years setting ranges from \$70 to \$200 per day.<sup>89</sup> The Australian Government provides funding to state and territory governments to make the cost of preschool more affordable for parents, with states and territories responsible for setting out costs in their region. Some states ask for a fee, others have no fee or have a voluntary

78 *ibid*

79 Lloyd, E (2023) *Learning from Ireland* (Forthcoming)

80 Australian Government Department for Education (2023) *Early childhood workforce* (<http://bitly.ws/SMYv>)

81 Fawcett (June 2022) *Childcare and early education systems: A comparative literature review of liberal welfare states* (<http://bitly.ws/SMtP>)

82 *ibid*

83 *ibid*

84 *ibid*

85 Australian Government (2020) *Closing the Gap* (<https://rb.gy/b3zy5>)

86 *ibid*

87 Fawcett (June 2022) *Childcare and early education systems: A comparative literature review of liberal welfare states* (<http://bitly.ws/SMtP>)

88 *ibid*

89 The Guardian (July 2023) *Childcare fees in Australia outpace inflation with rises of up to 32%, report finds* (<https://bit.ly/3s0pVyQ>)

contribution levy.<sup>90</sup> The Universal Access National Partnership, introduced in 2018, works to ensure children have access to 15 hours of quality preschool each week in the year before starting full-time education.<sup>91</sup> The Child Care Subsidy (CCS), introduced in 2018, helps cover the cost of childcare from approved providers for children from birth to thirteen. The amount of CCS received depends on the income and activity level of parents. CCS is paid directly to providers by the Government, with this amount then passed onto families as a fee reduction.<sup>92</sup>

Since 2016, public spending on ECEC in Australia has accounted for 0.7 percent of GDP. The Australian Government announced a \$1.6 billion national reform agreement, running from 2022 to 2025, that intends to strengthen universal access to preschool. Supplementing this, the Commonwealth will continue to provide a per child contribution to states and territories of \$1340 (£779).<sup>93</sup> From March 2022, families with more than one child aged five and under will have their CCS increased by 30 percent for their second child and younger children. To qualify for the higher CCS, families must earn less than \$354,305 (equivalent to £200,735) with annual caps for CCS removed at the end of 2021.<sup>94</sup> The 'Shaping Our Future' strategy (2021) is a ten-year plan for the children's education and care workforce.

The National Quality Framework (NQF) sets out legally enforceable obligations and standards for the operation of ECEC services in Australia, with National Quality Standards detailing the requirements for independent assessment of providers. Authorities within states and territories monitor providers and ensure that the NQF is adhered to.<sup>95</sup> In 2021, 86 percent of all ECEC services had a quality rating of meeting national quality standards or above.<sup>96</sup>

## Reforms in Australia

The Shaping our Future strategy (2022–2031) has six interrelated areas of action (Figure 21): professional recognition; attraction and retention; leadership and capability; wellbeing; qualifications and career pathways; data and evidence.<sup>97</sup> It was developed through close collaboration between government and all main stakeholder groups that will need to be involved in delivering the strategy.

90 Raising Children Network (2023) Preschool in your State (<https://rb.gy/51ssu>)

91 Fawcett (June 2022) Childcare and early education systems: A comparative literature review of liberal welfare states (<http://bitly.ws/SMtP>)

92 Raising Children Network (2023) Preschool in your State (<https://rb.gy/51ssu>)

93 Australian Government (2023) Preschool Reform Agreement (<https://rb.gy/7oeni>)

94 *ibid*

95 Fawcett (June 2022) Childcare and early education systems: A comparative literature review of liberal welfare states (<http://bitly.ws/SMtP>)

96 National Children's Education and Care Workforce Strategy (August 2022) Shaping Our Future: Complementary New and Enhanced Workforce Initiatives Summary (<http://bitly.ws/SNBK>)

97 National Children's Education and Care Workforce Strategy (August 2022) Shaping Our Future: Complementary New and Enhanced Workforce Initiatives Summary (<http://bitly.ws/SNBK>)

**Figure 21: Six Focus areas of Shaping Our Future strategy<sup>98</sup>**



We explore this and other Australian interventions using the ‘Good Work’ framework below. There are innovations being tested at region and state level but our account focuses predominantly on the national approach.

