



Department  
for Education

# **Provision for children under five years of age in England: January 2018**

**Technical document**

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# 1. Background

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## Overview of the data collection

The data sources for this publication are the Early Years Census, the School Census and the School Level Annual School Census. All schools, and all private, voluntary, and independent (PVI) providers receiving government funding, are required to make a return. PVI providers make a return via the Early Years Census, schools via the School Census and general hospital schools via the School Level Annual School Census. These are statutory collections, which helps ensure complete and accurate information is returned.

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## Entitlement to funded early education places

All 4-year-olds have been entitled to a funded early education place since 1998 and in 2004 this was extended to all 3-year-olds. Since September 2010, all 3- and 4-year-olds have been entitled to 570 hours a year of funded early education over no fewer than 38 weeks of the year (which equates to 15 hours a week for 38 weeks of the year). This is referred to as the universal funded early education entitlement.

From September 2013, the entitlement to 15 hours of funded early education per week for 38 weeks of the year was extended to 2-year-olds from families in receipt of specified benefits and 2-year-olds who were looked after by the local authority. The entitlement for 2-year-olds was further extended in September 2014 to children in low income families, children with a statement of Special Educational Needs (SEN) or an Education, Health and Care Plan, children in receipt of Disability Living Allowance and children who are no longer looked after by a local authority as a result of an adoption order, a special guardianship order or a child arrangements order which specifies with whom the child is to live. In April 2018 the eligibility criteria for 2-year-olds to benefit from a funded early education place were changed to reflect the introduction of Universal Credit.

The detailed eligibility criteria for the funded early education entitlement for 2-year-olds are set out in regulations - [The Local Authority \(Duty to Secure Early Years Provision Free of Charge\) Regulations 2014](#) and [The Local Authority \(Duty to Secure Early Years Provision Free of Charge\) Amendment Regulations 2018](#).

In September 2017 the government doubled the entitlement to funded early education for 3- and 4-year-olds in working families who meet the eligibility criteria to 30 hours a week for

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38 weeks of the year. This is referred to as the extended funded early education entitlement.

Eligibility for 30 hours is checked by Her Majesty's Revenue and Customs (HMRC). Parents must apply for 30 hours through the digital Childcare Service, or in some circumstances, through the childcare service Customer Interaction Centre.

30 hours are available to families where both parents are working (or the sole parent is working in a lone parent family) and each parent earns a weekly minimum equivalent to 16 hours at the national minimum wage or living wage and less than £100,000 per year. This also includes self-employed parents.

Parents who successfully apply for 30 hours are given an 'eligibility code' for their child. They are prompted to take this code (along with their National Insurance number and child's date of birth) to their childcare provider to claim their 30 hours place.

The detailed eligibility criteria for 30 hours are set out in regulations - [The Childcare \(Early Years Provision Free of Charge\) \(Extended Entitlement\) Regulations 2016](#) and [The Childcare \(Early Years Provision Free of Charge\) \(Extended Entitlement\) Amendment Regulations 2017](#).

More information about funded early education places is included in the [statutory guidance for local authorities](#).

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## 2. Methodology

Data is loaded into the Department for Education’s (DfE’s) bespoke data collection system COLLECT (Collections On-Line for Learning, Education, Children and Teachers).

### 2.1 Data cleaning

COLLECT has built-in validation rules which flag up data which is potentially in error. This allows local authorities to identify errors and clean the data before they submit it to DfE. Validation rules can either be errors (data is invalid) or queries (data quality is questionable but could be accurate in certain circumstances).

Local authorities are encouraged to clean all errors and double-check data where queries are flagged. Notes can be added to their return if there is a genuine reason for “unusual” data.

Guidance notes and specifications (including validation rules) for the Early Years Census can be found [here](#) and the School Census [here](#).

### 2.2 Production of this statistics publication

When reviewing the tables, please note the following:

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**We preserve confidentiality**

The Code of Practice for Official Statistics requires we take reasonable steps to ensure that our published or disseminated statistics protect confidentiality.

