The early years workforce: recruitment, retention, and business planning

Tina Haux, Sarah Butt, Mansor Rezaian, Eliza Garwood, Hannah Woodbridge, Sehaj Bhatti and Richard Woods Rogan- National Centre for Social Research

Gillian Paul – Frontier Economics

Contents

List of figures

List of tables

Executive Summary

High-quality early years provision is a key mechanism for closing the gap between disadvantaged children and their peers and for supporting maternal employment. The Covid-19 pandemic has disrupted the provision of childcare and early years and led to a change in parental demand for childcare, which in turn has affected the financial viability and business planning of settings. This report examined pay, work hours, recruitment, retention and business planning at early years providers in England.

Methodology

The study used a mixed-method approach. The **quantitative component** consisted of secondary analysis of workforce data from SCEYP 2021 with comparisons with SCEYP 2018 and 2019 where relevant[1]. The 2021 survey covers 6,533 group-based providers (GBPs) and 2,624 school-based providers (SBPs) and childminders. Data collection for the survey took place between March and July 2021[3].

The **qualitative component** is based on 35 in-depth telephone interviews with setting managers between October and December 2021 (prior to the Omicron variant)[4]. The purposive sample was recruited from group-based providers and school nurseries who completed SCEYP 2021.

Size and composition of early years workforce

The key findings on the size and composition of the workforce from the 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.

- 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.

---

[1] No survey was conducted in 2020 as a result of the COVID-19 pandemic.
[3] Although the majority of settings will have been open and operating as usual by March 2021, some settings will still have been experiencing disruption as a result of the COVID-19 pandemic which began in early 2020.
[4] The first reported case of the omicron variant was the 27th of November 2021.

- 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 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 Wage (NLW) was lowest in London for staff for both providers. Weekly hours were higher in London compared with most other regions. .

- Hourly pay did not vary by local 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

- Both the survey and interview findings demonstrated a difference between provider types, with group-based providers facing more challenges in both the recruitment and retention of staff.

- The survey shows that turnover has been broadly stable since 2018. The average (mean) turnover rate for group-based providers was 16%. Around one in five group-based providers had a staff turnover rate of over 25%.

- The qualitative interviews suggested that reasons for the high turnover among group-based providers 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.

Workforce and business planning

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

Funding, fees and staff pay

- In the qualitative interviews, settings 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 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-existing 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.

Shifting Demand

- Both group-based and school-based providers, from the interviews, 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.

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.

Concerns for the future

- One main concern reported by setting managers 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.

- Future COVID-19 outbreaks: There was concern about how settings would find cover if staff caught COVID-19 or had to isolate as well as the financial impact of further lockdowns.

1. Introduction

This report looks at the structure of the early years' workforce, factors related to recruitment and retention, and the impact of COVID-19 on settings. It is based on data collected in the Survey of Childcare and Early Years Providers (SCEYP) 2018, 2019, and 2021, and in-depth interviews with group-based and school-based providers undertaken from October to December 2021.

High-quality early years provision is a key mechanism for closing the gap between disadvantaged children and their peers and supporting maternal employment (Lewis and West, 2017; Lloyd, 2015; Melhuish and Gardiner, 2018; Siraj-Blatchford et al., 2011). Many factors are associated with higher quality in early years provision, including skilled and experienced staff, high-quality continued professional development programmes, structural characteristics of the setting such as size and age profile of the child intake, staff to child ratios, setting ethos and an open and reflective organisational culture (Bonetti and Brown, 2018; Callanan et al., 2017; Melhuish and Gardiner, 2017; Siraj et al., 2018). However, providers need to balance progress towards better quality services with the need to be sustainable as a business, which can be a challenge (Christie & Co, 2019).

COVID-19 has added to this challenge. Many private providers lost income during the first lockdown due to decreased attendance (Frontier Economics and NatCen Social Research, 2020). Children's social and emotional development has also been adversely impacted (Ofsted, 2020; Pascal et al., 2020; Davies et al., 2021), creating additional needs for early years settings. These additional challenges are coinciding with a tight labour market. As of December 2021, the employment rate was above pre-pandemic levels (February 2019) and the number of vacancies listed between September and November 2021 rose to a new record (Office for National Statistics, 2021). Understanding the impact of the pandemic and the effects of the labour market on early years providers is key, not only to ensure that the sector's future is viable and secure, but also to help ensure that child welfare and development remains a priority.

This report aims to improve knowledge and awareness of the impact of COVID-19 on early years providers and to deepen our understanding of broader issues associated with the early years' workforce and recruitment and retention.

Research aims

The aims of the research presented in this report were:

1. To examine the size and demographic composition of the early years' workforce and whether and how this has changed since 2018.

2. To analyse staff qualifications, hourly pay and weekly hours and staff qualification levels. This includes:

a. Analysing how patterns have changed across provider types over time (2018, 2019 and 2021).

b. Comparing patterns across areas and provider characteristics for 2019 and 2021.

c. Considering how pay, hours and qualification vary by age and how hours and pay vary by qualification using data from 2021.

3. To explore the factors associated with recruitment and retention in early years settings. This includes:

a. How has staff turnover changed over time (2018, 2019 and 2021 comparison)?
b. Do certain types of provider have more issues with recruitment and retention than others?
c. What are the experience and impact of any recruitment or retention challenges?
d. What are the views on why recruitment is becoming more difficult or why some staff might be leaving settings?

4. To explore providers' decision-making regarding staff costs and business models. This includes:

a. How has staff pay changed over time and how does it vary by provider type/characteristics such as provider size, part of a chain?

b. What decisions and changes have been made to business models when considering recruitment and retention issues?

c. What decisions and changes have been made regarding business models when considering COVID-19 and the challenges brought about by the pandemic?

5. To explore issues faced by the early years sector arising from COVID-19 and the pandemic.

Methodology

The study used a mixed-method approach, using survey data that was analysed from the SCEYP series and in-depth telephone interviews with managers at group-based and school-based early years settings.

Quantitative component

The quantitative component of this report consisted of secondary analysis of workforce data from the 2021 Survey of Early Years and Childcare Providers in England (SCEYP) with comparisons with SCEYP 2018 and 2019 where relevant.[2] SCEYP is a nationally representative survey of childcare providers in England conducted on behalf of DfE

---

[2] No survey was conducted in 2020 as a result of the COVID-19 pandemic.

which has collected data at varying intervals since 1998. The survey covers group-based providers (GBPs) in non-domestic settings registered with Ofsted, nursery provisions provided by school-based providers (SBPs), and childminders operating in domestic settings and registered with Ofsted.

For this report, attention was restricted to group-based and school-based providers offering provision for pre-school children, that is those providers who had any children aged 0-4 registered with them. The analysis did not include childminders - the majority of whom do not employ any staff.[3]

Two main types of group-based providers are considered:[4]

- Private group-based providers: Private companies (both for profit and not for profit) that include employer-run childcare for employees.

- Voluntary group-based providers: Voluntary organisations, including community groups, charities, churches or religious groups.

Two-types of school-based providers are considered:

- Nursery classes: State-funded and independent schools which offer nursery classes.

- Maintained nursery schools: State-funded nursery schools.

In 2019 and 2021, data collection was via a mixed-mode survey, where data was collected either via a web survey or by telephone, according to providers' preference. In 2018, data was collection was via a telephone survey. In all three years, data collection took place between March and July. In 2021, data was collected from 6,533 group-based providers and 2,624 school-based providers, with response rates of 46% and 45% respectively. Some of the questions on the early years' workforce were only asked of half of the sample and so sample sizes for some analyses will be smaller. The sample sizes available for analysis, once providers with no pre-school aged children registered have been excluded, are:

- 2021
    - GBPs: 5,972 and 2,607 (for questions asked of part of the sample only)
    - SBPs: 2,593 and 1,331
- 2019
    - GBPs: 6,116 and 2,683
    - SBPs: 2,277 and 1,198
- 2018

---

[3] 16% of childminders employed assistants in 2021 (DfE, 2021)
[4] Figures presented for 'All GBPs' also include a small number of local authority/school/other settings whose management status is not known.

- GBPs: 5,235 and 2,284

- SBPs: 990 and 514

For more information about the survey methodology, see Butt et al. (2021), Marshall et al. (2019) and Marshall et al. (2018). All analyses were weighted using the SCEYP weighting scheme. This was in order to present findings that are nationally representative of all early years group-based and SBPs in England.

The 2021 survey took place when settings were still experiencing some disruption as a result of the COVID-19 pandemic which began in early 2020. Although the majority of settings will have been open and operating as usual by March 2021 (following a period of enforced closure between March and June 2020), settings' operations may still have been affected. Settings may have had children or staff members who were having to self-isolate or had members of staff on furlough as part of the government's Coronavirus Job Retention Scheme which ran until 30th September 2021.

Some of the data about the early years' workforce in SCEYP is collected at provider level. This includes information on the number of people making up the workforce and the gender and ethnicity of paid staff employed by each provider. Other information is collected about individual staff members to allow analysis of the interrelationships between factors such as staff age, qualifications, hours worked and pay. Providers were asked how many paid staff qualified to each level they employed and then asked to provide more details about up to five individual members of staff. For group-based providers, the five staff included a senior manager, one with a highest level of early years or teaching qualification at level 4 or higher, two with the highest such qualification at level 3 and one with a highest such qualification at level 2 or lower. For school-based providers, the five staff included the early years co-ordinator or head teacher, and four further staff with highest levels of early years or teaching qualifications at level 6 or higher, level 4 or 5, level 3, and level 2 or lower. For each individual, information was collected on their highest qualification level, age band, average weekly contracted hours (or typical hours in the absence of a contract) and hourly gross pay (that is, before the removal of tax and employee's national insurance).

The analysis presented in this report presents bivariate associations between two variables (for example staff turnover and setting size) unless otherwise stated. It is not possible to determine the causality of any associations described. In particular, whilst this report highlights some instances of significant change between 2019 (before the start of the COVID-19 pandemic) and 2021, it is not possible using this data alone to determine the cause of these changes or to say to what extent, if any, the observed change is the result of the COVID-19 pandemic or other factors.

Reported differences in means or percentages between provider types, between survey years and based on setting characteristics have been tested for statistical significance. Where differences are reported on, they are statistically significant at the 5% level unless otherwise stated. That means that any differences observed are sufficiently large

that there is no more than a 5% probability of them occurring by chance rather than as a result of genuine change in the underlying population. The statistical tests used only allow us to identify whether the relationship between two variables is significant overall. Multiple tests of significance between different categories of a variable were not performed. For example, the overall relationship between region and staff turnover will have been tested for statistical significance but the specific difference between London and the North East will not have been tested separately.

Numbers quoted in the text or displayed in figures which combine two or more answer categories are calculated based on unrounded numbers and so may differ slightly from the rounded numbers shown in the accompanying tables (see Appendix A). "Don't know" and "Prefer not to say" responses are excluded from bases for analysis. This may mean that the bases shown in tables for sub-groups will not always sum to the base shown in the total column. For the same reason, tables with the same base description, for example "All respondents" may include different numbers of respondents. Percentages less than 0.5% are shown in tables with a *. '0%' indicates that no providers selected that response option.

Qualitative component

The qualitative component included in-depth telephone interviews with managers at early years providers exploring their perspectives on the issues of recruitment and retention, impact of COVID-19, and business planning.

The purposive sample was recruited from group-based providers and school nurseries who completed SCEYP 2021 and agreed to be contacted again about follow-up research. The data collection comprised in-depth interviews with one person per setting, typically the manager or owner of the setting with responsibility for making decisions about employing staff.

The interviews took place from 15 October to 7 December 2021. The last few interviews were conducted following the identification of the COVID-19 Omicron variant, but before the introduction of 'Plan B' restrictions and guidance. All other interviews were conducted during a period when there were no official government COVID-19 restrictions.

Throughout the interviews we explored participants' thoughts and perceptions. We purposefully do not correct participants if they are misinformed or if their knowledge is incorrect. This is to help us understand what thoughts and perceptions participants have, and how this is influencing their behaviour and outlook.