**Pay and benefits:** A Pay Equity Panel and a Care and Community Sector Panel<sup>99</sup> have been established. The panels have appointed experts who are able to direct investigations and commission research. They have the power to order pay rises for workers in low paid workforces dominated by women with the aim of achieving pay equity. A new agency – ‘Jobs and Skills Australia’ – has been set up to work with government, employers and unions to research workforce trends and gather ongoing data on workforce trends.<sup>100</sup>

**Contracts and terms of employment:** A childcare discount for the early childhood workforce has been funded in 2022 for employees to access if their child is enrolled in their place of work.<sup>101</sup> This will support retention by reducing the number of people leaving their role when having their own family and also increases the number of children able to access provision. The Apprenticeship Incentives scheme is focussed on priority occupations ensuring support is targeted to the skills in demand in the Australian economy, including early childhood education and care workers.<sup>102</sup> The incentives scheme provides additional financial and nonfinancial support to apprentices which increases the numbers of people able to complete their training.

98 ibid

99 ibid

100 ibid

101 ibid

102 National Children’s Education and Care Workforce Strategy (August 2022) Shaping Our Future: Complementary New and Enhanced Workforce Initiatives Summary (<http://bitly.ws/SNBK>)

**Employee voice and representation:** To increase the diversity of the early years workforce, commitments have been made to offer free, fast-tracked skills assessments for eligible migrants who are residing in Australia and are on a family, partner, refugee or humanitarian visa and are interested in working in the sector.<sup>103</sup> Additionally the THRYVE Pilot (2022 – 2025) is a targeted programme to direct support, professional services, advocacy, and a collective voice for the Aboriginal and Torres Strait Islanders who are already working within the early years sector.<sup>104</sup>

**Job design and the nature of work:** Within the Shaping Our Future strategy a review of early childhood teaching programme requirements will take place<sup>105</sup> and new professional qualifications will be developed such as a Bachelor of Early Childhood Education and other new Masters courses.<sup>106</sup> Educator professional standards, increasing coaching and mentoring opportunities, and a professional learning fund for non-government educators will be established.<sup>107</sup> A Learning Hub will provide information of best practice, self-paced modules, interactive webcasts, and webinars.<sup>108</sup> Wider resources have been developed such as a ‘How to talk about early education and care’ to value and support the sectors professionalism.<sup>109</sup> Early Learning Matters Week will explain to communities how high-quality early education and care supports children and raises awareness of the role of early childhood education and care in children’s development and wellbeing in Australia.<sup>110</sup>

**Mental health and wellbeing:** A national campaign called ‘Be You’ will provide educators and teachers with training and resources to support mental health and wellbeing of children, families and their colleagues<sup>111</sup> and provide mental health and wellbeing training. Trauma Responsive Professional Support Networks have been established to encourage the development of shared expertise and language in trauma responsive practice, and strengthened relationships with children, families and across the sector.<sup>112</sup>

## Reflections

In both Ireland and Australia these workforce strategies have developed through close collaboration between cross-departmental government teams, unions and providers working together. In Australia there was also a significant role for individual states to ensure any national strategy is shaped to respond to the particular challenges that they face. Both countries have developed national frameworks to support workforce pay and progression, with targeted interventions to increase representation within the early years workforce.

The work of the JLC in Ireland and the new Jobs and Skills agency in Australia includes providing ongoing data and monitoring of the workforce, identifying trends and scoping interventions in real time. Increasing opportunities for training, reviewing existing and developing new

103 ibid

104 ibid

105 University of Leeds (2023) Essential but undervalued: Early years care and education during Covid-19 (<https://bitly.ws/XtV4>)

106 National Children’s Education and Care Workforce Strategy (August 2022) Shaping Our Future: Complementary New and Enhanced Workforce Initiatives Summary (<http://bitly.ws/SNBK>)

107 ibid

108 ibid

109 ibid

110 ibid

111 ibid

112 ibid

qualifications support the intention to improve the quality of early education and care that children receive. In Australia resources have also been committed to improve the public understanding of the important role of early years professionals.

There is some overlap between the work underway in Ireland and Australia and the interventions named as most important by early years professionals in our survey. When we asked what initiatives would have a positive impact on early years settings, people working in group settings identified (in order of priority);

- Better staff recognition and reward
- Funding allocated to settings not to children
- Early Years teachers directly funded by government
- Staff paid directly by government

## Inspiring practice in England

As has previously been noted, England currently lacks a coherent workforce strategy. Interventions tend to be piecemeal, rather than the strategic interconnected approach that Ireland and Australia have undertaken in order to develop a sustainable, high-quality early years sector. However, despite the constraints the providers in England are operating within, we have managed to identify examples of inspiring practice and innovation. These are mostly happening due to innovative leaders rather than incentives in the current system. Many settings have had to become adept at securing additional resources in order to do this work. We share these examples as an indication of what could become widespread practice with the appropriate infrastructure to support them.