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**So we sometimes suppress or round numbers**

We suppress cell counts and totals below 3 and sometimes use secondary suppression to preserve confidentiality. Because of rounding, totals in text and in tables may not always equal the sum of their component parts. Similarly, differences quoted in text may not always be the same as differences shown in tables. This suppression is consistent with the [Departmental statistical policy](#).

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**And adopt symbols to help identify this**

Symbols are used in the tables as follows:

- x below 3 (i.e. 1 or 2)
  - 0 the original figure submitted was zero
  - .
  - .. data not applicable
  - represents less than 0.5%
-

## 2.3 Calculated data items

The statistics publication contains tables which cover:

### 1. Numbers of children benefitting from funded early education

This is a count of children in receipt of funded early education. Where children received funded early education at more than one private, voluntary or independent (PVI) provider (of funded early education), they have been counted only once. The PVI provider where the child took the most of their funded hours is the provider reported in the figures. A child splitting their funded hours between a maintained school and a PVI provider may be counted more than once. This does not impact on the national take up rate.

For PVI providers, counts are taken from the Early Years Census data. Counts for other providers are taken from the School Census and School Level Annual School Census data.

### 2. Funded hours taken

This is the percentage of children broken down by number of funded hours taken, where the funded hours have been grouped together into bands. Children at general hospital schools have been excluded from these figures as their data is collected through the aggregate School Level Annual School Census and individual funded hours are not reported. The percentages in each provider group sum to 100%, although this can vary due to rounding of percentages to 1 decimal place.

### 3. Number of children benefitting by provider type

This is a count of providers by type of provider, and also the number of children benefitting from some funded early education at those providers. Special schools include maintained and non-maintained special schools and general hospital schools.

The number of children benefitting from some funded early education is calculated as the head count of children in receipt of some funded early education. Where they are receiving funded early education at more than one PVI provider, they have only been counted once at the provider where they take the majority of their funded hours. In the 2018 Early Years Census there were 12,121 children who split their 2-year-old entitlement or universal entitlement across more than one PVI provider and 7,638 who split their extended entitlement across more than one PVI provider.

### 4. Number of providers

When a child splits their entitlement over more than one provider, the provider where they spend the majority of their time is counted. As childminders often provide wrap-around care, the count of childminders is adversely affected by this methodology. For the 2-year-old entitlement and universal entitlement, 96% of the providers removed are childminders. For the extended entitlement, 78% of the providers removed are childminders.

### 5. Ofsted Inspection ratings

To report against Ofsted inspection ratings, we match the Early Years Census data and the School Census data to Ofsted inspection ratings.

Ofsted provided us with the latest outcomes of early years inspections up to 31 December 2017. Common variables between the Early Years Census and Ofsted's outcomes of early years inspections dataset are: LA identifier, provider name, and Ofsted unique reference number (URN). There are inconsistencies between data on provider name on the Early Years Census and Ofsted's outcomes dataset, which made it difficult to use this variable for matching purposes. Matching was carried out using LA number and Ofsted EY URN only.

Where a match could not be found between the Early Years Census and Ofsted's outcomes of early years inspections dataset, the relevant cases were then matched to the outcomes of school inspections dataset, again using the Ofsted URN. The outcomes of school inspections dataset was used because some EY providers return a school's URN rather than an EY URN because the early education is run under the auspices of the governing body of the school and therefore fall under the school's registration. In such cases, we used the Early Years Foundation Stage inspection rating. If no Early Years Foundation Stage inspection rating was reported then we used the school's overall effectiveness rating.

Independent schools are inspected by either Ofsted, the Independent Schools Inspectorate or the School Inspection Service; therefore some of these providers were listed under the 'No match to Ofsted' category. Where the school was inspected by Ofsted and a match was found, we used the relevant inspection rating for these schools.

