
Childcare and Early Years Providers Survey 2010

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Introduction

The Department for Education commissioned TNS-BMRB to conduct the Childcare and Early Years Providers Survey, collecting information about childcare and early years provision across England in 2010. The survey collects information on the number and characteristics of providers, and of the children enrolled with them; the workforce's composition and qualifications; and the way in which the providers operate from a business perspective. The 2010 survey covered both childcare (full day care, sessional, out-of-school, childminders and children's centres) and early years settings in maintained schools (nursery schools, primary schools with nursery and reception classes, and primary schools with reception but no nursery classes).

Where appropriate, the findings from the 2010 survey have been compared with those from similar surveys conducted in 2009, 2008, 2007, 2006, 2005, 2003 and 2001.

Because of changes to the way in which Ofsted collects information on providers, it was necessary to modify the survey's sampling method in 2010. This may have affected recent trends for all types of provider with the exception of childminders.

Key findings

- In 2010 the survey recorded 105,100 providers of childcare and early years education, of which 15,700 were early years providers in maintained schools and 89,500 were childcare providers.
- The long term decrease in the number of active childminders continued in 2010 and the total now stands at 47,400. This marks a decrease of 7 per cent since 2009 and a decrease of 21 per cent since 2007 (in contrast to the other types of childcare provider whose numbers increased in 2010). In spite of the decrease in the number of active childminders, the estimated number of vacancies with childminders had actually increased slightly (from 59,400 in 2009 to 61,500 in 2010).
- In 2010, there were an estimated 440,800 vacancies across all types of provider. Around a quarter of these (28 per cent) were to be found in full day care settings, where there were 122,700 vacancies.

- With the exception of sessional providers, there has been an increase in the estimated number of paid and unpaid staff working in all types of childcare settings since 2005, and the estimated total across all types of setting now stands at 434,100.
- The number of unpaid staff working in full day care settings has risen significantly, from 16,100 in 2009 to 26,800 in 2010. However, sessional providers had the highest proportion of unpaid employees, with 17 per cent of their staff working without pay in 2010.
- Between 2009 and 2010, pay levels rose by five per cent in full day care providers, children's centres offering full day care, sessional providers and after school clubs. Holiday clubs saw a six per cent rise in pay compared with 2009. However, the average rates of pay for early years providers in maintained schools increased less quickly (by one per cent in nursery schools and by four per cent in primary schools offering early years provision).
- The large majority of staff in group-based childcare settings had a relevant qualification at level 3 (76 per cent) in 2010. This is a significant increase from the figure of 65 per cent in 2007 and marks progress from the 2009 figure of 73 per cent. The proportion of childminders with a level 3 qualification had also increased, from 41 per cent in 2007 to 54 per cent in 2010. Again, the 2010 figure represents an increase from the proportion seen in 2009 (49 per cent).
- In general there was little evidence that the financial situation of most types of provider had deteriorated in 2010. Two thirds (66 per cent) of full day care providers and three quarters (74 per cent) of sessional providers reported that they had either made a profit or covered their costs in the previous financial year.

Policy background

There is a large body of evidence showing that high quality early education and childcare is associated with improved educational outcomes for children. These improvements are particularly likely to be substantial and long-lasting for disadvantaged children. Access to childcare services is also a key facilitator of parental employment, particularly for mothers (who are still mainly responsible for child rearing), giving them more choice over the timing of their return to work, as well as the range of employment options open to them. If mothers work while their children are young, they can avoid many of the penalties associated with long breaks from employment, such as reduced earning potential and de-skilling. Furthermore, in both dual and single parent families, mothers' earnings can play a key role in maintaining household income above the poverty line. In addition to these benefits for the individuals concerned, good childcare services are also associated with a range of public benefits including: a reduction in child poverty; increased social mobility for children from poorer backgrounds; and reduced welfare bills as more parents are able to work and more disadvantaged children obtain the higher education levels which are connected with better employment prospects.