We found examples where organisational structures and governance arrangements influenced staff pay and benefits. In the case of the Meadows Nursery, aligning pay to grading structures within the wider education sector, whilst Childbase has an employee ownership model that ensures transparency.

**Meadows Nursery, Sheffield** is driven by the approach of *“changing lives through relationships”*. The nursery is a community not-for-profit setting built through a partnership between Sheffield Hallam University, Watercliffe Meadow Primary School, Sheffield City Council and Save the Children UK. The nursery is open Monday to Friday between 9:00am and 4:00pm and has provision for up to 40 children between the ages of two and four. Staff are paid in-line with the University of Sheffield’s established pay grading structure. Staff wellbeing is maintained through regular staff support and relationship-mapping meetings, twilight sessions, and consistent staff feedback. The nursery is also host to a one-day-a-week breakfast club that enables families at the nursery to come together to access services and build new relationships and support networks.

**Childbase** began with a single nursery site in 1989. The company now runs 44 settings from Sheffield to Winchester, with over 6,000 places available for children aged between six weeks and five years. 93 percent of their settings are rated outstanding by Ofsted. In 2017, Childbase became an employee-owned company with shares held and administered by a Trust Board for



the benefit of all employees. Childbase has a governance structure that ensures transparency across the organisation which is underpinned by the 46-elected member Partnership Council working with Company Directors and the Trust Board. The Council – with one representative from each setting – is empowered in all major strategic decisions including acquisitions and the profit-sharing Partnership Dividend, a tax-free payment based on company performance and hours worked by all 2,300 employee-owners. The payment – a maximum £3,000 in 2021/2022 – is the same from full-timers to apprentices and the chairman, with pro-rata payments for others.

Our research found that many early years practitioners have seen their workload increase, with finding more flexible work and no longer wanting to work long hours – both key reasons for leaving nurseries. Alongside this many practitioners were concerned about the lack of opportunities for ongoing professional development. These examples highlight working practices that build in flexibility for staff teams and support the quality of their provision.

**Links Daycare, Warwickshire** is a not-for-profit private setting in Nuneaton, Warwickshire providing all day, wraparound and summer holiday provision for up to 50 children from the age of two. The nursery serves a community in an area ranked within the top two percent of most deprived Super Output Areas (SOAS). Staff retention at Links has been high, with most of the team having worked at the nursery for many years. The setting maintains an empathic approach with staff being able to take leave or days off when “life happens”. Regular weekly check-in meetings and termly reviews occur to ensure the staff team feel valued and supported, with bonuses and gifts given to staff on holiday periods. The setting provides wraparound care to an infant and junior school.

**Springboard, North Somerset** is a voluntary sector provider that has been running for 35 years open during term-time, with play schemes in the holidays. The provider was originally started by parents for children with complex needs. Springboard runs four settings with around 100 children attending throughout the week. In each of their settings, educators work with small groups of children (8 to 9 at any one time) with a staff to child ratio of 1:2 across the board. This high ratio is not a reflection of the funding Springboard receives, but of their commitment to meet each child’s needs. This requires substantial fundraising efforts to obtain the required extra income. Springboard pays staff higher than minimum wages and has a clear internal progression and pay scale. In addition, every team member has four hours per week of non-contact time for reports, reflection and providing family support, access to counselling services, sick pay over and above statutory sick pay and supervision time with an educational psychologist. Springboard also invests in training for the staff team and has very high expectations about the training and development opportunities practitioners can pursue. They use ‘The Art of Brilliance’ to support staff wellbeing.

**Grasshoppers in the Park, London** is a private, not-for-profit setting located in Hackney. It is open Monday to Friday, 8:00 am to 6:00 pm. The nursery admits children between the ages of two and five years old, and has 30 to 35 families registered. The nursery makes sure there are no more than 20 to 21 children per day because of the size of the room and so that the staff to child ratio is not over-stretched. Staff retention at Grasshoppers in the Park has been very good with most of the staff having Level 3 qualifications. Staff pay has increased with inflation every year and there are performance-related increases to pay. Moreover, staff are given a five percent

bonus at Christmas. Parental voice has played a significant role in the success of Grasshoppers in the Park. Parents have the flexibility to swap days if they go away, and staff and parent relationships are built and sustained through bi-monthly parent meetings, social events, parent and staff picnics, and weekend parent and staff gardening days.