The study recruited participants from the following five types of providers:

- Group-based settings, private, not part of a chain
- Group-based settings, private, part of a chain

- Group-based voluntary settings

- Nursery classes attached to maintained schools (SBPs)

- Maintained nursery schools (MNSs)

Provider type was the only primary sampling criteria. Table 1 shows the final achieved sample of 35 providers. A minimum of 4 interviews were conducted with each provider type and the distribution of interviews broadly reflected the main sample file.

Table 1 Achieved sample by provider type

Sample by provider type	Achieved
Group-based providers	21
School based providers	14
Total	**35**
Group-based settings, private, not part of a chain	11
Group-based settings, private, part of a chain	4
Group-based voluntary settings	6
Nursery classes attached to maintained schools	10
Maintained nursery schools	4
Total	**35**

In order to capture the diversity and range of views, secondary sampling criteria included region, size of setting (determined using the number of registered places), staff turnover rate[5], whether the setting was located in an urban or rural area, and the area deprivation levels[6]. These sampling criteria were derived from the sampling frame and responses for the 2021 SCEYP, the distribution of interviews reflected the main sample file (see Table 9 in Appendix A).

The in-depth telephone interviews with early years managers were about 40 minutes long and included questions about staff recruitment and retention, the impact of COVID-

---

[5] Calculated as the number of paid staff who left the provider in the past 12 months as a proportion of the number of paid staff currently employed
[6] Deprivation measured using Income Deprivation Affecting Children Index (IDACI) quintiles

19 on the setting (for the staff, children, and business decisions) and business planning for the future (see Appendix B for topic guide).

Participants in the qualitative research received a £30 Love2shop voucher as a thank you for taking part.

Given the compressed timescales, a Rapid Evidence Generation (REG) approach was adopted. REG is a research approach developed by NatCen based on the principles of a Rapid Evidence Assessment but applied to primary data collection. It does this by ensuring that the research questions/ objectives are precisely specified; the sample size is kept to the minimum needed; data collection is focused rather than exploratory; and, data management and analysis is tailored towards answering the study research questions rather than attempting to incorporate all the material generated.

With the use of the interview notes and audio-recordings of the interviews, data was then analysed using a Framework approach to efficiently pull out the key issues for the study. The key points were organised using column headings related to sub-topics (e.g. barriers and facilitators to recruitment), and the rows to individual interviews ('case'). The final analytic stage involved drawing out the range of experiences and views from the data and identifying similarities and differences.

It is important to note that qualitative samples are intentionally small and qualitative data analysis is not focused on the number of people or settings who hold a particular view; instead, it thematically considers the range of perspectives.

Ethics

The study received ethical approval from NatCen's Research Ethics Committee. This ethics governance procedure is in line with the requirements of the Economic and Social Research Council (ESRC, 2005) and the Government Social Research Unit Research Ethics Frameworks (GSRU, 2005).

Recruitment materials provided information about the research, the nature of participation, and covered anonymity and confidentiality. The voluntary nature of participation was emphasised, and participants were told they could withdraw from the research at any point before publication by contacting the NatCen research team.

Researchers explained the research at the start of each interview and sought verbal consent before starting data collection.

Glossary of terminology

The following terms are used in the report:

- The terms "provider" and "setting" are used interchangeably and refer to different kinds of early years provision including group-based providers and school nurseries.

- Early years (EY): Pre-school children aged 0-4.

- Group-based provider (GBP): Childcare providers registered with Ofsted and operating in non-domestic premises. Eligible group-based provision included full day and sessional care for children below school age.

- School-based provider (SBP): Nursery provision offered by schools as recorded via the school census.

- Private group-based provider: Private companies (both for profit and not for profit) offering group-based childcare, include employer-run childcare for employees

- Voluntary group-based provider: Voluntary organisations, including community groups, charities, churches or religious groups offering group-based childcare.

- Nursery classes: State-funded and independent schools which offer nursery classes.

- Maintained nursery school: State-funded nursery schools

- Chain providers: Group-based providers operating on more than one site.

- Staff turnover: The number of paid staff who left the provider in the past 12 months as a proportion of the number of paid staff currently employed.

- Paid staff: Senior managers (or head teachers/Early Years Coordinators in the case of School-based providers) and those staff who are directly involved in delivering childcare or early years provision at the setting. This may include staff employed on temporary contracts. It does not include specialist support staff such as accountants and apprentices.

- Deprivation: Settings are categorised as being in more or less deprived areas using the Income Deprivation Affecting Children Index (IDACI). The 2015 index is used in analysis of the 2018 and 2019 surveys and the 2019 index is used in analysis of the 2021 survey.[7]

- SENCO: SENCOs or Special Educational Needs Coordinators are usually qualified teachers who have received specific training in issues relating to special needs and have been officially allocated a SENCO role.

- Staff:child ratio (also referred to as "staff-to-child ratio", or simply "staff ratio") is a measure of the number of children for whom each staff member is directly responsible. Statutory requirements around the ratios are published by the

---

[7] For more on IDACI see:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/835115/IoD2019_Statistical_Release.pdf

Department for Education as part of the Statutory Framework for the Early Years Foundation Stage (Department for Education, 2021).

2. Size and composition of early years workforce

This chapter is intended to provide background information on who makes up the early years' workforce. It presents quantitative evidence from the Survey of Childcare and Early Years Providers (SCEYP) on the number of people employed in providing early years care; the age, gender and ethnic composition of the workforce and their qualifications. The main source of data is the 2021 SCEYP, but comparisons with 2018 and 2019 are made where possible.

The main focus in SCEYP is on "paid staff" employed by the setting. When answering questions about paid staff, providers were asked to include senior managers (or head teachers/Early Years Coordinators in the case of school-based providers) and those staff who are directly involved in delivering childcare or early years provision at the setting. They were asked not to include specialist support staff such as accountants,[8] and apprentices. Some information on apprentices and unpaid volunteers is collected separately. However, all findings presented in this report relate to paid staff as defined above unless otherwise stated.

Size of early years workforce

Paid staff

In 2021, group-based providers employed 236,000 paid staff whilst school-based providers employed 53,900 paid staff. This equated to an average of 11 paid staff per group-based provider and six paid staff per school-based provider. As shown in Table 2, both the total number of paid staff and the number of paid staff per provider has remained broadly stable since 2018. Differences in staff per setting between group-based and school-based providers 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.

The staff numbers quoted include 18,900 paid staff employed on a temporary basis by group-based providers and 4,700 employed on a temporary basis by school-based providers (Table 3). This represents 8% of all paid staff employed by group-based providers and 9% of all staff employed by school-based providers.[9] It was more common for school-based providers to employ temporary staff compared with group-based providers; overall 31% of school-based providers employed temporary staff compared with 27% of group-based providers. Voluntary group-based providers were more likely than private group-based providers to employ temporary staff (29% compared with 26%) whilst among school-based providers maintained nursery schools

---

[8] Data on early years staff not working directly with children was collected as part of the Survey of Childcare and Early Years Providers and Coronavirus (COVID-19) Wave 4 study (add details when available/depending on publication).
[9] The equivalent percentages in 2018 and 2019 were GBPs: 9% and 9% and SBPs: 9% and 10%.

(MNS) were especially likely to employ temporary staff (69% compared with 29% of nursery classes). Those group-based providers who employed temporary staff employed three temporary staff on average whilst school-based providers employed an average of two temporary staff. Fewer group-based providers and school-based providers were employing staff on temporary contracts in 2021 compared with 2019 (when the proportions were 34% for school-based providers and 33% for group-based providers).[10]

Table 2: Number of paid staff by provider type and year

	Private providers	Voluntary providers	All group-based providers	Nursery classes	MNS	All school-based providers
Number of paid staff						
2018	158,779	69,969	236,898	44,123	7,053	51,176
2019	168,350	69,656	247,081	46,066	7,395	53,461
2021	163,997	63,457	235,992	47,116	6,813	53,929
Average paid staff per setting						
2018	12	9	11	5	18	6
2019	13	9	11	5	19	6
2021	12	9	11	5	18	6
Unweighted base 2018	*3,045*	*2,009*	*5,218*	*748*	*238*	*986*
Unweighted base 2019	*3,569*	*2,308*	*6,082*	*2,037*	*213*	*2,250*
Unweighted base 2021	*3,668*	*2,094*	*5,943*	*2,338*	*225*	*2,563*

Source: Survey of Childcare and Early Years Providers 2018, 2019, 2021

---

[10] Among group-based provider there was also a statistically significant difference in the proportion of providers employing temporary staff between 2018 and 2021. Among school-based providers the difference between 2018 and 2021 was not statistically significant.

Table 3: **Number of temporary paid staff by provider type and year**

	Private providers	Voluntary providers	All group-based providers	Nursery classes	MNS	All school-based providers
Number of temporary staff						
2018	13,185	7,979	22,115	3,723	899	4,622
2019	14,020	7,868	22,952	4,245	1,035	5,280
2021	12,758	5,427	18,897	3,909	830	4,740
Proportion of providers employing temporary staff						
2018	29%	32%	31%	28%	71%	30%
2019	31%	35%	33%	33%	73%	34%
2021	26%	29%	27%	29%	69%	31%
Unweighted base 2018	*1,328*	*879*	*2,276*	*391*	*118*	*509*
Unweighted base 2019	*3,563*	*2,297*	*6,062*	*2,000*	*209*	*2,209*
Unweighted base 2021	*3,649*	*2,091*	*5,920*	*2,317*	*222*	*2,539*

Base: All providers employing paid staff
Source: Survey of Childcare and Early Years Providers 2018, 2019, 2021

Apprentices

As well as paid staff, many providers, especially group-based providers, also rely on apprentices. In 2021 four in ten (40%) group-based providers – including half (51%) of private providers – employed apprentices.[11] The proportion of group-based providers employing apprentices increased over the period 2018 to 2021 from 37% to 40% (Table 4). [12] There were 17,380 apprentices employed by group-based providers in 2021. It was less common for school-based providers to employ apprentices compared with group-based providers; in 2021, 11% of school-based providers employed apprentices, the same proportion as in 2018.[13] Maintained nursery schools were more likely than nursery classes to employ apprentices (20% compared with 10% in 2021).

---

[11] The difference in the proportion of private vs. voluntary group-based providers employing apprentices in 2021 (51% compared with 21%) was statistically significant.
[12] The difference 2018-2021 and 2019-2021 was statistically significant but not the difference 2018-2019.
[13] The difference in the proportion of school-based providers employing apprentices was not statistically significant 2018-2019 and 2019-2021.

Among providers using apprentices, an average of two apprentices per setting were employed by group-based providers and one apprentice per setting by school-based providers. Most apprentices were on Level 2 apprenticeships, that is they were working towards Level 2 qualifications. This was the case for 66% of apprentices employed by group-based providers and 61% of apprentices employed by school-based providers. The remainder were on Level 3 apprentices (DfE, 2021).

Table 4: Number of apprentices by provider type and year

	Private providers	Voluntary providers	All group-based providers	Nursery classes	MNS	All school-based providers
Number of apprentices						
2018	11,754	2,381	14,486	963	155	1,118
2019	12,730	2,657	15,816	1,256	196	1,452
2021	14,639	2,298	17,380	1,132	132	1,264
Proportion of providers employing apprentices						
2018	48%	20%	37%	10%	25%	11%
2019	49%	21%	38%	12%	30%	13%
2021	51%	21%	40%	10%	20%	11%
Unweighted base 2018	*3,045*	*2,010*	*5,218*	*747*	*237*	*984*
Unweighted base 2019	*3,559*	*2,306*	*6,069*	*2,009*	*209*	*2,218*
Unweighted base 2021	*3,658*	*2,094*	*5,933*	*2,324*	*225*	*2,549*

Source: Survey of Childcare and Early Years Providers 2018, 2019, 2021

Unpaid volunteers

Providers may supplement their paid workforce with unpaid volunteers. In 2021 there were 9,400 volunteers working with group-based providers and 2,900 with school-based providers (Table 5). Overall, 21% of school-based providers and 24% of group-based providers relied on volunteers.[14] Maintained nursery schools were more likely than nursery classes to have used volunteers (38% compared with 21%). There were no significant differences in the use of volunteers between private and voluntary group-based providers. Where volunteers were used, there was an average of two volunteers per group-based providers and one volunteer per school-based provider.