The new Coalition Government, formed in May 2010, made a number of important announcements in the months after taking office. These included:

- Extending the free early education offer for disadvantaged two year olds; by 2013, following trials of the different means of providing such care, all disadvantaged two year olds will be legally entitled to free part-time early education.
- Extending the free entitlement to early education for three and four year olds from 12.5 to 15 hours per week, and introducing a new funding formula for this programme.
- Trialling new approaches to free early education to improve the quality of provision and its flexibility.
- Reviewing the Early Years Foundation Stage with a view to introducing a simplified and less bureaucratic early years framework, with a strong focus on improving children's learning and outcomes.
- Improving the quality of the early years workforce.

The Government has also said that it wants to retain a national network of Sure Start Children's Centres, accessible to all, but identifying and supporting the most vulnerable and disadvantaged families.

Methodology

The DfE needs robust information on the key characteristics of childcare provision in the early years and childcare sector, as well as information on its workforce and the cost of childcare, in order to monitor what provision is available and to inform policy and programme development in this area.

Previously, the Department for Children, Schools and Families (DCSF) and the Department for Education and Skills (DfES) commissioned surveys amongst childcare and early years providers in 1998, 2001, 2003, 2005, 2006, 2007, 2008 and 2009. The 2010 phase of research consisted of surveys amongst the nine following childcare and early years settings:

Childcare

- Full-day childcare – 1802 interviews with full day care providers (who provide on-site day care for children under five for a continuous period of four hours or more in any day).
- Sessional childcare - 1314 interviews with sessional providers (where children under five attend day care for no more than five sessions a week, each session being less than a continuous period of four hours in any day).
- After school childcare - 1034 interviews with after school clubs (who provide after school activities or childcare during term time to school aged children aged under eight, for more than two hours in any day and more than five days a year).
- Holiday care – 1091 interviews with holiday clubs (who provide holiday activities or childcare during any school holidays to school aged children aged under eight, for more than two hours in any day and more than five days a year).

- Childminders - 900 interviews with childminders (registered with Ofsted to look after one or more children under the age of eight to whom they are not related, on domestic premises, for reward and for a total of more than two hours in any day).
- Children's centres – 1738 interviews with senior managers of children's centres (which provide a variety of advice and support for parents and carers).

Early years in maintained schools

- Primary schools with nursery and reception classes – 795 interviews, primarily with early years or foundation stage co-ordinators or head teachers.
- Primary schools with reception but no nursery classes – 711 interviews, primarily with early years or foundation stage co-ordinators or head teachers.
- Nursery schools – 196 interviews, primarily with head teachers.

All interviewing was conducted by telephone using CATI (Computer Assisted Telephone Interviewing) by Kantar Operations¹ fully trained telephone interviewers between 20th September and 23rd December 2010.

Samples of providers were drawn from the Ofsted database of childcare providers on non-domestic premises, the Ofsted childminders database, the DfE's children's centre database and the School Census.²

The results were weighted and grossed to provide national estimates.

Main findings

Characteristics of provision

- In 2010 the survey recorded 105,100 providers of childcare and early years education, of which 15,700 were early years providers in maintained schools and 89,500 were childcare providers.
- Full day care providers were the most widespread of the group-based providers, with the survey estimating a total of 16,700 such settings in 2010.
- Full day care settings in general were distributed fairly evenly across areas with differing levels of deprivation, with 26 per cent of all such settings to be found in the 30 per cent most deprived areas.

¹ Kantar Operations provide the operational resources and capabilities for all Kantar's UK companies (including TNS-BMRB).

² Because of changes to the information that Ofsted holds about providers, it was necessary to conduct an extra 'sample building' survey in 2010. This served to classify providers according to the type of care they provided. This classification information was then used in the process of sampling providers to be interviewed in the main stage of the survey, as well as feeding into the calculation of the total number of providers. The other key sampling change in 2010 was that early years providers were sampled from the School Census, whereas previously they had been sampled from Edubase. These changes may have impacted on trend data and should be borne in mind when comparing 2010 figures with those from earlier years.