For maintained nursery, primary, secondary and special schools, School Census data was matched to Ofsted school inspection data using a combination of the LA number and the establishment number. Independent schools were excluded as these were already included in the Early Years Census return. Academy converters which were yet to be inspected under their new status were included under the 'No match to Ofsted' category. The school changes its URN when it becomes an academy.

Inspections ratings from private, voluntary and independent providers were combined with those from maintained nursery, primary, secondary and special schools to produce the tables.

The percentages are based upon the total number of 2-, or 3- and 4-year olds receiving funded early education at providers rated outstanding, good, satisfactory/requires improvement, or inadequate, as a percentage of children at providers where we have found a match and an inspection rating (and therefore excluding children at providers where we do not have an inspection rating).

## **6. 2-year-old eligible population estimates**

The estimated number of eligible 2-year-olds is based on analysis of administrative data held by the Department for Work and Pensions containing information on benefit and tax credit records relating to November each year. This estimate is therefore based on the

benefit and tax credit eligibility criteria only. The following eligibility criteria are not covered: children from families in receipt of universal credit, children with a current statement of Special Educational Needs (SEN) or an Education, Health and Care plan; children who are looked after by a local authority; children who are no longer looked after by the local authority as a result of an adoption order, a special guardianship order or a child arrangements order which specifies with whom the child lives.

## **7. 2-year-old basis for funding**

Local authorities reported the reason for funding under four categories, three of which were statutory criteria in the 2016 census: 'economic', 'high level special educational needs or disability' and 'looked after or adopted from care'. Children who met any or all of these three criteria have been included in the figures, therefore a child may be counted in more than one category. The fourth category reported, 'Other', was not a valid category in 2016 and any children who have been reported solely as 'Other', have not been included in the figures. In 2017, the 'Other' category was removed as a reporting option.

## **8. Early years pupil premium**

Early years pupil premium (EYPP) was introduced for disadvantaged 3- and 4-year-olds in April 2015. Children will be eligible for EYPP if they are receiving the universal entitlement and meet the eligibility criteria of their family being in receipt of specified benefits or the child is looked after by a local authority or no longer looked after by the local authority as a result of an adoption order, special guardianship order or a child arrangement order which specifies with whom the child should live. In April 2018 eligibility for EYPP changed as a result of the introduction of Universal Credit. More details on the eligibility criteria can be found in the [Early years entitlements: local authority funding of providers – Operational guide 2018-2019](#).

## **9. Staff qualifications**

Local authorities returned the total number of staff (qualified and unqualified) who work with children under 5 at PVI providers with at least one child receiving funded early education at the time of the census. They also returned the number of staff with the following qualifications, recording the highest qualification held by each member of staff:

- full and relevant early years Level 2 qualification
- full and relevant early years Level 3 qualification and not in a managerial role
- full and relevant early years Level 3 qualification and in a managerial role
- early years professional status (EYPS)
- early years teacher status (EYTS)
- qualified teacher status (QTS)



The number of staff with each of the qualifications is reported in the statistics publication along with the number of providers and children benefitting at providers with staff qualified to graduate level (EYPS, EYTS and QTS).

Providers and children can be counted across more than one column if separate staff members hold each of the different relevant qualifications. For example, if a provider has 3 members of staff, one with EYPS, one with EYTS and one with QTS, the provider will be counted in each of the 3 columns separately. Therefore for some provider types, the percentages across the row will sum to more than 100%.

## **10. Ethnicity**

Ethnicity was collected on a mandatory basis for the first time in 2017 for all children in PVI settings and under 5s in schools. Prior to 2017 it was collected on a voluntary basis for all children in Early Years Census and for under 5s in School Census. It records the ethnicity as stated by the parent / guardian and / or child (in the case of a child without a parent / guardian). Ethnicity is a personal awareness of a common cultural identity and relates to how a person feels and not how they are perceived by others. It is a subjective decision as to which category a person places themselves in and does not infer any other characteristics such as religion or country of origin.