The number of volunteers in the early years sector, and the proportion of settings making use of volunteers, declined between 2019 and 2021 (Figure 1). In 2019, around twice as many providers reported using volunteers compared with 2021 (43% of school-

---

[14] This difference is statistically significant.

based providers and 44% of group-based providers).[15] Previous research has shown that, on average, volunteer staff work only 5 hours each week which means that their contribution to total staff hours is small (Blainey and Paull, 2017). However, for providers most reliant on volunteers, the reduced use of unpaid volunteers may be leading to a sense of staff shortages, even if the numbers of paid staff has remained the same.

Table 5: Number of unpaid volunteers by provider type and year

	Private providers	Voluntary providers	All group-based providers	Nursery classes	MNS	All school-based providers
Number of unpaid volunteers						
2018	9,016	8,069	17,802	5,346	1,006	6,352
2019	10,538	8,616	20,074	5,726	949	6,675
2021	5,342	3,394	9,364	2,547	363	2,910
Proportion of providers using volunteers						
2018	38%	47%	41%	40%	76%	42%
2019	42%	48%	44%	42%	69%	43%
2021	23%	25%	24%	21%	38%	21%
Unweighted base 2018	*2,010*	*984*	*5,222*	*747*	*237*	*3,048*
Unweighted base 2019	*3,563*	*2,306*	*6,074*	*2,010*	*209*	*2,219*
Unweighted base 2021	*3,658*	*2,094*	*5,933*	*2,327*	*225*	*2,552*

Source: Survey of Childcare and Early Years Providers 2018, 2019, 2021

---

[15] Among group-based providers the increase in the proportion of providers employing volunteers 2018-2019 was also statistically significant though the size of this increase was much less marked than the subsequent drop 2019-2021. Among school-based providers the difference in the proportion of providers employing volunteers was not statistically significant 2018-2019.

Figure 1 Proportion of providers using unpaid volunteers, 2018, 2019, 2021
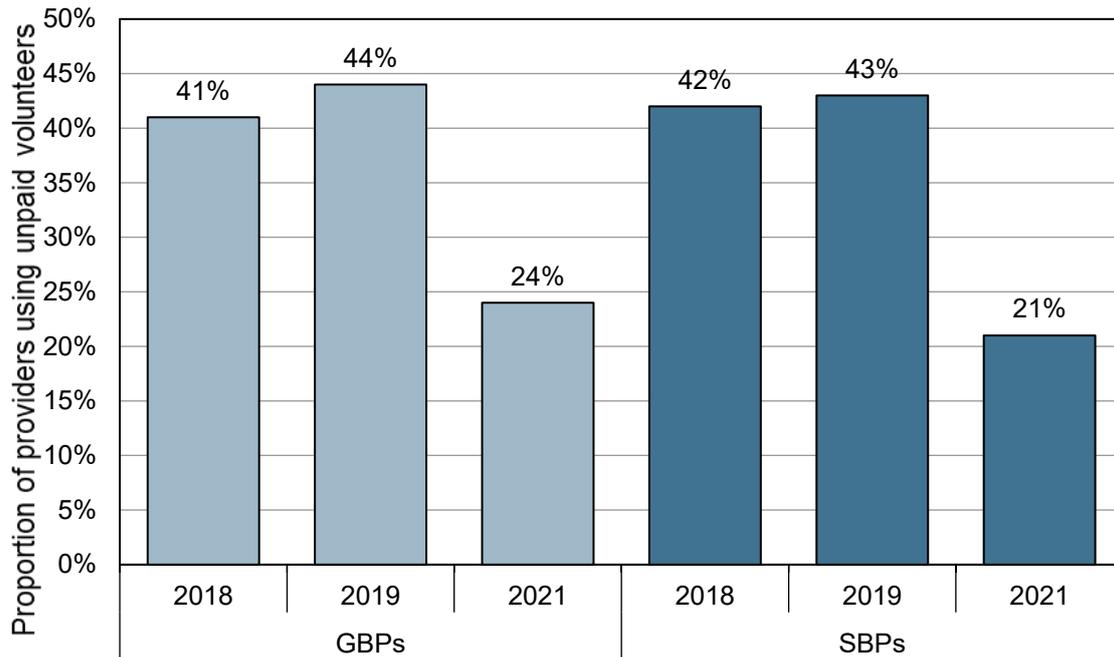
Source: Survey of Childcare and Early Years Providers 2018, 2019, 2021

Demographic characteristics of early years workforce

This section of the report looks at the gender, ethnic and age profile of the early years' workforce. It is important to monitor and promote the diversity of the early years' workforce, to ensure the workforce represents the different children and families it serves. In addition, any discussion of the possible issues surrounding the recruitment and retention of suitable staff needs to be contextualised. It should therefore take into account the characteristics of those who make up the workforce, including their age, gender and ethnicity. Individuals' career trajectories, expectations regarding pay and the availability and attractiveness of alternative employment opportunities are likely to vary depending on these characteristics (see for example, Jones, 2019; BEIS, 2017).

Gender

The early years workforce remains female-dominated. In 2021, both group-based and school-based providers reported that 97% of their paid staff were female. The proportion of paid staff who were reported as being female has not changed since 2018 (see Table 10 in Appendix A).

Ethnicity

The ethnic composition of the early years' workforce is broadly in line with that of the overall population. In 2021, group-based providers reported that 82% of their paid staff were White British, with similar proportions reported for school-based providers (84%). By comparison, in the 2011 Census, 81% people in England and Wales were reported to be White British.[16] Asian and Other White were the next most commonly-reported ethnic groups for paid staff in the early years sector, 6% and 5% respectively for group-based providers and 6% and 4% for school-based providers. The equivalent proportions in the 2011 census were 8% and 4%. The ethnic composition of the early years workforce in 2021 was similar to that in 2018 and 2019 (see Table 12 in Appendix A).

The proportion of staff who are not White British did vary significantly in 2021 by region. In London, for example, the majority of the early years' workforce (58%) was reported to be an ethnicity other than White British. This reflects regional differences in the underlying population; in the 2011 census 55% of people in London recorded an ethnicity other than White British.[17]

Age

The age profile of staff employed by group-based providers – especially private group-based providers – was younger than that of staff employed by school-based providers. Group-based providers were more likely than school-based providers, and private group-based providers more likely than voluntary group-based providers, to employ paid staff under the age of 25 and correspondingly, less likely to have staff aged 50 and above (Figure 2, Table 11 in Appendix A). Twenty-two percent of staff in group-based providers and seven percent of staff in school-based providers were under 25.

The age profile of the early years' workforce has remained broadly stable since 2018, though the proportion of staff aged 50 and over employed by school-based providers has increased slightly over time, from 20% in 2018 to 24% in 2021.[18]

---

[16] For further information on ethnicity facts and figures in England and Wales, see Population of England and Wales - GOV.UK Ethnicity facts and figures (ethnicity-facts-figures.service.gov.uk)
[17] https://www.ethnicity-facts-figures.service.gov.uk/uk-population-by-ethnicity/national-and-regional-populations/regional-ethnic-diversity/latest

[18] There were no significant differences in the proportion of staff aged under 25 for either GBPs or SBPs 2018-2021. [Sig test results for 50+ tbc for v2]

Figure 2 Age of early years staff by provider type, 2021

Legend: ■ 16-24　■ 25-39　■ 40-49　□ 50+

	Private	Voluntary	All GBPs	Nursery classes	MNS	All SBPs
50+	12%	25%	15%	23%	28%	24%
40-49	14%	27%	18%	31%	28%	31%
25-39	48%	37%	45%	38%	36%	38%
16-24	26%	11%	22%	7%	8%	7%

Y-axis: Proportion in age bracket (0% to 100%)

GBPs | SBPs
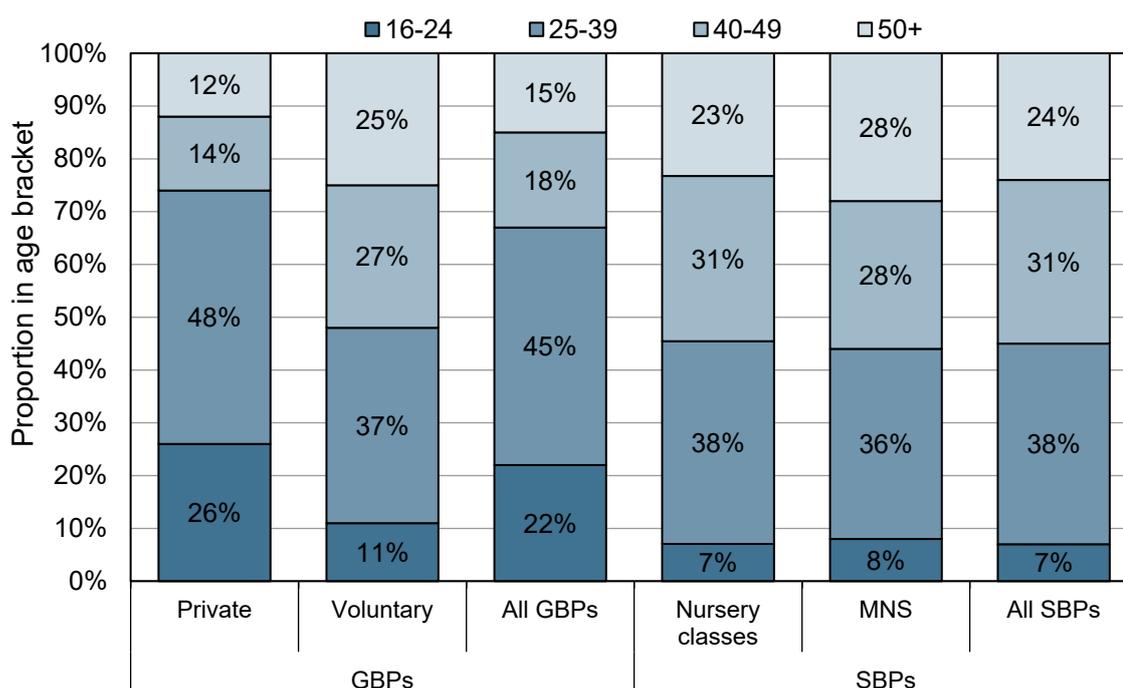
Source: Survey of Childcare and Early Years Providers 2021

Qualification levels of early years workforce

This section of the report looks at the qualifications held by paid staff. A suitably skilled and qualified workforce is considered an important factor in the delivery of high-quality childcare (Meluish and Gardiner, 2019). However, better qualified staff are also more expensive to employ (see Chapter 3) and may be more difficult to attract, meaning that settings may need to make trade-offs when deciding who to employ.

Highest qualifications held by early years staff

This section looks at the highest level of early years or teaching qualifications held by early years staff.[19] The majority of early years staff in 2021 were qualified to at least level 3, broadly equivalent to A-levels (Figure 3). This was the case for both group-based providers (80%) and school-based providers (82%). Staff employed by school-based providers were more likely than staff employed by group-based providers to have a level 6, or degree level, qualification (32% compared with 11%). There was no difference in qualification levels between private and voluntary group-based providers. However, staff in maintained nursery schools were less likely than staff working in nursery

---

[19] Providers are asked to consider only relevant early years of teaching qualifications. A list of relevant qualifications is available during the interview.

classes to be qualified to level 6 (24% compared with 34%). Staff qualification levels in 2021 were unchanged compared with 2018 and 2019 (Table 13 in Appendix A).