**Grass Roots Day Nursery, Halifax** runs two private settings in the Calder Valley. The full day nursery provides all day, all year round places and is based in a community in the top seven percent of deprivation in England. The second setting is a pre-school that is open from 8.30am to 4.00pm, term-time only. Alongside the nursery business, Grass Roots Day Nursery also runs a community interest company (CIC) which seeks to support the local community through initiatives such as a community pantry, a public warm space, stay and play sessions for families, and support with signposting people to local support services. The nursery has 25 staff members working across the two sites. The setting really values having training internally in the setting and tries to maintain CPD for the staff team. On-site full-staff training days take place once a term to support the team's opportunities for reflection and learning. The nursery also hosts staff from other settings who want to improve their SEND offer; the staff team visited Grass Roots to shadow and learn from their team, enabling them to take the practice back to their own setting.

# CHAPTER 4:

## CONCLUSIONS

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A crisis of retention is occurring in the early years sector, which is in many ways more acute than the crisis of recruitment. Addressing the conditions which encourage the *retention* of skilled and experienced educators will also establish the basis for encouraging people to *return* to the sector as well as *recruiting and training new people*. Without such interventions, our research suggests that the extended entitlement offer cannot be delivered at the scale, pace or quality expected.

Recruiting and training the numbers of people required as new entrants to NVQ Level 3 will be very challenging and most importantly, will take at least two years for people to qualify. A more effective route to growing the workforce in the short-term is encouraging those who have recently left to return. This would also serve to bring experience, skills and qualifications back to the sector, creating more informed and supportive environments for newly-recruited staff to join and deliver high quality early years provision.

Our work shows that many people who have recently left are still very committed to the sector and would be willing to return if issues are addressed. These key areas of focus, raised by current and previous nursery educators and childminders are:

- Access to training
- Job security
- Pay levels
- Career progression
- Respect from parents and wider society

Addressing these issues will support retention of existing educators, especially those who are currently intending to leave, and will increase the likelihood of experienced professionals returning to the sector.

**Access to training and career progression:** Quality is the route that will generate the best results. Access to training and professional development is a core element in retaining the current workforce and supporting those who have recently left to return. In Ireland and Australia reforms have focused on reviewing early years qualifications, developing national skills frameworks, investing and incentivising professional development opportunities and introducing new career pathways to increase the number of graduates in the workforce. Increasing the qualifications of the early years workforce increases retention, improves the likelihood of people returning and also enhances the quality of education and care that children and families receive.

**Pay levels:** Current pay rates and opportunities for progression are an important issue for childminders and nurseries alike. It was shocking to discover that there are no recent or ongoing reviews of pay rates across the early years workforce. Pay rates are very low, with significant compression between the salaries of the lowest and highest qualified in settings. Providers told

us that they had increased salaries where they could retain professionals but are extremely hesitant to increase charges to families in order to increase wages. The Government is currently responsible for a very significant proportion of providers' income. The underfunding of 'free hours' contributes to the extremely low salaries in the sector. In order to encourage early years professionals to remain or return, pay must urgently be improved, alongside ongoing tracking of the pay and conditions of the early years workforce.

For too long the sector has suffered from piecemeal interventions that may bring short-term impact but fail to address the wider issues that the early years workforce is facing. The key lessons from Ireland and Australia are that a comprehensive and co-ordinated workforce strategy that acts across a number of interrelated areas is necessary to stabilise the early education sector, improve access and affordability for children and increase the quality of provision.

## Policy responses

Policy responses are set out as 'rescue' or 'reform' interventions. Rescue interventions are urgent, short-term interventions that are required immediately to stabilise the sector. Reform interventions are longer-term interventions capable of moving the sector away from crisis and towards the long-term, sustainable social infrastructure that we need to support young children and their families to thrive.

### Pay and Benefits

#### *In the short-term:*

- Improve pay for early years professionals to ensure that everyone with NVQ Level 1 achieves at least the Real Living Wage. Funding must ensure proportionate uplifts across more senior positions too. Pay will be improved by government increasing the hourly funding rate and ensuring that future funding is reviewed annually and is increased in line with the annual increase in RLW

#### *In the longer-term:*

- Work with providers and unions to develop a national pay structure for early years professionals that structures pay rates in relation to qualifications and levels of responsibility
- Align early years professionals pay with the wider education workforce within five years. Aim for parity with equivalent qualifications within the primary school workforce and the maintained nursery sector through a phased uplift in funding over a period of 10 years.
- Commission annual surveys to track pay and conditions across the workforce
- Introduce conditions to public funding to ensure funding uplifts reach staff salaries

## Work-life balance

More flexible working across the sector will support better work-life balance and reduce the number of early years professionals leaving the sector due to caring responsibilities. Legislative changes are due in 2024 which will enable employees to request flexible working opportunities to be considered.