- However, full day care settings based in children's centres remained heavily concentrated in the less affluent areas of the country, with 73 per cent of all such settings to be found in the 30 per cent most deprived areas, a result of government guidance requiring children's centres in the 30 per cent most deprived areas to offer full day care provision.
- The number of sessional providers in 2010 remained lower than the number seen prior to 2009, with an estimated total of 8,300 in 2010.
- Sessional provision is predominantly delivered by voluntary settings, which accounted for almost two thirds (64 per cent) of all sessional providers in 2010. Sessional providers are more dependent on public funding than the other childcare providers, with around 61 per cent of their total income coming from this source in 2010.
- Sessional settings were more likely to be found in the more affluent areas of the country, with 81 per cent of all sessional settings being located in the 70 per cent least deprived areas.
- In 2010, the survey recorded 17,200 out of school settings, of which 9,500 were after school clubs and 7,700 holiday clubs. These settings were distributed relatively proportionally across areas with high and low levels of deprivation.
- Ownership of after school clubs is split between privately run settings (38 per cent), voluntary run settings (28 per cent) and maintained settings (35 per cent). Privately run settings are more common amongst holiday clubs (48 per cent), though the provision is diverse nonetheless, with 27 per cent of settings being voluntary run, and 26 per cent maintained.
- The long term decrease in the number of active childminders continued in 2010 and the total now stands at 47,400. This marks a decrease of 7 per cent since 2009 and a decrease of 21 per cent since 2007. The number of registered childminders decreased by nine per cent between 2009 and 2010. The decline in the number of childminders reflects a trend that predates the recession and, as such, would seem to be due to broader market factors and issues of parental preference, rather than directly caused by financial issues.
- Childminders tended to be less strongly represented in the less affluent areas of the country, with only 19 per cent of all childminders to be found in the 30 per cent most deprived areas.
- The number of early years providers remained stable in 2010, with the survey recording a total of 15,700 settings – the same number as was recorded in 2009. The relative stability in early years provision over time has taken place against a backdrop of consistently increasing numbers of full day care providers.
- Nursery schools were particularly important in the less affluent areas of the country, with 58 per cent of all nursery schools to be found in the 30 per cent most deprived areas in 2010. This was also true, to a lesser extent, of primary schools with nursery and reception classes, 41 per cent of which were to be found in the 30 per cent most deprived areas. Primary schools with reception

classes but no nursery classes were concentrated in the more affluent areas, with only 10 per cent of such settings to be found in the 30 per cent most deprived areas.

Places, attendance and vacancies

- The survey estimated a total of 2,755,800 registered childcare and early years places in 2010, though any given child may occupy more than one of those places (for example attending both full day care and holiday clubs).
- Each childminder cares for a relatively small number of children, meaning that in total they accounted for only 245,100 registered places in 2010. This figure marks a continuation of the longer term decline recorded by the survey, falling from 262,900 registered places in 2009 and from 291,500 places in 2007.
- Full day care providers accounted for a substantial proportion of the total provision in 2010, with 716,700 places – more than is offered by any of the other specific types of provider.
- Among early years providers in maintained schools, there was an estimated total of 825,500 places in 2010. Nursery schools accounted for a small proportion of these, offering an estimated 25,300 places.
- The survey recorded a large increase in the number of out of school places in 2010, with the total number of places in after school clubs standing at 368,100 and holiday clubs offering a total of 349,400 places. However, it is likely that the increases are at least partly driven by the change to the sampling method in 2010 and the figures should be viewed in this light.
- Overall, across all types of provision in 2010, the total proportion of places to be found in the 30 per cent most deprived areas remained the same as it was in 2009 (28 per cent). This proportion is, however, slightly lower than was seen between 2006 and 2008.
- In 2010, there were an estimated 440,800 vacancies across all types of provider. Around a quarter of these (28 per cent) were to be found in full day care settings, where there were 122,700 vacancies. This equates to an average of 8 vacancies per full day care setting.
- Looking specifically at full day care provision in children's centres, there were an estimated 4,000 vacancies in 2010, a decrease from the number seen in previous years. This decrease is at least partly attributable to a lower recorded number of children's centres offering full day care in 2010 - the average number of vacancies remained the same as in 2008 and 2009 (six places per setting).
- Holiday clubs had the largest amount of spare capacity, with an average of 11 vacancies per setting (compared to an average of 7 vacancies per setting in after school clubs).
- The average number of vacancies in sessional providers had risen to 5 in 2010 (compared to 3 in 2009 and 2 in 2008).