Figure 3 Highest qualification by staff role, 2021
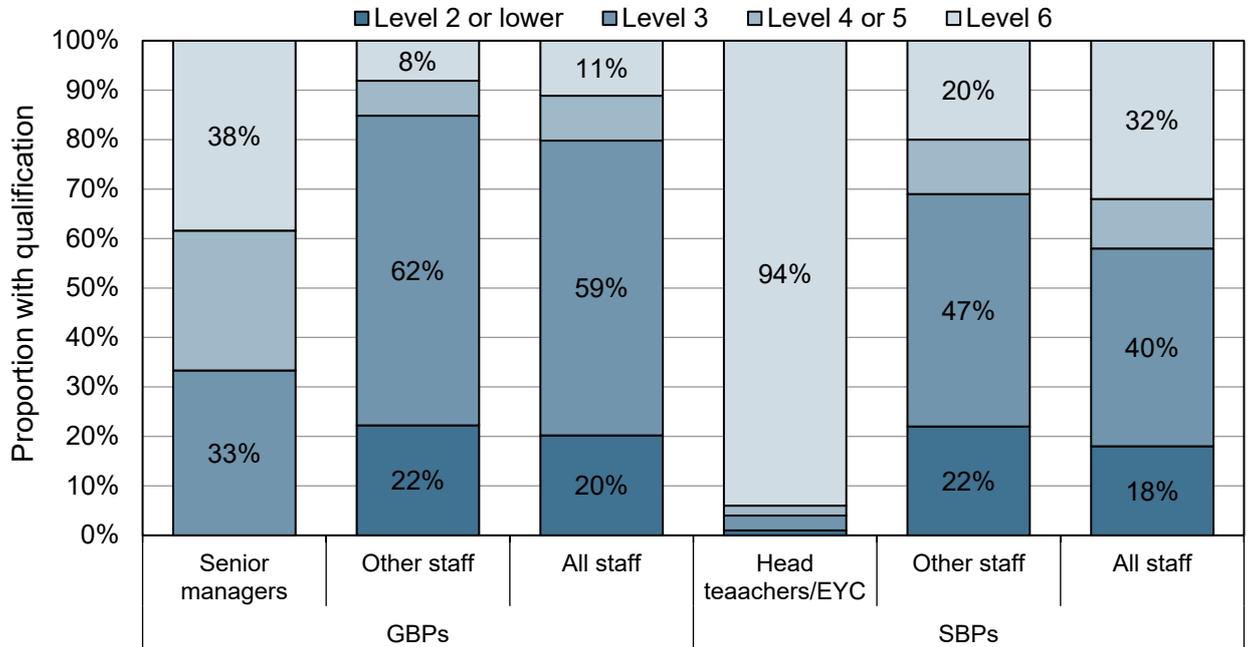
Source: Survey of childcare and early years providers 2021

Proportion of staff with specific early years or teaching qualifications

Providers were also asked about specific early years or teaching qualifications held by any staff members qualified to level 3 or level 6.

Just under two in five (38%) of staff in group-based providers and two in five (41%) of staff in school-based providers whose highest level of qualification was level 3 held the Early Years Educator qualification. The proportion of staff holding the Early Years Educator qualification has increased since 2019 among both group-based providers and school-based providers (from 27% and 34% respectively, see DfE, 2021). The gap between the proportion of staff with level 3 Early Years qualifications in GBPs and SBPs has narrowed.

Relevant level 6 qualifications which enable the holder to count towards level 6 child:staff ratios are Early Years Teacher Status (EYTS), Qualified Teacher Status (QTS) and Early Years Professional Status (EYPS). Early years professionals with any other Level 6 qualifications can only work within the Level 3 staff:child ratios. In 2021, group-based providers reported that, of their staff holding Level 6 qualifications, 57% held an Early Years Degree but only

27% held Qualified Teachers Status, 25% Early Years Professional Status and 19% Early Years Teacher Status. In school-based providers, 83% of staff had Qualified Teacher Status, 18% had Early Years Teacher Status and 10% Early Years Professional Status (Table 14 in Appendix A). Among both group-based and school-based providers, the proportion of staff with Qualified Teacher Status rose between 2018 and 2019 and then has remained stable between 2019 and 2021. The proportion of staff holding the other level 6 qualifications rose 2018 to 2019 before falling back to at or below 2018 levels in 2021.

Variation in qualification levels by staff role and age

Returning to consider the highest qualification of any type held by early years' staff, it is clear that qualification levels vary across individuals depending both on their role within an early years' setting and their age. Nearly all staff in senior or leadership roles (headteachers or Early Years Coordinators in school-based providers and senior managers in group-based providers) were qualified to at least level 3 and were more likely than other early years staff to be qualified to at least level 3 and to be qualified to level 6 (94% of senior staff in school-based providers and 38% in group-based providers) (see Figure 3, Table 15 in Appendix A).

Staff under 25 were less likely than older staff to be qualified to at least level 3 and less likely to hold level 6 qualifications. This was the case in both group-based providers and school-based providers (Figure 4, Table 16 in Appendix A).

Figure 4 Highest qualification by age, 2021

Legend: Level 2 or lower, Level 3, Level 4 or 5, Level 6

GBPs:
- Age 16 to 24: 34%, 59%, 4%, 3%
- Age 25 to 39: 15%, 62%, 9%, 13%
- Age 40 to 49: 16%, 58%, 13%, 13%
- Age 50 plus: 17%, 54%, 15%, 13%

SBPs:
- Age 16 to 24: 37%, 43%, 9%, 10%
- Age 25 to 39: 18%, 40%, 10%, 33%
- Age 40 to 49: 17%, 34%, 11%, 38%
- Age 50 plus: 15%, 44%, 8%, 33%

Y-axis: Proportion with qualification (0% to 100%)
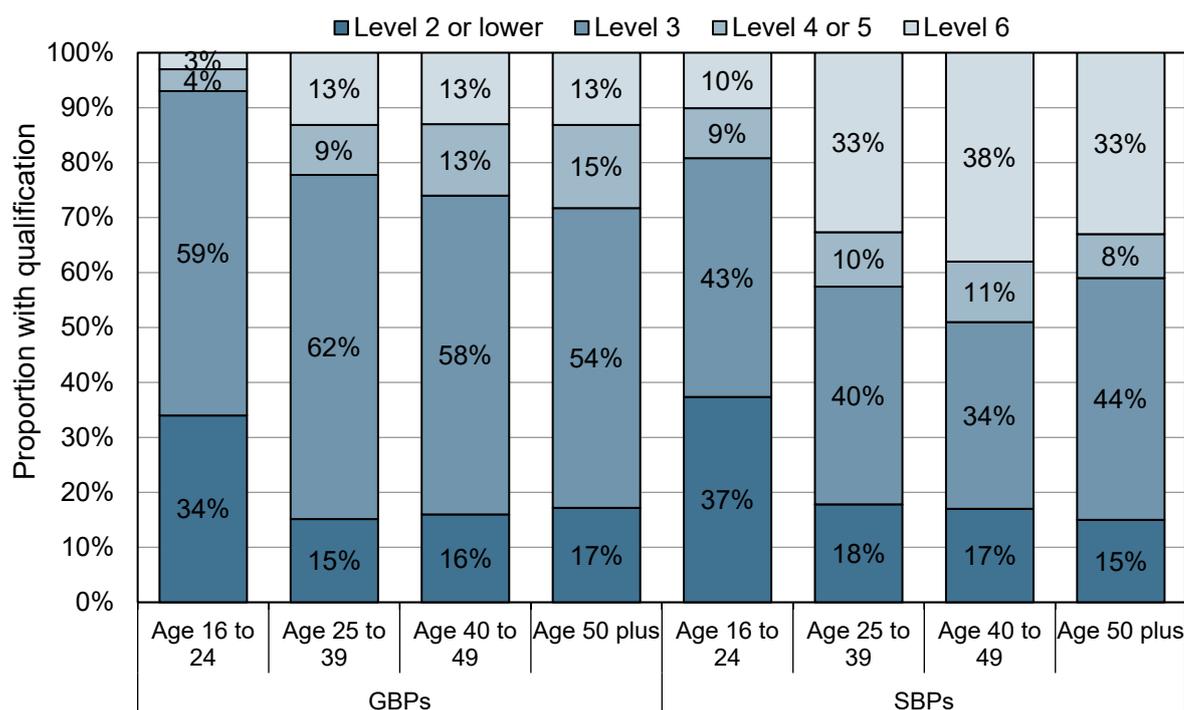
Source: Survey of childcare and early years providers 2021

Variation in qualification levels by provider characteristics

This section looks at how staff qualification levels – both the proportion of staff qualified to at least level 3 and the proportion of staff qualified to level 6 - varied by setting characteristics. The focus is on patterns observed in 2021 though where these patterns were notably different from those observed in 2019 this is commented on.

There was some regional variation in the level of staff qualifications (Figure 5).

- Among group-based providers, the association between region and the proportion of staff qualified to at least level 3 was statistically significant in both 2019 and 2021 (Appendix A Table 16). The proportion of staff qualified to at least level 3 was lowest in London (74% in 2021), the East of England (74%) and the South East (76%) and highest in the North East (91%).

- For group-based providers, there was also a significant association in 2021 between region and the proportion of staff qualified to level 6 Appendix A Table 16). This was driven mainly by a relatively high proportion of staff (16%) in the North East qualified to Level 6 in 2021 and was not present in 2019.

- For school-based providers the association between region and qualification was not statistically significant in either 2019 or 2021. Furthermore, the exact pattern of regional variation differed across the two years (see Table 17 in Appendix A) and so it is difficult to draw firm conclusions about the relationship between region and qualification levels.

Figure 5 Proportion of staff qualified to at least level 3 by region, 2021
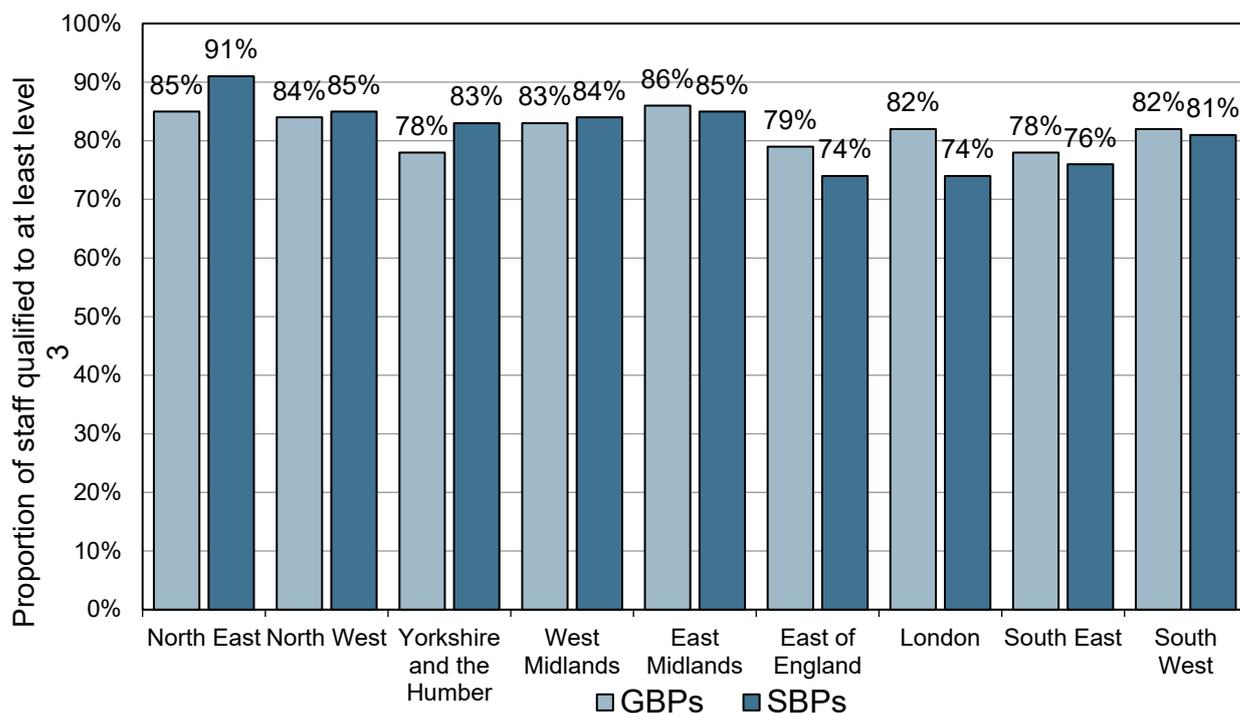
Source: Survey of childcare and early years providers 2021

Qualification levels showed little variation by the level of deprivation in the area in which the setting was located (Table 17 in Appendix A).[20] For group-based providers, there is some evidence that the proportion of staff qualified to at least level 3 was lower in the least deprived areas. However, this association was statistically significant only in 2019, not 2021.