The establishment must not ascribe any ethnicity to the child. The information must come from the parent / guardian. Where the ethnicity had not yet been collected, 'NOBT' (information not yet obtained) was recorded. If a parent refused to provide ethnicity, 'REFU' (refused) was recorded. These categories combined are shown as 'unclassified' within the tables.

### 3. Notes on specific data quality issues

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<b>We're using estimates of the eligible population for 2-year-olds</b>	We provide take-up rates as a percentage of the local estimated eligible population of 2-year-olds. This uses data from the Department for Work and Pensions to estimate the number of 2-year-olds living in households claiming the relevant benefits.
<b>Not all 2-,3- and 4-year-olds in early education are covered</b>	Only those providers with children receiving some funded early education are required to make an Early Years Census return. For example, a private provider with no funded 2-, 3- or 4-year olds would not appear in the Early Years Census or the School Census. For this reason, this publication does not provide a count of all children aged 2, 3 or 4 in private, voluntary, and independent providers. There is no data source which would provide this information.
<b>3- and 4-year-old ONS population estimates are only an estimate</b>	The population estimates are derived from mid-year estimates and projections produced by the Office for National Statistics (ONS). Mid-year figures are pro-rated evenly by single year of age and the total adjusted to match the total population for that age from the appropriate DfE pupil projections.
<b>... these estimates only include long-term migrants...</b>	That is, a person who changes their permanent residence for more than a year. The Early Years and School Census includes all children, even if they are defined as being short-term migrants. Therefore take-up percentages could be overestimated as a result.
<b>... and sub-national population estimates are subject to a greater degree of error</b>	Population estimates at lower geographic levels, such as local authority, are subject to a greater degree of error. In some cases, local authority take-up rates can exceed 100%. Therefore, take-up rates at local authority level should be treated with more caution than national take-up rates. The sources used in the calculation of take-up rates for 3- and 4-year-olds are consistent over time, allowing users to see any change in local authority level take-up rates over time. The 2018 publication included revised population estimates so take-up rates for previous years may differ from past publications.
<b>The proportion of 2-year-olds in the maintained sector has increased for two reasons</b>	<p>The proportion of 2-year-olds in maintained settings increased from 9% in 2016 to 13% in 2018. Two factors are likely to have contributed to this increase:</p> <ol style="list-style-type: none"><li>1. On 26 May 2015 the Small Business, Enterprise and Employment Act came into force. The Act removed the need for schools to register early years provision for 2-year-olds separately with Ofsted, where that provision is run by the school and directly managed by the governing body. Therefore, from 26 May 2015, schools that already directly provided childcare for children aged 2 and over would not need to register separately with Ofsted, but</li></ol>

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register these children attending the early years provision on the school roll. These children would be returned to the Department via the School Census, whereas previously they would have been returned on the Early Years Census.

2. In our Early Years Census guide to local authorities we provided clearer guidance as whether children should be returned on the Early Years Census or the School Census.

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**Drops in birth rates in 2013 have affected the number of 4-year-olds benefitting from funded early education**

In 2013, there was a 4.3% fall in the number of live births in England and Wales, representing the largest percentage annual decrease since 1975. This is a major contributory factor to the decrease in the number of 4-year-olds (age as at 31 December 2017) benefitting from funded early education in January 2018.

The [ONS statistical bulletin](#) from July 2014 states a number of possible reasons for this drop including uncertainty over employment and career opportunities, and government changes to the welfare system affecting benefits.

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**We calculated 390,000 children to be eligible for the extended entitlement**

The estimate of the number of children eligible for the extended entitlement used data from the Family Resources Survey (FRS), Survey of Personal Incomes (SPI), the schools census, the early years census, and Office for National Statistics (ONS) population projections.

First, the schools and early years census data is used to identify the proportion of four-year-olds attending reception classes. These children are not eligible to attract additional hours funding, so these figures are subtracted from the population projections.