- In spite of the decrease in the number of active childminders, the estimated number of vacancies with childminders had actually increased slightly (from 59,400 in 2009 to 61,500 in 2010). This would seem to point to a decrease in demand in 2010.
- The number of vacancies in nursery schools increased to a total of 3,000 in 2010 (compared to 2,500 in 2009).
- The average number of vacancies per setting remained stable in primary schools with reception but no nursery classes (3 per setting in 2010) but increased in primary schools with nursery and reception classes (8 per setting in 2010, compared to 6 in 2009).
- The overall proportion of registered places that were vacant in 2010 was considerably higher in the 30 per cent most deprived areas compared with the equivalent national figure (28 per cent and 16 per cent respectively). However, this reflects the situation in previous years and a high level of vacancies may actually help to meet the intended extension of the offer for disadvantaged two year olds, much of which is likely to be needed in deprived areas.

Staff and pay

- With the exception of sessional providers, there has been an increase in the estimated number of paid and unpaid staff working in all types of childcare settings since 2005, and the total across all types of setting now stands at 434,100.
- In 2010 the survey estimated a total of 213,300 staff in full day care providers, 65,400 in sessional providers, 72,100 in after school clubs and 83,300 in holiday clubs.
- The number of unpaid staff working in full day care settings has risen significantly, from 16,100 in 2009 to 26,800 in 2010. However, sessional providers had the highest proportion of unpaid employees, with 17 per cent of their staff working without pay in 2010.
- Sessional providers had the oldest paid staff profile of any of the group-based childcare providers, with staff aged 40 years or older accounting for 58 per cent of their total workforce in 2010. This is a markedly higher proportion than was seen in full day care providers (32 per cent), after school clubs (43 per cent), and holiday clubs (29 per cent). However, childminders also tended to have an older age profile, with 66 per cent aged 40 plus in 2010.
- The decline in the proportion of childminders aged under 40 has continued, with this group accounting for only 34 per cent of all active childminders in 2010 (compared to 43 per cent in 2006). This suggests that the decrease in the overall number of active childminders may be driven by younger childminders leaving the sector, whilst older childminders may be more likely to continue in their work.
- In early years settings, the age profile of paid staff has remained quite stable over time, with around half of paid staff in all early years settings aged 40 or older.

- In most provider types there remained an under-representation of staff from a BME background.
- General population figures show that around 13 per cent of the working age population are from a BME background³ – however the proportion of BME staff in the different types of provider ranged from only two per cent in primary schools with reception but no nursery classes to 10 per cent in full day care providers. The only settings that reached or exceeded the 13 per cent threshold were nursery schools (13 per cent) and full day care settings in children’s centres (17 per cent). However, it should be borne in mind that both of these types of provider tend to be concentrated in the 30 per cent most deprived areas, where people from a BME background make up a larger proportion of the population and therefore a higher level of BME staffing is to be expected.
- As in previous years, the proportion of male staff within the childcare and early years workforce remained very low (one or two percent for most types of provider). The only settings with a higher proportion of male staff were the out of school providers, where 8 per cent of staff in after school clubs and 10 per cent of staff in holiday clubs were male.
- A very low proportion of the childcare and early years workforce had a disability (between one and two per cent in each type of provider). This marked a continuation of the long term situation.
- Between 2009 and 2010, pay levels rose by five per cent in full day care providers, children’s centres offering full day care, sessional providers and after school clubs. Holiday clubs saw a six per cent rise in pay compared with 2009. However, the average rates of pay for early years providers in maintained schools increased less quickly (by one per cent in nursery schools and by four per cent in primary schools offering early years provision).
- Staff in full day care offered on site at children’s centres earned more per hour than staff at other childcare providers, earning an average of £10.90 per hour in 2010. This was followed by staff in holiday clubs, earning on average £9.00 per hour, and those in after school clubs earning £8.30 on average. Staff in full day care providers earned £8.00 an hour on average and those in sessional providers earned £7.80.
- By way of context, the national increase in average hourly wages between 2009 and 2010 was two per cent. The generally higher rates of increase in the childcare and early years sectors may in part be a reflection of the move to increase the quality of provision (for example by raising the qualification levels of those working with children, which would naturally also tend to increase pay rates).