There was no significant variation in qualification levels by whether the setting was located in an urban or rural area (Table 18 in Appendix A) or, for group-based providers, depending on whether the setting was part of a chain (Table 19 in Appendix A).[21]

---

[20] The association between deprivation and qualifications remains non-significant after controlling for region.
[21] Chain status is not relevant to and so was not collected for school-based providers.

Among school-based providers (though not group-based providers), there was a relationship between setting size and qualification levels, with larger settings having a smaller proportion of staff qualified to level 6 (Table 20 in Appendix A). However, this is likely to be driven by the fact that maintained nursery schools, which have a lower proportion of staff qualified to level 6 (see Table 13 in Appendix A) compared with schools with nursery classes, also tend to be larger than other school-based providers.

3. Staff hourly pay and weekly hours

This chapter uses data from the SCEYP in 2018, 2019 and 2021 to present recent patterns in staff hourly pay and weekly hours. The first section describes the pay and hours measures, while the second presents the patterns in hourly pay and weekly hours by provider type across the three years. The third section focuses on changes between 2019 and 2021 for other provider characteristics and the final section considers how pay and hours vary by staff qualification level and age using data from 2021. The tables underpinning the summary findings in the chapter are presented in Appendix A.

Description of the staff pay and hours measures

As described in Chapter 1, information on staff pay and hours was collected for up to five members of staff for each provider in the SCEYP. For each individual, information was collected on their highest qualification level, age band, average weekly contracted hours (or typical hours in the absence of a contract) and hourly gross pay (that is, before the removal of tax and employee's national insurance).

Staff hourly pay is gross weekly earnings divided by contracted weekly work hours. The derived hourly pay measure was trimmed to remove hourly pay of zero or in excess of £300. For the 2021 data, this removed hourly pay observations for 2.4% and 0.4% of staff respectively.

The proportion paid at or below the National Living Wage is the proportion of staff aged 25 or over with hourly pay less than or equal to the National Living Wage. This proportion was calculated as the proportion of staff of eligible age with hourly pay equal to or less than the NLW at the time of the interview. For the 2021 survey, the NLW was £8.72 for staff aged 25 or over for the first part of fieldwork for the study until April 2021 (covering seven percent of the sample) and £8.91 for staff aged 23 or over from April 2021 (covering the remaining 93% of the sample). The proportion of staff aged 25 or over with hourly pay equal or less than the NLW, at the time of interview, is reported for the entire period throughout 2021. This is to draw consistent comparisons with 2018 and 2019 when the eligible age was 25 and older.

Staff weekly hours is contracted weekly work hours.

The **proportion of staff working part-time** is the proportion of staff whose contracted weekly work hours are less than 30 hours each week.

Further information on these measures and analysis of other financial measures including total cost, total income, unit cost, hourly parent-paid fees and additional charges are presented in Cattoretti & Paull (2022).

Staff pay and hours by provider type

Table 6 presents the mean and median staff hourly pay and the proportion paid at or below the NLW by provider type for the three years 2018, 2019 and 2021.

Mean hourly pay was considerably lower for group-based providers than school-based providers in all three years. Correspondingly, the proportion paid at or below the NLW was higher for staff working in group-based providers than for those working in school-based providers in all three years. In 2021, mean hourly pay was £11.78 for staff working in group-based providers compared to £18.57 for staff working in school-based providers, while the proportion working at or below the NLW was 24% for staff in group-based providers compared to 11% for those in school-based providers.[22] There was little difference in hourly pay between private and voluntary providers among group-based providers and between nursery classes and MNS among school-based providers for all three years.[23]

For group-based providers, mean hourly pay increased from £9.24 in 2018 to £10.40 in 2019 and to £11.78 in 2021. For school-based providers, mean hourly pay increased from £15.76 in 2018 to £16.07 in 2019 and to £18.57 in 2021, although the change between 2018 and 2019 was not statistically significant.[24] These changes correspond to annual growth rates of 12.6% between 2018 and 2019 and 6.6% between 2019 and 2021 for group-based providers and annual growth rates of 7.8% for school-based providers between 2019 and 2021. Hence, while mean hourly pay was lower for group-based providers than for school-based providers, it has grown more rapidly for staff in group-based providers in recent years. The proportion of staff paid at or below the NLW rose by 4 percentage points between 2018 and 2019 for both group-based providers and school-based providers, but was broadly unchanged between 2019 and

---

[22] The mean hourly pay and proportion working at or below the NLW was statistically significantly different between group-based providers and School-based providers in all three years.

[23] The were no statistically significant differences in the mean hourly pay or the proportion working at or below the NLW between private providers and voluntary providers and between nursery classes and MNS in all three years with the exception of the mean hourly pay for nursery classes and MNS in 2019.

[24] The differences in mean hourly pay were statistically significant both between both 2018 and 2019 and between 2019 and 2021 for group-based providers and were statistically significant between 2019 and 2021 (but not between 2018 and 2019) for school-based providers.

2021.[25] The greater increase in 2018 to 2019 may partly reflect that the NLW increased at an annual growth rate of 4.9% between these two years while the average annual growth rate was 3.5% between 2019 and 2021.[26]

[25] The differences in the proportion paid at or below the NLW mean hourly pay were statistically significant between 2018 and 2019 but not between 2019 and 2021 for both group-based providers and school-based providers.
[26] The NLW was £7.83 from April 2018, £8.21 from April 2019 and £8.91 from April 2021.

Table 6: Staff hourly pay

Provider type	Mean hourly pay	Median hourly pay	Proportion of staff aged 25+ paid at or below the NLW	*Unweighted base for hourly pay*	*Unweighted base for NLW proportion*
Private providers					
2018	£9.02	£8.30	22%	*4,264*	*3,095*
2019	£10.48	£8.50	24%	*4,723*	*3,601*
2021	£11.79	£9.29	24%	*5,746*	*4,575*
Voluntary providers					
2018	£9.35	£8.57	18%	*2,941*	*2,513*
2019	£10.20	£8.75	24%	*3,495*	*3,145*
2021	£11.58	£9.46	25%	*3,348*	*3,074*
All group-based providers					
2018	£9.24	£8.48	20%	*7,431*	*5,789*
2019	£10.40	£8.65	24%	*8,423*	*6,924*
2021	£11.78	£9.40	24%	*9,324*	*7,851*
Nursery classes					
2018	£15.82	£12.22	6%	*787*	*664*
2019	£16.32	£12.51	8%	*1,824*	*1,707*
2021	£18.44	£12.63	11%	*2,539*	*2,376*
MNS					
2018	£15.41	£11.95	3%	*370*	*345*
2019	£14.35	£11.95	12%	*284*	*263*
2021	£19.38	£12.69	8%	*359*	*334*
All school-based providers					
2018	£15.76	£12.13	5%	*1,157*	*1,009*
2019	£16.07	£12.51	9%	*2,108*	*1,970*
2021	£18.57	£12.67	11%	*2,898*	*2,710*

Source: Survey of Childcare and Early Years Providers, 2018, 2019 and 2021

Notes: The unweighted base is lower for the NLW proportion because some banded wage responses could not be used for this proportion.

Table 7: Staff weekly hours

Provider type	Mean weekly hours	Median weekly hours	Proportion of staff working part-time	*Unweighted base*
Private providers				
2018	34.2	38.0	23%	*5,205*
2019	34.4	38.0	22%	*5,370*
2021	34.7	40.0	21%	*6,387*
Voluntary providers				
2018	27.7	28.0	51%	*3,290*
2019	27.1	29.0	51%	*3,691*
2021	28.1	30.0	48%	*3,544*
All group-based providers				
2018	32.2	36.0	31%	*8,763*
2019	32.0	35.0	31%	*9,314*
2021	32.8	37.0	28%	*10,199*
Nursery classes				
2018	30.8	32.0	29%	*1,025*
2019	30.4	32.5	32%	*2,194*
2021	31.0	32.5	29%	*3,030*
MNS				
2018	32.4	35.0	25%	*402*
2019	31.6	35.0	25%	*302*
2021	31.4	35.0	27%	*432*
All school-based providers				
2018	31.0	32.0	29%	*1,427*
2019	30.5	32.5	31%	*2,496*
2021	31.1	32.5	29%	*3,462*

Source: Survey of Childcare and Early Years Providers, 2018, 2019 and 2021

Table 7 presents the mean and median weekly staff hours and the proportion working part-time by provider type for the three years 2018, 2019 and 2021.

Mean weekly hours were higher for group-based providers than school-based providers in all three years, although the differences were not large.[27] In 2021, staff in group-based providers worked an average of 32.8 hours each week compared to 31.1 hours for staff in school-based providers. Just under one third of staff worked part-time (29% for School-based providers and 28% for group-based providers in 2021) and there were no differences between group-based providers and school-based providers for all three years.[28] Mean weekly hours were higher (and the proportions working part-time lower) for private providers than voluntary providers, while mean weekly hours were higher in MNS than in nursery classes among school-based providers.[29]

There was an increase in the mean weekly hours from 32.0 to 32.8 and a corresponding decrease in the proportion working part-time from 31% to 28% between 2019 and 2021 for group-based providers.[30]

Staff pay and hours by other provider characteristics

By region

Figure 6 presents the proportion of staff paid at or below the NLW for GBPs and SBPs in 2021 across the nine regions in England, while tables 21 and 22 in Appendix A present mean hourly pay and the proportion of staff paid at or below the NLW across region in 2019 and 2021 for GBPs and SBPs. The figure and tables show:

- For staff working in group-based providers, the proportions paid at or below the NLW in 2021 were lower in London (14%), the South East (20%) and South West (23%) than in other regions (the proportions ranged between 27% and 31% in the remaining six regions). Although the mean hourly pay was also highest in the three regions with the lowest low paid proportions, region was not a statistically significant explanatory factor for the variation in hourly pay across regions. These patterns were unchanged from 2019 (table 21).

---

[27] The mean weekly hours were statistically significantly different between group-based providers and school-based providers in all three years.

[28] The differences in the proportions working part-time between group-based providers and school-based providers were not statistically significant in all three years.

[29] Mean weekly hours and the proportions working part-time were statistically significantly different for private providers and voluntary providers in all three years. Mean weekly hours were statistically significantly different between nursery classes and MNS in 2018 and 2019 (but not 2021), but there were no statistically significant differences in the proportions working part-time in all three years.

[30] The differences for group-based providers were statistically significant between 2019 and 2021 but not between 2018 and 2019. There were no statistically significant differences in mean weekly hours or the proportions working part-time between 2018 and 2019 or between 2019 and 2021 for school-based providers.

- For staff working in school-based providers, the proportions paid at or below the NLW in 2021 were lowest in London (4%), the North West (8%) and the West Midlands (9%) and highest in the East of England (18%), South East (17%) and South West (15%). As for group-based providers, region was not a statistically significant explanatory factor for the variation in hourly pay across regions for school-based providers. The pattern for school-based providers was slightly different in 2019: mean hourly pay was highest in London (£19.26) and lowest in the South East (£13.51) and South West (£13.13), while region was not a statistically significant explanatory factor for the variation in the proportion paid at or below the NLW across regions. Although it was mean hourly pay that was significant in 2019 and the low paid proportion that was significant in 2021, the two findings indicate that hourly pay tended to be higher in London and lower in the South East and South West for staff working in school-based providers in both 2019 and 2021 (table 22 in appendix A).