FRS data is then used to identify a national estimate of the proportion of three- and four-year-olds with parents meeting the lower earnings eligibility criteria of 16 times the national minimum wage or national living wage per week. The SPI is then used to estimate the proportion of these pupils whose parents earn above £100,000 per year. This is then subtracted from the total national proportion. The result is then applied to the ONS population projections (having removed children who attend reception classes as described above), to give the number of eligible children nationally.

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Local authority level estimates, based on sub dividing the national estimate have higher levels of statistical uncertainty and are not included in this publication.

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## 4. Users and Usage

### 4.1 Department for Education and Central Government

DfE and other UK government users use this statistics publication for:

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<b>Funding</b>	The data is a crucial evidence base for many funding calculations including the Dedicated Schools Grant.
<b>Producing cost estimates</b>	It is also used to estimate the costs of new policies, for example, the early years pupil premium and the extended entitlement.
<b>Policy development</b>	The data is also used to monitor and develop policies and plans, including underpinning projections of future demand for places.
<b>Parents and local authorities</b>	Parents may use this information when assessing the quality of provision in their area and it enables local authorities to measure their performance against similar authorities.

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### 4.2 Other Users

We are less familiar with the use of these statistics made by other organisations and external parties. We have carried out external consultation through our Research and Statistics website and through our user group of known contacts to try and ascertain users of these statistics and to try and better understand how the statistics are being used. Based on the responses received we are aware of the following users and uses made of these statistics:

- Students and lecturers in the Early Childhood Studies field to keep abreast of changes and challenges in Early Years policy and practices and to support coursework;
- The Scottish Government to make UK-wide comparisons;
- The London School of Economics for various analyses on the early education sector;
- Department for Work and Pensions for numbers of children in early education; and,
- Local authorities for comparisons against the national trend and also to compare themselves to other authorities for benchmarking purposes.

Previous consultations have been carried out seeking comments on the format and contents of the publication. The general nature of the response was that the statistics were useful in their current format and no strong suggestions were received as to improvements or additions to the statistics.

We will continue to engage with users to ensure that the publication best meets their needs and welcome feedback or suggestions from any new or previously unknown users which we will take on board.

Would you like to feed in your views? If so, please see contact details on the publication page.

## 5. Related information

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Want previously published figures?	They are available via statistics publication links <a href="#">here along with links to children and early years providers survey, childcare and early years survey of parents and 30 hours termly statistics.</a>
Want statistics for Wales?	The 'Care and Social Services Inspectorate Wales' published information on numbers of regulated settings and related activity, including children's day care (under 8s provision or early years) as part of their 2016-17 <a href="#">Annual Report</a> .
Want statistics for Scotland?	A Pre-School Education Census is carried out annually to monitor the number of pre-school education providers, the number of children receiving pre-school education and the number of staff/teachers. The latest publication for December 2017 is available here: <a href="#">Summary statistics for schools in Scotland - No. 8: 2017 Edition</a>
Want statistics for Northern Ireland?	The latest children's social care statistics for 2016/17, including statistics on day care provision for children aged under 12, are available here: <a href="#">Children's social care statistics for Northern Ireland</a>
Early education statutory guidance for local authorities	The statutory guidance from the Department for Education for English local authorities on their duties under sections 6, 7, 7A, 9A, 12 and 13 of the Childcare Act 2006 and under section 2 of the Childcare Act 2016 is available <a href="#">here</a> .
Ofsted registered providers and inspection outcomes	<a href="#">Ofsted publish statistics on childcare providers and inspections here.</a>
Early Years Census collection guidance	Information for preparing and completing the annual Early Years Census, including the scope of the return, technical specifications and what data needs to be submitted to the Department for Education by local authorities is available <a href="#">here</a> .
School Census collection guidance	Information for preparing and completing the School Census, including the scope of the return, technical specifications and what data needs to be submitted to the Department for Education is available <a href="#">here</a> .

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Reference: Provision for children under 5 years of age in England, January 2018 – technical document



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