Early years recruitment, retention and business planning during the Coronavirus pandemic

Research report: a summary of findings

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Summary of findings

This summary draws together in one place the key messages from two complementary pieces of research exploring the issues and challenges facing the sector since the coronavirus (COVID-19) pandemic, as well as the measures that Early Years (EY) settings have undertaken to navigate the pandemic period. This research was commissioned by the Department for Education and carried out by the National Centre for Social Research and Frontier Economics.

Further details of the research can be found in:

Davies H., Bain, E., Hunnikin, L., (2022). Survey of Childcare and Early Years Providers and Coronavirus (COVID-19) – Wave 4. Department for Education Research Report[1].

Haux,T., Butt, S., Rezaian, M., Garwood, E., Woodbridge, H., Bhatti, S,. Rogan, W, R., Paul, G., (2022). National Centre for Social Research and Frontier Economics. The early years workforce: recruitment, retention and business planning[2].

The evidence sources informing this summary

The findings brought together in this summary comes from three different data sources.

- The **Survey of Childcare and Early Years providers (SCEYP).** This long running survey series provides official statistics on, among other things, the early years workforce. SCEYP 2021 collected data from 6,533 Group-Based Providers (GBPs), 2,624, School-Based Providers (SBPs) and childminders in March and July 2021. Comparisons have been made with data from 2018 and 2019 where possible[3].
- **Qualitative interviews** with 35 setting managers of GBPs and SBPs between October to early December 2021.
- **A COVID-specific survey of childcare and early years providers (SCEYP COVID),** which looked at how childcare providers responded to the pandemic, the status of childcare provision and any potential long-term consequences for the childcare market. Data for this online survey was collected in

[1] https://www.gov.uk/government/publications/survey-of-childcare-and-early-years-providers-and-coronavirus-covid-19-wave-4
[2] https://www.gov.uk/government/publications/the-early-years-workforce-recruitment-retention-and-business-planning
[3] The report by Haux et al. (2022) looked at; pay, work hours, recruitment, retention and business planning at early years providers in England. The report includes analysis from SCEYP waves 2018, 2019 and 2021. SCEYP was not conducted in 2020 due to the COVID-19 pandemic.

November/December 2021. In total, 1,950 providers participated in survey, including 217 SBPs, 1,111 GBPs and 622 child minders (CMs)[4].

Size and composition of early years workforce

The key findings on the size and composition of the workforce from the SCEYP 2021 survey data were:

- The (total and per setting) number of paid staff working in group-based providers and school-based providers has been relatively stable since 2018. In 2021, group-based providers had an average of 11 paid staff per setting and school-based providers had an average of six. Staffing numbers are likely to be determined by a number of factors including the size of the setting, the type of care offered and the ages of children looked after.

- Providers were less likely to be employing staff on temporary contracts or to be using unpaid volunteers in 2021 compared with 2019.

- The early years workforce remains female-dominated with 97% of staff being women while the ethnic composition broadly mirrors the population at both national and regional level.

- The majority of early years staff held a recognised early years qualification at least to level 3. Senior staff were more likely than other staff to have a level 6 qualification.

The key findings on staff hourly pay and weekly hours from the SCEYP 2021 survey data are:

- In 2021, mean hourly pay was lower for staff working in group-based providers than school-based providers (£11.78 compared to £18.57). The higher pay for staff in school-based providers can be explained at least in part by the fact that school-based providers ten to have a higher proportion of staff qualified above level 3.
- Mean weekly hours were slightly higher for group-based than school-based providers (32.8 hours compared to 31.1 hours each week).
- The proportion of staff paid at or below the National Living age (NLW) was lowest in London for both providers. Weekly hours were higher in London compared with most other regions.

[4] Please see Hunnikin et al. (2022) for the full results.

- Hourly pay did not vary by local area deprivation in 2019 or 2021. However, mean weekly hours were higher in areas with greater deprivation and in urban areas. Whilst the proportion of staff working part-time was lower in areas with greater deprivation and in urban areas. This was the case for both school-based providers and group-based providers.

Recruitment and retention in early years settings

Turnover

- Both the SCEYP survey and findings from the qualitative interviews demonstrated a difference between provider types, with group-based providers facing more challenges in both recruitment and retention of staff.
- The SCEYP survey shows that staff turnover has been broadly stable since 2018. The average (mean) turnover rate for group-based providers in 2021 was 16% compared with 8% for school-based providers. Around one in five group-based providers had a staff turnover rate of over 25% compared with 7% of school-based providers.

Leavers and reasons for leaving

The SCEYP COVID survey asked settings specifically about the number of staff who had left the setting in the 18 months since the start of the pandemic:

- GBPs reported a higher average number of staff (3) leaving their setting since the start of the pandemic compared to SBPs (1).
- On average, GBPs reported an average turnover rate of 28%, compared with 11% for SBPs. Just over half (55%) of SBP's reported a 0% turnover rate, compared with 28% of GBPs.
- GBPs who had experienced staff turnover reported an average of 1 staff member leaving their setting for issues specifically related to COVID-19 since the start of the pandemic compared to an average of 0 in SBPs. 73% of SBPs reported no staff members leaving for issues related to COVID-19.
- The qualitative interviews suggested reasons for the turnover were unrealistic expectations of the role, low pay and unfavourable working conditions.
- Setting managers in group-based providers discussed the ways in which they tried to boost recruitment. This included: taking on apprentices, advertising job vacancies more widely, internal promotions and staff training.