Figure 6 Proportion of staff paid at or below the NLW by region in 2021
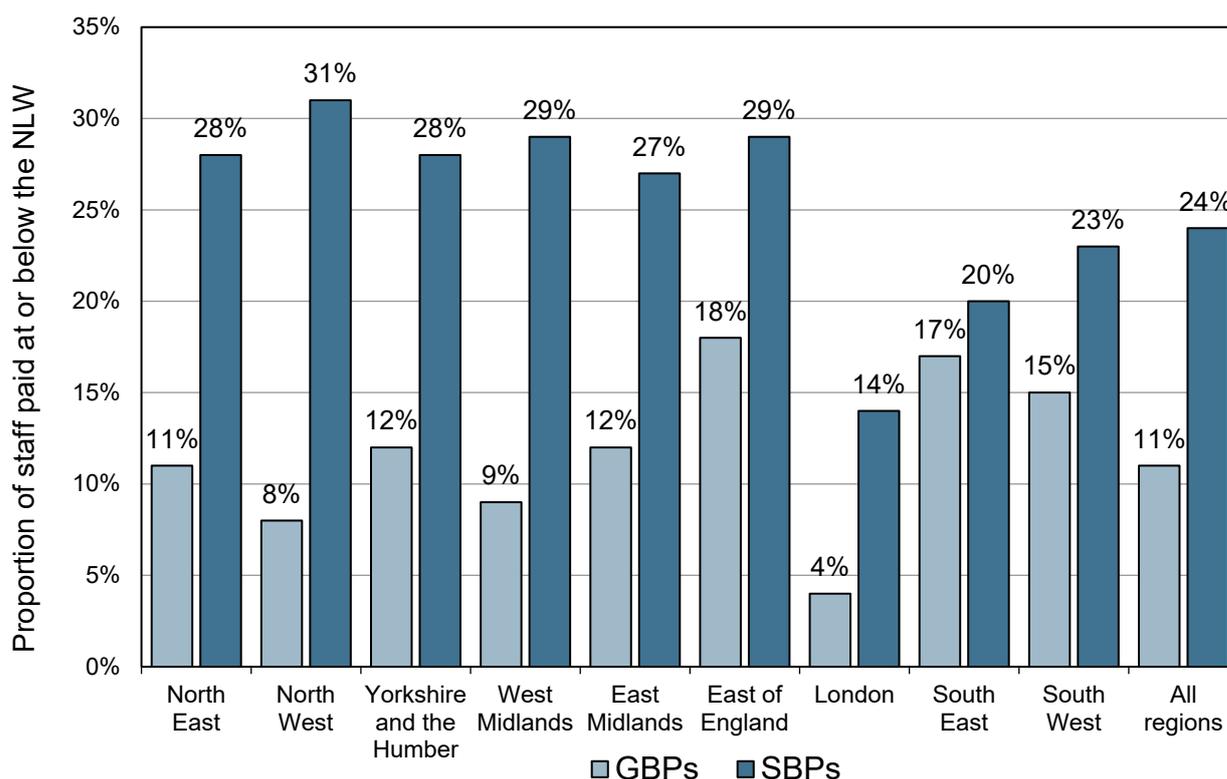
Source: Survey of Childcare and Early Years Providers, 2021

Tables 23 and 24 in Appendix A present mean weekly hours and the proportion of staff working part-time in 2019 and 2021 for GBPs and SBPs. The tables show:

- For staff working in group-based providers, mean weekly hours in 2021 were higher in London, the North West, Yorkshire and the Humber, the West Midlands and the East Midlands (with mean weekly hours ranging from 33.1 hours to 34.3 hours across the five regions) than in the East of England, South East, South West and North East (with mean weekly hours ranging from 31.0 hours to 31.8 hours across the four regions). The proportions working part-time were correspondingly lower in the first five regions (ranging from 22% to 26%) than in the remaining four regions (ranging from 32% to 35%). The patterns were very similar in 2019. (table 23 in Appendix A)

- For staff working in school-based providers, mean weekly hours in 2021 were highest in London (32.4 hours), the North East (32.0) and Yorkshire and the Humber (31.4) and lowest in the West Midlands (29.9), East Midlands (29.9) and South West (29.6). The proportions working part-time were correspondingly lowest in the first three regions (ranging from 22% to 28%) and highest in the second three regions (ranging from 31% to 34%). However, region was not a statistically significant explanatory factor for the variation in mean weekly hours or the proportion working part-time in 2019.[31] (table 24 in Appendix A)

Overall, the proportion of staff paid at or below the NLW was lowest in London for staff in both group-based and school-based providers, but was relatively low for staff working in group-based providers and relatively higher for staff working in school-based providers in the South East and South West.[32] Weekly hours were higher in London and in Yorkshire and the Humber and lower in the South West for both group-based providers and school-based providers. But there was a divergence between group-based providers and school-based providers in the patterns for the North East (relatively low hours for group-based providers and relatively high hours for school-based providers) and for the West and East Midlands (relatively high hours for group-based providers and relatively low hours for school-based providers). There were no marked changes in the regional patterns in hourly pay or weekly hours between 2019 and 2021 for either group-based providers or school-based providers.

By area deprivation

For both school-based providers and group-based providers, the deprivation variables were not statistically significant as an explanatory factor for the

---

[31] The absence of statistically significant relationships in 2019 could reflect the smaller sample sizes for School-based providers in 2019 than in 2021.

[32] Consequently, the hourly pay "premium" for working in an SBP rather than a GBP in 2021 was lowest in the South East (3 percentage points lower probability of being paid at or below the NLW) and the South West (8 percentage points lower probability of being paid at or below the NLW) compared to the national average of 13 percentage points lower probability of being paid at or below the NLW.

variation in either hourly pay measure, indicating no evidence of any strong relationships between local deprivation and hourly pay in either year (tables 25 and 26).

For both group-based providers and school-based providers, the proportion of staff working part-time in 2019 and in 2021 was lower in areas with greater deprivation than in areas with less deprivation, although local deprivation level was not a statistically significant explanatory factor for school-based providers in 2021 (tables 27 and 28 in Appendix A). Indeed, the pattern weakened for both group-based providers and school-based providers between 2019 and 2021: in 2019, the proportion working part-time in group-based providers ranged from 21% to 37% between the most and least deprived areas, while the gap had narrowed to a range of 24% to 33% in 2021. Relatedly, mean weekly hours were higher in areas with greater deprivation than in areas with less deprivation for both group-based providers and school-based providers in 2019. Local deprivation level was not a statistically significant explanatory factor in 2021 for either provider type.

Overall, hourly pay did not vary by local deprivation in 2019 or 2021. Mean weekly hours were higher and the proportion working part-time was lower in areas with greater deprivation than in areas with less deprivation for both school-based providers and group-based providers, although the relationship appeared weaker in 2021 than in 2019.

By urban and rural

There were no statistically significant differences between urban and rural areas in the mean hourly pay or the proportion paid at or below the NLW for GBPs and SBPs in 2021 (tables B9 and B10). Mean hourly pay was higher in urban areas than in rural areas in 2019 - £10.66 in urban areas compared to £9.43 in rural area for GBPs and £16.40 in urban areas compared to £14.27 in rural areas for GBPs.

Mean weekly hours were higher and the proportion working part-time lower in urban areas than in rural areas for both GBPs and SBPs in 2019 and 2021 (tables B9 and B10). The differences in the part-time proportion were particularly marked: in 2021, 25% of staff in GBPs in urban areas were worked part-time compared to 39% in rural areas, while 27% of staff in SBPs in urban areas were worked part-time compared to 41% in rural areas.

Overall, mean hourly pay was higher in urban areas than in rural areas for both GBPs and SBPs in 2019, but the gaps had disappeared in 2021. Mean weekly hours were higher and the proportion working part-time substantially lower in urban areas than in rural areas in both years for GBPs and SBPs.

By single-site and chains

Among group-based providers, the proportion of staff paid at or below the NLW in 2021 was lower in chains (20%) than in single-site settings (26%), but there was little difference in mean hourly pay (Figure 7 and Table 31 in Appendix A). This pattern was unchanged from 2019.

Mean weekly hours in 2021 were notably higher in chains (36.1 hours) than in single-site settings (31.1 hours), while the proportion working part-time was substantially lower in chains (14%) than in single-site settings (35%) (Figure 7 and Table 31 in Appendix A). These patterns were unchanged from 2019.

Overall, hourly pay tended to be lower and weekly work hours higher in chains than in single-site settings.

Figure 7 Proportion of staff paid at or below the National Living Wage and proportion working part-time by single-site and chain for GBPs
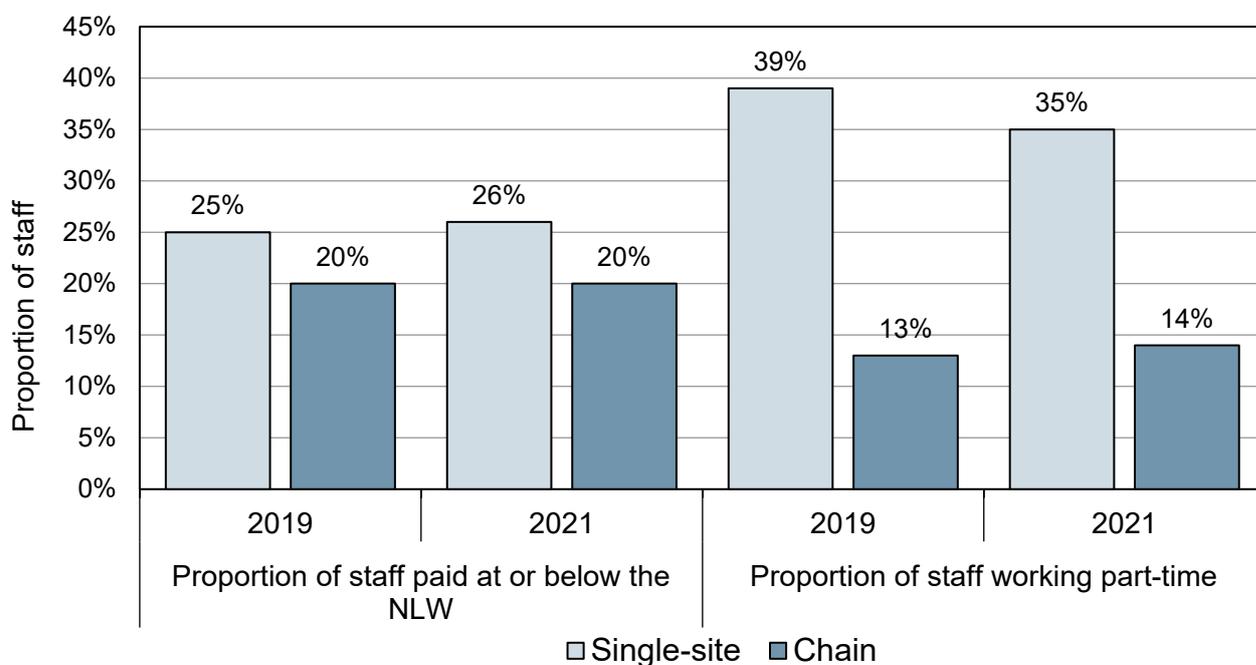
Source: Survey of Childcare and Early Years Providers, 2019 and 2021

By setting size

For group-based providers, mean hourly pay in 2021 was highest for settings in the middle size (51-75 registered places) band (£12.37) and lowest in the smallest (1 to 25 registered places) and largest (101 or more registered places) size bands (£10.91 and £10.38), indicating an inverse U-shape in hourly pay

with respect to setting size (Table 32 in Appendix A). In contrast, the proportion paid or below the NLW tended to decline with setting size (declining from 28% for the smallest size band to 18% and 22% for the two largest size bands). The pattern for the low paid proportion was also present in 2019, but setting size was not a statistically significant explanatory factor for mean hourly pay in 2019.

For school-based providers, setting size was a statistically significant explanatory factor for mean hourly pay in both 2019 and 2021, but there was no clear pattern across the size bands (Table 32 in Appendix A). In addition, setting size was not a statistically significant explanatory factor for the proportion paid at or below the NLW in either year.