### ***In the short-term:***

- DfE must fund a comprehensive package of support (training, funding and materials for settings to use) to prepare for forthcoming legislative changes, including Flex from Day One, and embed flexible working across the sector. Pioneer sites can be funded to champion flexible working within early years settings

### ***In the longer-term:***

- Invest in different models of delivery and ownership of early education and childcare that build a stronger voice for those working in them and ensure they are able to shape the organisation within which they work (e.g. co-operatives, social enterprises and worker-owned organisations)

## **Job design and the nature of work:**

Access to training and opportunities for career progression are two important areas named by existing childminders, nursery educators and those who had recently left. Taking action on this will help to retain the existing workforce and encourage others to return.

### ***In the short-term:***

- Re-establish a career development hub at the DfE and work with unions and providers to develop a coherent early educator career framework clearly linking qualifications to roles and routes for career progression, ensuring that it is linked to the national pay scale. Prioritise in-person in-place training over online content
- Resource 'on-site' training provided through mentors/ coaches so that nursery educators are supported to learn in their place of work – thus reducing the need to 'release' people for training opportunities
- Make the childminder experts and mentors programme permanent
- Commit to a graduate led workforce by 2028 and reboot the Graduate-Led Grant scheme to support professionals to access additional qualifications
- Increase requirements for and ensure access to universal SEND qualifications to ensure all professionals within settings have understanding of working with children with additional needs. Increase access to on-site, whole team SEND awareness training
- Adjust the apprenticeship levy to enable it to be locally directed into early years recruitment and training programmes in areas of highest need – e.g. the North East
- Urgently review the growing responsibilities of early years professionals in relation to 'replacement' of lost statutory services

### ***In the longer-term:***

- Review funding and inspection routines to incentivise graduate led settings
- Develop a programme to enhance SEND training, based on the Graduate-Led Grant scheme

## Employee Voice and representation

### *In the short-term:*

- Implement a series of targeted national recruitment programmes focused on increasing under-represented groups into the early education and childcare sector. Groups to consider include minoritised people, men and particularly minoritised men
- Develop collective bargaining for the early years workforce

### *In the longer-term:*

- Grow the number of settings that have employee representation at board level. Over time make this conditional on receiving public investment

## Health and wellbeing

### *In the short-term:*

- Ensure trauma-informed training is incorporated within all NVQ Level 3 training
- Ensure that all early years professionals have access to enhanced sick pay

# APPENDIX A:

## UNIVERSITY OF LEEDS

### METHODOLOGICAL NOTE

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#### Research approach

The research project used a mixed methods approach, using quantitative surveys and two qualitative methods (interviews and focus groups). The former were designed to measure the degree to which particular phenomena were occurring and the latter to understand the complexity and reasons for the quantitative findings. In all cases, the surveys and interviews were run concurrently, rather than sequentially. The participants included educators in both early years nursery-based group settings and childminders in domestic settings, and managers of nursery settings of all kinds. We included both those currently working as well as those who have exited the sector, who were purposefully sampled. Those who have already left can be considered a 'hard-to-reach' group, and the numbers of those we were able to engage in the survey and interviews were smaller in number than those currently working in Early Years as a result. We felt it important to engage with both those currently working in the sector and those who had left to provide data on evidence on why they left and what might attract them back to the sector, as these are critical research questions and challenges for the future sustainability of Early Years.

#### Quantitative data

The quantitative data is made up of three bespoke surveys totalling 994 responses:

1. Nursery staff (396 responses)
2. Nursery managers (294 responses)
3. Childminders (322 responses)

We used three surveys of early years (EY) sector workers: (i) employees who work in nursery settings, (ii) managers of nursery settings and (iii) childminders. All survey data were collected online using the Qualtrics platform for survey design and dissemination. Data for the employee and manager surveys were collected between July 21 and August 14, 2023. The overall number of usable responses was 396 for the employee survey (85 percent of respondents currently work in EY) and 294 for the manager survey. Data for the childminder survey was collected between 15th September 2023 and 9<sup>th</sup> October 2023 and the overall number of useable responses was 322. The demographic data for all three surveys is presented below.

#### Sampling

Our strategy for recruitment to the survey was to engage Coalition partners in circulating the survey. This was circulated via organisations including LEYF, EYA, Pacey, Unions, Dingley's

Promise, NDNA, Early Years Professionals Facebook group; LinkedIn (posting and direct messaging to purposefully sample those who had left); existing networks and approved mailing lists from our previous 'Childcare During Covid' study. In addition, researchers directly contacted hundreds of nurseries via email asking them to complete and circulate the survey.