Vacancies

The SCEYP COVID survey asked settings specifically about the number of vacancies per setting:

- At the time of the survey, GBPs were carrying an average of one staff vacancy, whereas SBPs had 0.3 vacancies on average (and 80% of SBPs had no current vacancies).
- The majority of SBPs (60%) and GBPs (54%) said their current staff are equally as experienced as the staff working in their setting before COVID-19, and the majority of SBPs (68%) and GBPs (55%) said their current staff are equally as qualified. However, around a third of GBPs said their current staff are less experienced (31%), and less qualified (31%).

Workforce and business planning

The research also examined workforce and business planning in early years providers. They key findings were:

Shifting parental demand

- In the qualitative interviews both group-based and school-based providers reported a reduction in parental demand for childcare, which was highlighted as a key driver in the loss of income.
- COVID-19 was referred to within the interviews as the main reason for this drop, with the working patterns becoming more flexible and continued concern about the spread of infection.

Changes to provision

The SCEYP COVID survey looked at changes to provision that providers have made since the pandemic. This showed:

- Since the start of the pandemic, the majority of providers (73%) have made no notable changes to their opening hours/days.
- Of the 18% of providers who had increased their opening hours/days, the primary reason was because of a change in demand from parents (63%). This was also the primary reason for providers who decreased their opening hours/days (51%).
- Since the start of the pandemic, the majority of providers (65%) have made no notable change to the choice/flexibility in hours that parents can use.
- Of the providers who increased the flexibility/choice in hours that parents can use, the primary reason was because of a change in demand from parents (64%). This

was also the primary reason for providers who decreased their flexibility/choice (52%).

- Since the start of the pandemic, the majority of GBPs and SBPs (78%) made no notable changes to the average number of children each staff member looks after per session. 14% reported that staff were looking after fewer children (likely related to changes in demand) and the remainder were looking after more children.

Managing Finances

The SCEYP COVID survey also looked at how providers have managed their finances since the pandemic. This showed:

- Just under half (49%) of GBPs and three quarters (75%) of CMs reported that their current total income covers their current costs.
- Around half of GBPs (54%) and CMs (49%) reported that their total costs have notably increased since before COVID-19, while total income has notably decreased since before COVID-19 for a similar proportion (50% of GBPs and 58% of CMs).
- GBPs most commonly reported that they made changes to their income by increasing fees (45%), while CMs most commonly reported that they made no changes to increase their income (67%).
- CMs and GBPs most commonly reported making changes to their costs to manage their finances by reducing spending on food, materials or equipment (47% and 55% respectively). 44% of CMs reported making no changes to reduce costs.
- Almost half of CMs (49%) used their own personal savings and 34% of GBPs used business contingency reserves as a necessary step to help manage their finances as a result of the pandemic.

In the qualitative interviews:

- Setting managers reported that funding rates and low revenue were one of the main causes of instability in their settings.
- Setting managers reported four main problems with funding: funding rates were too low to cover full nursery costs, funding rates did not increase with the National Minimum Wage, the system for applying for 30 hours was not flexible enough, and funding based on the previous term led to under- and overpayment. These were perceived as ongoing issues, pre-dating the pandemic.
- The interview findings showed some difference between setting types. School-based providers reported relative financial stability across the pandemic, with few substantial changes made to business models. In contrast, group-based providers described the pandemic as exacerbating existing financial problems.

Concerns for the future

The qualitative interviews also explored providers' concerns regarding the future of their provision.

Lack of qualified/experienced candidates

One main concern reported by setting managers during the qualitative interviews was the limited number of 'quality' (qualified and/or experienced) candidates in the sector. Four main suggestions were made to address this: raising the status of early years so it was seen as a viable career option, additional funding for student training to make students more 'job ready', increasing funding for settings to enable a rise in staff pay, and investment in training for existing staff particularly around professional development and SEND.

Delays in child development

Another reported impact of COVID-19 affecting both setting types was the increasing numbers of children requiring additional support with speech and language, communication and physical skills. Settings increased staff numbers to deal with increased workload, increasing SENCO capacity, and purchasing specialist materials. However, not all settings could afford these new measures.

References

Davies H., Bain, E., Hunnikin, L., (2022). Survey of Childcare and Early Years Providers and Coronavirus (COVID-19) – Wave 4. Department for Education Research Report.

Haux,T., Butt, S., Rezaian, M., Garwood, E., Woodbridge, H., Bhatti, S,. Rogan, W, R., Paul, G., (2022). National Centre for Social Research and Frontier Economics. The early years workforce: recruitment, retention and business planning.

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