For both school-based providers and group-based providers in 2021, mean weekly hours were higher and the proportions working part-time substantially lower for settings in higher size bands (Figure 8 and Tables 32 and 33 in Appendix A). The differences across size bands were considerably larger for group-based providers than for school-based providers. Mean weekly hours ranged from 26.2 hours to 36.0 hours between the smallest and largest size bands for group-based providers and between 30.7 hours and 32.8 hours for school-based providers. The proportion working part-time ranged from 56% to 15% between the smallest and largest size bands for group-based providers and between 33% to 18% for school-based providers. These patterns were unchanged from 2019.

Overall, there was an inverse U-shaped relationship for mean hourly pay with setting size (hourly pay was highest for middle-sized settings) for group-based providers in 2021. However, there was no relationship between size and hourly pay for group-based providers in 2019 or for school-based providers in either year. For both school-based providers and group-based providers in both years, mean weekly hours were higher and the proportions working part-time lower for larger settings, with larger variation across setting size for group-based providers than school-based providers.

Figure 8 Proportion of staff working part-time in 2021 by setting size
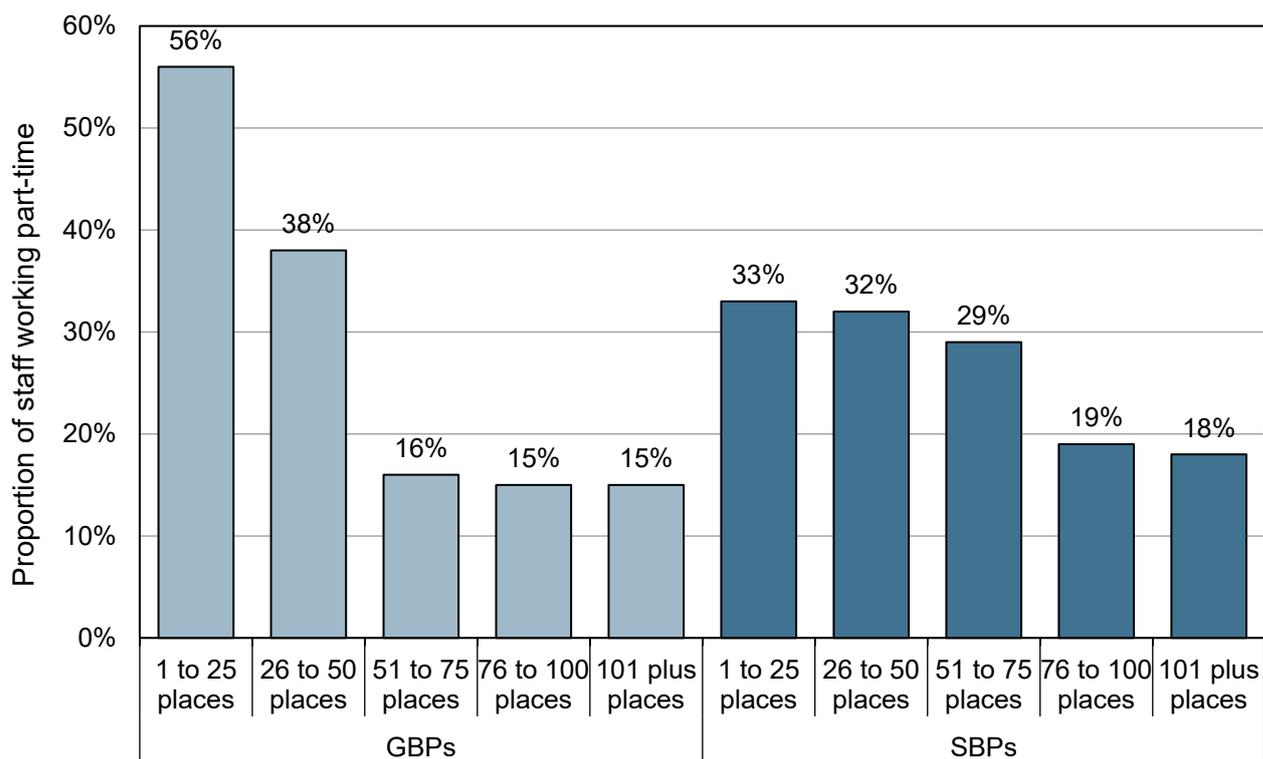
Source: Survey of Childcare and Early Years Providers, 2021

Staff pay and hours by staff qualification and age in 2021

Tables 34 to 41 in Appendix A present the patterns in staff hourly pay and weekly hours across staff qualification level and age band. Qualification refer to the highest level of qualification held from the DfE list of approved early years qualifications used to determine child:staff ratios. Because qualification and age may be closely related, statistical significance across qualification levels and age bands was tested using regression models containing both factors. These identify statistically significant differences for qualification level controlling for related differences in age bands and, similarly, for age bands controlling for related differences in qualification levels.[33]

Qualification was an important factor in hourly pay (Figure 9):

- For group-based providers, mean hourly pay was lower for staff qualified at level 3 or lower (£11) than for staff qualified at level 4 or 5 (£13) or level 6 (£14). Hourly pay was also higher for more qualified staff in

[33] Regression models containing only qualification and only age bands generated identical results with one exception for hourly pay for group-based providers where the independent model identified statistically significant differences across age groups while the joint model controlling for qualification level did not.

school-based providers, but the differences across qualification level were larger with greater gaps between staff with level 2 or below (£13), level 3 and level 4 or 5 (£17 and £16) and level 6 or higher (£25).

- For group-based providers, the proportion paid at or below the NLW was substantially lower for each higher qualification level, declining from 46% for those with level 2 or below to 10% for those with level 6 or higher. The pattern was similar for school-based providers, although the differences across qualification level were smaller declining from 26% for those with NVQ 2 or below to 2% for those with NVQ 6 or higher.

- These findings highlight that the differences in hourly pay between group-based providers and school-based providers occur within each qualification level, but the gaps are greatest for hourly pay among the highest qualified (level 6) and for the low paid proportion at all qualification levels.

Figure 9 Proportion paid at or below the NLW in 2021 by qualification level
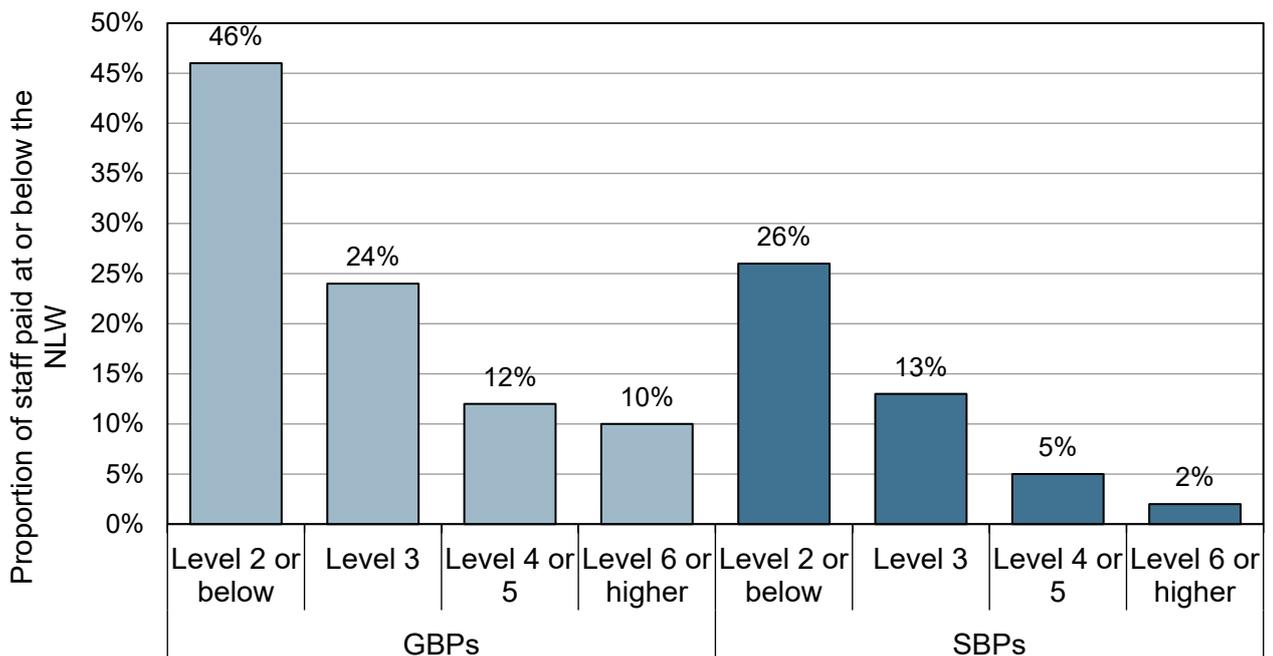
Source: Survey of Childcare and Early Years Providers, 2021

On the other hand, age was only a statistically significant factor for the proportion paid at or below the NLW for school-based providers. The proportion paid at or below the NLW for school-based providers was generally lower for each older age band, although the differences were not large (13% for staff aged 25 to 29, 10% for ages 40 to 49 and 8% for age 50 plus).

47

Figure 10 Proportion working part-time by qualification level and age for GBPs
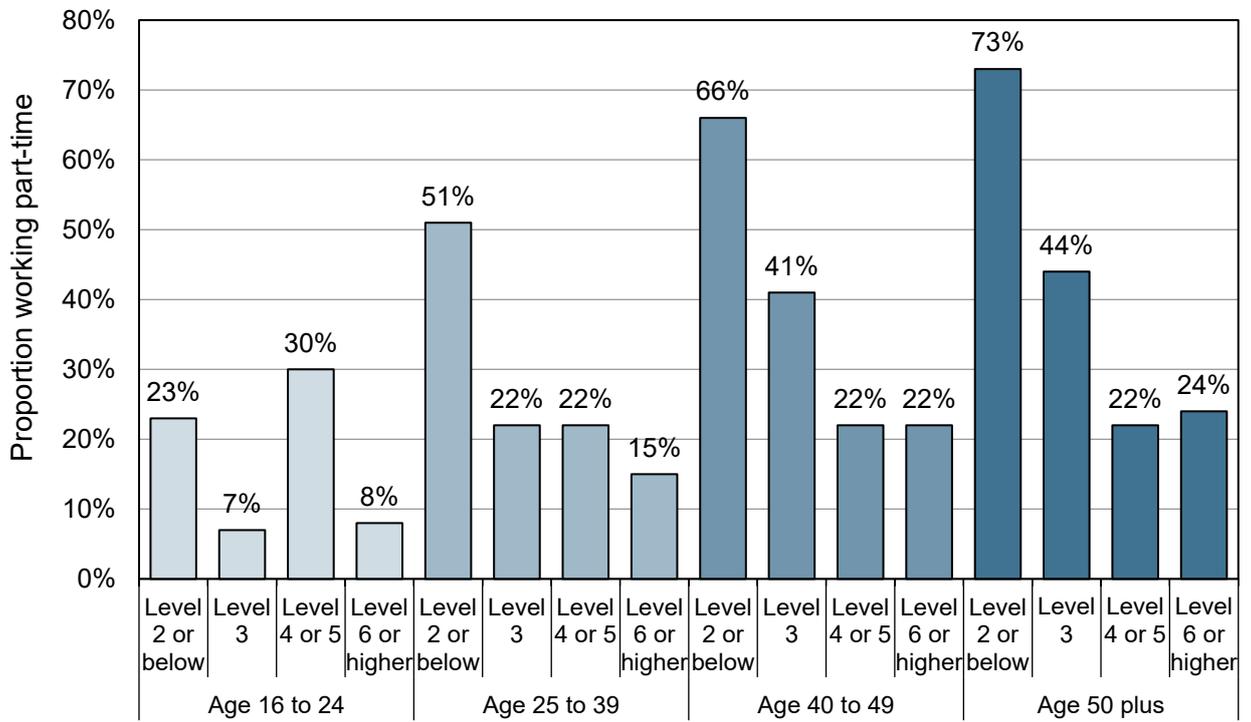
Figure 11 Proportion working part-time by qualification level and age for SBPs
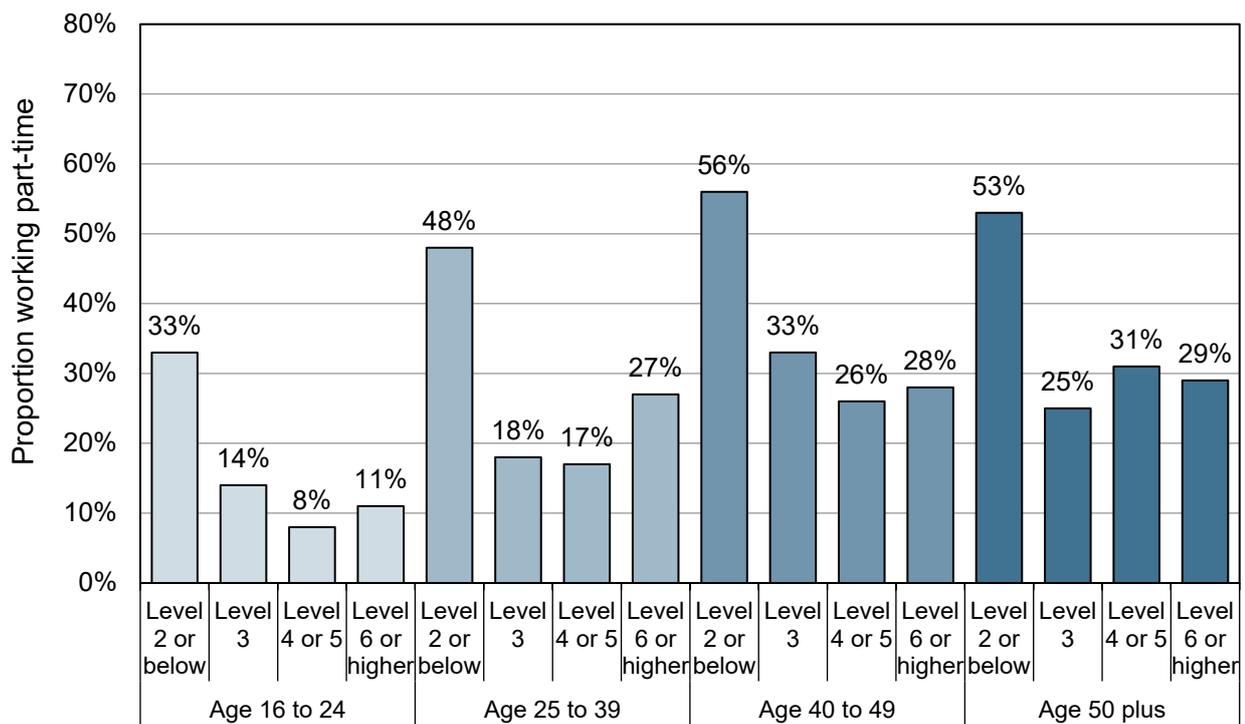
Both qualification and age band were important factors for weekly hours (Figures 10 and 11).