## **Demographic data for survey respondents**

All surveys were geographically diverse with representation from all regions in England including a significant number of responses from the North West, North East, Yorkshire and the Humber, South West and Midlands. Greater London accounted for less than a third of all three samples (employee, manager and childminder). Geographical areas of relative deprivation were also represented in the surveys. The first four deciles of the Index of Multiple Deprivation accounted for nearly 15 percent of the employee sample and just over 10 percent of the manager and childminder samples.

## **Group/nursery based settings**

The average age of the employees in nursery settings was nearly 40 years old and the average tenure in the sector was over 16 years. Over 97 percent of respondents were women (and more than 90 percent had a white ethnic background). Level 3 was the most frequent qualification level in EY. Consequently, a third of respondents were Level 3 EY practitioners; one in five were room leaders. Managers and deputy managers have also responded to the employee survey (their combined share was nearly a third of all responses). Managers were excluded from the analysis of pay and training as their responses were likely to skew the results. Average hourly pay stood at just below £11.00 per hour and annual pay was equal to £23,000 a year.

Our demographic characteristics of the workforce surveys shows our sample is of respondents that are on average more mature and highly experienced, with an average of 16 years in the sector. The average age of employees was nearly 40 years old. This indicates that the issue of recruitment and retention is pressing for experienced and committed early years professionals. Over 97 percent of respondents were women and more than 90 percent had a white ethnic background. NVQ Level 3 was the most frequent early years qualification level. A third of respondents were NVQ Level 3 early years practitioners; one in five were room leaders.

## **Manager survey**

In the manager survey, most respondents were single-site managers (44 percent) and just under a quarter (24 percent) were owner-managers. Most managers (66 percent) were in single-site settings (not part of a chain) but a fifth were in settings that were part of a small chain (2 to 5 sites). Over a fifth (22 percent) of respondents had Level 3 qualifications; just under a fifth (18 percent) had a Level 6 qualification and about 1 in 6 were qualified to Level 5. Most managers (81 percent) had worked in early years for at least 10 years. The timing of the survey, when many settings had closed for the summer, means that staff and managers in maintained and school based nurseries were slightly under-represented, however, these will be weighted using DfE figures in the analysis.



## Childminder survey

Respondents to the childminder survey were older and more experienced. The average age of respondents was 52 years old, and the average tenure in the sector was 20 years. Nearly all (97 percent) respondents were women and 93 percent were white. Over half (53 percent) of childminders were qualified up to NVQ Level 3 and just under a fifth (17 percent) were more highly qualified (NVQ Level 4 to 6). Six percent had an NVQ Level 2 qualification, 10 percent had an undergraduate degree and 7 percent had a postgraduate degree. Respondents were most likely to be located in the more affluent Index of Multiple Deprivation (IMD) deciles with over half (54 percent) located in IMD deciles 8 to 10. Only 3 percent were in the most deprived IMD deciles (1 to 3). Accessing ex-childminders proved to be a somewhat hard to reach group and were less identifiable on sites such as LinkedIn.

Childminders worked an average of 43 hours per week and had an average annual salary of £17,000 a year in 2023-24 (which is about half of average median pay for full-time employees in the UK - see [ONS 2022](#)). Compared to the previous tax year (2022-23), this income remained about the same for half of childminders. However, just over a third (34 percent) of childminders said that this income would be lower or much lower than the previous year; only 13 percent said that this income would be higher. On average, childminders said that they made 90 percent of their personal income from childminding. Childminding agencies have not been used by the majority of childminders in our survey. Nearly all (98 percent) did not currently work for a childminding agency, and about the same proportion (97 percent) said they did not use a childminding agency when they first set up their business.

## Qualitative data

All interviews and focus groups took place online with interview schedules developed between the research team, focusing on issues relating to pay, conditions, labour process, workload. We took the approach of undertaking both interviews and focus groups so that we could go in depth one-to-one with a majority of respondents, but also wanted to provide the opportunity for practitioners to engage in group discussions about key issues and see how dynamics within those groups would enable people to raise issues both similar and different across a range of settings and geographical areas.

## Sampling and recruitment

Our qualitative data is made up of interviews and focus groups with 60 participants. This includes 44 one-to-one interviews and 5 focus groups with a total of 16 participants. Childminders' patterns of work mean that it is difficult for them to find time for an interview, other than in evenings or often on Friday afternoons. Former managers and former childminders were harder to reach than former staff, but we did manage to form a group of four former managers and the focus group was illuminating. We had a very good response from former workers to requests for interviews, and indeed there were more former than current nursery workers in the qualitative sample.