Qualifications

- The large majority of staff in group-based childcare settings had a relevant qualification at level 3 (76 per cent). This increase represents substantial

³ Data taken from the Office for National Statistics publication ‘Population Estimates by Ethnic Group Mid-2007’.

progress from the figure of 65 per cent in 2007, and an increase from the 2009 figure of 73 per cent.

- Slightly fewer than one in ten staff in group-based childcare settings had a relevant level 6 qualification in 2010 (eight per cent, a slight increase from five per cent in 2007 and seven per cent in 2009).
- The proportion of childminders with a level 3 qualification has also increased, from 41 per cent in 2007 to 54 per cent in 2010. Again, the 2010 figure represents an increase from the proportion seen in 2009 (49 per cent). However, only three per cent of childminders hold a relevant level 6 qualification.
- Qualification levels in early years settings were typically higher than those in childcare settings. Eight in ten early years staff held at least a level 3 qualification in 2010 (80 per cent), while 42 per cent held at least a level 6 qualification. However, unlike the childcare providers, there has been no real change in these figures since 2007 – as such, the childcare sector is closing the gap with the early years sector.
- In early years settings, the long term trend for an increased breadth of training had continued in 2010. In particular, there were increases in the proportion of paid staff in nursery schools receiving SEN, disability and inclusion training, whilst both types of primary school setting saw increases in first aid, health and safety, child protection, and early years/foundation stage training.
- Across both childminders and the staff of early years providers, the large majority felt that the amount of training they were receiving was ‘about right’ (79 per cent for childminders and 87 per cent for early years settings).

Financial Information

- The survey found that virtually all funding for childminders comes from fees (97 per cent), with very few having access to public funding through programmes such as the free entitlement to three and four year olds.
- Fees are also the primary source of funding for full day care providers, accounting for nearly three quarters of their income in 2010 (72 per cent), with the rest coming mainly from public funding (27 per cent). While privately run settings still predominate in this segment of the market (59 per cent), voluntary run providers do account for a significant proportion of full day care provision (30 per cent).
- Fees are highly important sources of income for both types of out of school provider as well, accounting for 79 per cent of the income for after school clubs and 68 per cent for holiday clubs in 2010.
- In general, providers were less inclined to vary their fees from child to child in 2010 than they had been in previous years. This was particularly the case for full day care providers in children’s centres, where the proportion varying their fees declined from 61 per cent in 2009 to 48 per cent in 2010, bringing them more closely in line with other childcare providers.

- The age of child was the key factor in varying fees for most providers, although the number of siblings enrolled was the main consideration for after school and holiday clubs.
- In spite of the difficult economic climate, hourly fees have increased by around six percent in full day care providers, and there were also increases in the fees of other providers.
- Although there was a difficult economic situation over the months leading up to the survey and at the time it took place, in general the survey found little evidence that the financial position of most types of provider had deteriorated in 2010. Two thirds (66 per cent) of full day care providers and three quarters (74 per cent) of sessional providers reported that they had either made a profit or covered their costs in the previous financial year.
- However, full day care and sessional providers did show an increase in the proportion of settings operating at a loss, rising from 13 per cent in 2009 to 19 per cent in 2010 for full day care and from 15 per cent to 20 per cent for sessional care. These were the highest loss making levels seen since the survey began, though the trend is more positive for other providers.
- With the exception of full day care providers operating in children's centres, slightly less than one third of childcare providers reported making a profit or surplus (33 per cent of full day care providers, 30 per cent of after school clubs, 29 per cent of holiday clubs and 28 per cent of sessional providers). As in previous years this figure was lower for full day care providers in children's centres (11 per cent).
- In 2009, the proportion of full day care, sessional and holiday club providers making a loss was relatively similar in the 30 per cent most deprived areas and in the 70 per cent least deprived areas. In 2010 this was no longer the case. For all of these providers, the proportion of loss making settings in the most deprived areas had become significantly higher than the proportion in the less deprived areas. This would seem to indicate that providers in the less affluent areas are finding it harder to weather the difficult economic conditions than those in the better off areas.

Additional Information

Copies of all of the reports can be downloaded free of charge from the DfE website:

www.education.gov.uk/rsgateway

Further information about this research can be obtained from Maura Lantrua, Families and Early Years Research Team, Department for Education, Sheffield.

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The views expressed in this report are the authors' and do not necessarily reflect those of the Department for Education.