Respondents for the qualitative aspects of the research were mainly recruited from survey respondents, who were targeted in order to develop a broad and diverse sample. We were able to produce a list of willing participants from the survey, and key demographic and workplace characteristics, so that we could sample for characteristics such as: age, years in the sector, gender, ethnicity, nursery type and size, but also qualification, experiences and number of years in the sector. When sampling for the former staff we sought to secure interviews with those who had worked in different types of nursery settings, sought participants of different ages and different levels of experience, tenure, job roles and qualification in Early Years. Staff and managers who had left the sector were identified via LinkedIn and purposefully sampled through direct messaging.

### Interviews and focus group participants

	Current	Former	Total
Nursery staff	12	15	27
Nursery managers	12	4	16
Childminders	13	4	17
<b>TOTAL</b>			<b>60</b>

# APPENDIX B:

## WORKFORCE REQUIREMENTS IN THE EARLY EDUCATION AND CHILDCARE SECTOR – MODELLING DEVELOPED BY THE WOMEN’S BUDGET GROUP

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### General considerations

The workforce model aim is to answer the research questions provided by the Early Education and Childcare Coalition:

1. What are the future staffing projections based on current trends, including anticipated numbers due to leave the sector through retirement?
2. How many more early years professionals do we need to support the planned expansion, over what time frames and at what qualification grades? How long will it take to recruit and train them?
3. Who is missing from the early years workforce (gender, age, ethnicity)?
4. What would an uplift of pay rates to at least real living wage levels ahead of expansion cost? What would be a feasible timeframe to move from current pay rates to salary alignment with primary school professionals and how much will this cost?

### Elements of the model

The model has inputs based on available data or assumptions (the next section specifies the sources). The calculations use a set of parameters that the user can define within a range. Take-up rates, qualifications, pay level and ratios can take “current” values or “ideal” values.

The number of paid educators in the sector in 2018, 2019, 2021 and 2022 (there is no data for 2020 because of Covid-19) is the basis for the projections of workforce requirements based on current trends.

Calculations related to expanding the free entitlement for children between 9 months and 2 years consider take-up rates within a range between current total take-up rates and current take-up rates of formal childcare. Hence, the additional workers will need to cover the additional children using formal childcare. The timeframe is already fixed by the current Government’s plans, with a phased rollout between April 2024 and September 2025.

Inputs	Parameters	Output
<ul style="list-style-type: none"> <li>• Population</li> <li>• Population growth rate</li> <li>• Number of paid staff</li> <li>• Average number of hours of childcare used per week.</li> <li>• Staff working hours and holidays</li> <li>• Expansion of free childcare for working families</li> <li>• Non-contact and administrative time</li> <li>• Additional time for holiday, training and sickness replacement</li> </ul>	<ul style="list-style-type: none"> <li>• Take-up rates</li> <li>• Staff qualifications</li> <li>• Staff pay levels by qualification</li> <li>• Staff-to-children ratios</li> </ul>	<ul style="list-style-type: none"> <li>• Staff requirements</li> </ul>

## Sources of information

The model utilises survey data from the DfE, including the Childcare and Early Years Survey of Parents (CEYSP) and the Survey of Childcare and Early Years Providers (SCEYP). It also considers past reports from the DfE and other reliable sources in the sector and academia. By combining these sources, the model aims to estimate the workforce requirements for the next years.

Input and variables	Source
Population: children between 9 months and 4.5 years old.	<a href="#">Census 2021 - ONS</a>
Population increase per year: 0.7%	<a href="#">Economic and fiscal outlook - March 2023 OBR</a> , p.28
Number of paid staff between 2018 - 2022	<a href="#">SCEYP 2022</a> Table 4.1: Total number of paid staff by region (2018, 2019, 2021, and 2022)
Average number of hours of childcare used per week	<a href="#">CEYSP 2019</a> Table 1.7 Hours of childcare used by children per week (by age of child)

Input and variables	Source
Take-up rates	<p>Current scenario: <a href="#">CEYSP 2019</a>, Table 1.6 (before Covid-19)</p> <p>Scenario 1: Assumed take-up rates: Assumed take-up rates are estimated based on difference between “current take-up rates”, “current take-up rates of formal childcare” and the percentage of 3-year-olds using the 30-hours of free childcare (34%, from Table 2.1 Receipt of Government funded childcare or early education - <a href="#">CEYSP 2019</a>). Hence, assumed take-up rates = take-up rates of formal childcare + 0.34*(“current take-up rates” - “current take-up rates of formal childcare”). Weighting the difference by the rate of use of the funded hours acknowledges that the expansion of the entitlement will only be available to working families. For 3 and 4-year-olds, the value for “assumed take-up rates” is equal to the current take-up rates of formal childcare since the expansion will not benefit this group.</p> <p>Scenario 2: Current take-up rates childcare: Table 1.6 <a href="#">CEYSP 2019</a> “Any childcare”</p> <p>Current take-up rates formal childcare: Table 1.6 <a href="#">CEYSP 2019</a> “Formal providers”</p> <p>Scenario 3: Ideal scenario: <a href="#">Simulating employment and fiscal effects of public investment in high-quality universal childcare in the UK</a> J. de Henau (2022), p.9. The author uses these numbers as a reference from Nordic countries with universal access.</p>
Percentage of staff by qualification level	<p>Current scenario: <a href="#">SCEYP 2022</a> Table 4.12: Proportion of staff qualified to different levels. All group-based providers, Total. 2022</p> <p>Maintained Nurseries qualification mix: <a href="#">Survey of Childcare and Early Years Providers 2022</a>. Table 4-12: Proportion of staff qualified to different levels.</p>
Staff £ hourly pay by qualification level	<p>Current scenario: <a href="#">ASHE Earnings and hours worked, occupation by four-digit SOC</a>: ASHE Table 14.5a Hourly pay - gross (£) 2022 (see next section for more details).</p> <p>Ideal scenario: pay scale based on <a href="#">School teachers’ pay and conditions - GOV.UK</a> 2023. Pay for Level 3 (A-level) corresponds to the average pay for unqualified teachers. Pay for level 6 (degree or above) corresponds to the average pay for qualified teachers. 1,265 working hours per year.</p>
Staff-to-children ratios	<p>Current scenario: <a href="#">SCEYP 2022</a> Tables 5.1, 5.2 and 5.3, all group-based providers.</p> <p>Ideal scenario: statutory ratios. <a href="#">Statutory framework for the early years foundation stage</a> p.28</p>
Staff working pattern	<p>32 hours per week <a href="#">SCEYP 2022</a> Table 4.10, all group-based providers.</p> <p>52 weeks per year with 4 weeks of paid holidays.</p>
Expansion of free childcare for working families	<p>MH Treasury <a href="#">Spring Budget 2023</a></p>

Input and variables	Source
Holiday, training and sickness replacement	10% of contact time <a href="#">Review of childcare costs: the analytical report p.58</a>
Non-contact time, managerial and admin time	16% of contact time <a href="#">Review of childcare costs: the analytical report p.58</a>
Demographic characteristics	<a href="#">SCEYP 2022</a> Table 4-15: Gender of staff as a proportion of Early Years staff (2022), Table 4-16: Ethnicity of staff as a proportion of Early Years staff (2022), Table 4-18: Proportion of Early Years staff by age group (2021 and 2022)

## Assumptions for current pay levels

The Childcare and Early Years Providers Survey 2013 is the latest data set that includes mean hourly pay for staff by qualification level. An alternative approach, which is the one applied in this model, is using the Annual Survey of Hours and Earnings (ASHE), aiming for a pay gradient that increases by level. The ASHE is updated yearly and includes earnings and hours worked by occupation, including mean, median and deciles.

Each qualification level was matched to an occupation-percentile combination based on several sources that detail commonly-awarded qualifications and their counterpart in terms of levels:

- Childcare Qualification Levels
- Update on SOC: standard occupational classification (and 'Graduate Outcomes Survey) By ECSDN Executive lead on Professional Issu
- Qualifications in the Early Years - Twinkl
- Early years qualifications achieved in the United Kingdom: guidance - GOV.UK

For levels that couldn't be matched to an occupation-percentile combination, the pay-per-hour used is the mean between the previous and the next level.

The DfE report "[The early years workforce: recruitment, retention, and business planning](#)" has information on pay by qualification levels and other providers' characteristics in 2021. These figures are close to our assumed pay levels, confirming that the numbers used in the model are a good representation of actual pay levels.

Qualification level	Occupation	Code (four-digit SOC)	Percentile	Hourly pay - Gross (£) 2022
Level 1	Early education and childcare assistants	611	10 (lowest 10%)	£9.18
Level 2	Early education and childcare practitioners	3232	50 (median)	£10.08
Level 3	N/A. Mean between level 2 and level 4	N/A	N/A	£11.38
Level 4	Higher level teaching assistants	3231	50 (median)	£12.67
Level 5	N/A. Mean between level 2 and level 4	N/A	N/A	£15.68
Level 6	Nursery education teaching professionals	2315	50 (median)	£18.68

The model is built in an Excel worksheet based on the above-mentioned information. There is one spreadsheet for each section or research question, plus a spreadsheet with the inputs and parameters used.



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