- For both group-based providers and school-based providers, mean weekly hours were lower and the proportion working part-time was higher for those with the lowest qualifications (level 2 or below), but there was little variation across higher levels of qualifications. For group-based providers, the gap was 28 hours for staff qualified to level 2 or below compared to 34 hours and 35 hours at higher qualification levels, while the gap was 27 hours and 32 hours for school-based providers.

- For group-based providers, mean weekly hours were distinctly lower and the proportions working part-time were higher for staff in the 40 to 49 and 50 plus age bands than younger staff. Consequently, more than two thirds of staff with level 2 or below and aged 40 or older worked part-time.

- For school-based providers, mean weekly hours decreased and the proportions working part-time increased across age groups, but the gaps were smaller and more consistent across age groups than the pattern for group-based providers. Consequently, more than half of staff with level 2 or below and aged 40 or older worked part-time.

Overall, higher staff qualifications were associated with higher hourly pay in 2021, but age was not an important factor for hourly pay. However, both age and qualification were important for weekly hours, with part-time work substantially more prevalent among less qualified and older staff.

4. Recruitment and retention in the early years workforce

This chapter looks at the recruitment and retention issues faced by childcare providers. The first part of this chapter is based on survey findings relating to staff turnover across all settings before focussing on the differences between settings. The second part is based on qualitative findings from the interviews that were conducted with setting managers[34]. The aim of the qualitative section is to provide context and in-depth understanding of the broad trends identified by the quantitative data.

Extent of staff turnover: findings from the Survey of Childcare and Early Years Providers

This section presents quantitative evidence on the rate of staff turnover in childcare settings based on analysis of the Survey of Childcare and Early Years Providers (SCEYP) 2021. Staff turnover is defined as the proportion of a setting's staff who leave over the course of a year and provides one indicator of the health of the early years' workforce and the extent to which settings may be facing issues with recruitment and retention.

In SCEYP, turnover is measured as follows:

$$\text{Turnover rate} = \frac{\text{Number of paid staff left the setting in past 12 months}}{\text{Total number of staff at the setting at the time of survey}} \times 100$$

As well as the average turnover rate per setting, we also report on the proportion of settings with high staff turnover, defined here as settings where the staff turnover rate is greater than 25%.

The turnover rate provides only a partial picture of settings' staffing situation. It does not tell us anything about why the staff left or whether they moved within the sector or left the early years sector altogether. It also provides no indication of how easy or difficult settings found it to replace the staff who left and therefore what the implications of the turnover were for their overall staffing levels. These issues are explored in more detail using evidence from the qualitative interviews (see below).

It should also be borne in mind that the figures presented provide a snapshot of turnover in a specific12 month period. It is possible that, had we looked at

---

[34] Members of staff within settings were not interviewed.

turnover over a longer period or after summer 2021 figures may have been higher (see Davies and Hunnikin, 2022).

It is difficult to make comparisons between the rate of staff turnover in the early years sector and turnover in other sectors of the economy. This is partly due to a lack of published data on turnover rates by industry. It should be borne in mind that turnover rates are likely to vary considerably by industry, depending for example on the demographic and skills/qualification profile of workers. Any comparisons would therefore need to be with industries where the composition of the workforce was similar to the early years' sector.[35] This report focuses instead on variation in turnover rates within the early years' sector, both over time and depending on the type of setting. If turnover rates are increasing, or affect certain providers more than others, this would suggest a need for further investigation of why this might be and what effects it might be having.

Staff turnover in 2021

Nearly two-thirds of group-based providers had had at least one paid member of staff leave their setting in 2021 (Table 8). The average (mean) turnover rate was 16%. Around one in five group-based providers (19%) had a staff turnover rate of over 25%. The staff turnover rate was higher among private providers compared with voluntary providers (17% compared with 12%).

Turnover was much lower among school-based providers compared with group-based providers. Only 24% of school-based providers had had a member of staff leave in the past 12 months. The average turnover rate was six percent. Only seven percent of school-based providers had a turnover rate of over 25%. There was no significant difference in turnover between nursery classes and maintained nursery schools (MNS).

Table 8: Staff turnover by provider type , 2021

Proportion of providers experiencing different levels of staff turnover and average turnover rate per setting

	Private providers	Voluntary providers	All group-based providers	Nursery classes	MNS	All school-based providers
Level of staff turnover						

---

[35] There is some evidence that turnover is higher for women than men (Hom et al, 2010) though Leonard and Levine 2006 argue that female turnover is lower in workplaces with heavy gender imbalances.

0%	31%	45%	36%	77%	40%	76%
1-10%	15%	10%	14%	2%	36%	4%
11-25%	33%	30%	32%	13%	21%	13%
26-50%	17%	12%	15%	7%	2%	6%
51%+	4%	3%	4%	1%	2%	1%
Average rate of turnover	17%	12%	16%	6%	8%	6%
Unweighted base	*1581*	*906*	*2553*	*1186*	*113*	*1299*

Source: Survey of Childcare and Early Years Providers 2021

Changes in staff turnover over time

The rate of staff turnover has been broadly stable over recent years. Among group-based providers, there was no significant change in the rate of staff turnover, or in the proportion of settings with turnover of over 25%, between 2018 and 2021 or between 2019 and 2021 (see Table 42 in Appendix A, Figure 12). Among school-based providers, the rate of staff turnover, and the proportion of providers with staff turnover greater than 25%, was lower in 2021 compared with 2019.[36]

---

[36] Though the difference between 2018 and 2021 was not statistically significant.

Figure 12 Average (mean) rate of staff turnover by year
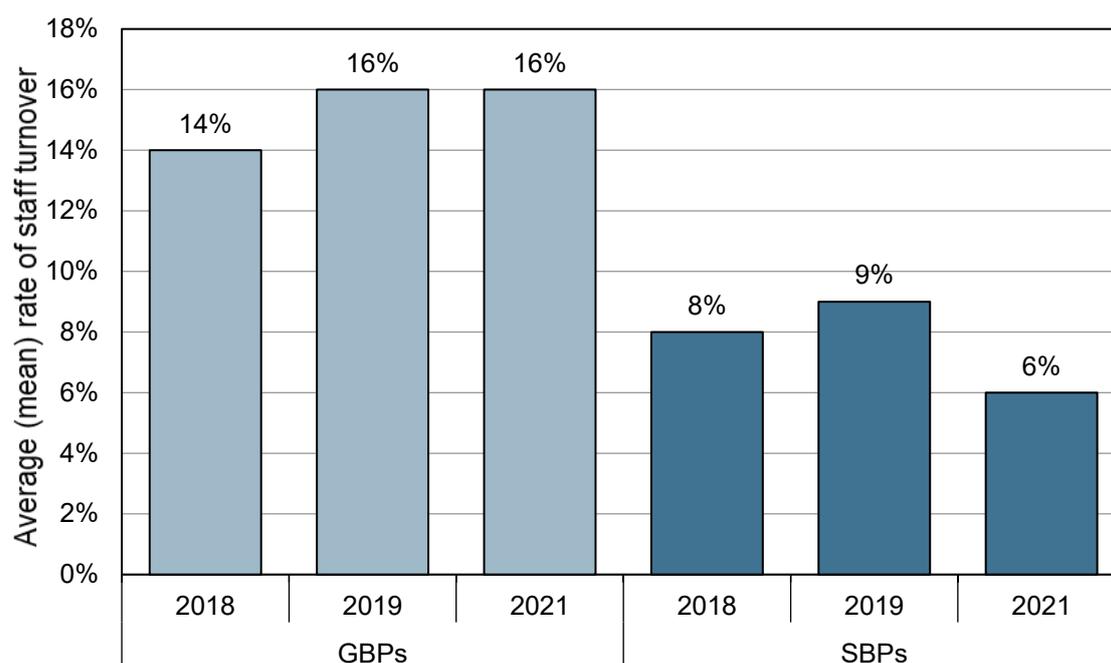
Differences in staff turnover by provider characteristics

This section examines and comments on any statistically significant differences in mean staff turnover rates, and the proportion of providers with turnover above 25%, by provider characteristics.

There was a varied picture with regards to the relationship between turnover and region (Table 43 in Appendix A).

- There were no significant differences by region on either turnover measure for group-based providers in 2021. The average turnover rate was highest in the East of England (19%) and lowest in the North East (12%). The average turnover rate did vary significantly by region in 2019 but showing a different pattern to 2021; turnover was highest in London and the West Midlands (18%) and again lowest in the North East (12%).
- In 2021, there was a significant difference in mean turnover by region for school-based providers. The South West had the highest mean turnover in this category (9%), and the North West had the lowest (4%). There was greater variation in turnover across regions, both the mean turnover and the proportion of settings with turnover greater than 25%, in 2019 compared with 2021. Turnover was particularly high in the South East (average turnover of 14% and 18% of settings with high turnover) and London (average turnover of 12% and 15% of settings with high turnover) in 2019 but was closer to the overall average in 2021.

The evidence on the relationship between turnover and deprivation is also mixed (Table 44 in Appendix A).

- There were significant differences in group-based provider turnover by deprivation in 2021 (both mean turnover and the proportion of settings with turnover over 25%). These differences did not follow a linear trend, however, and in 2019 turnover did not vary significantly by deprivation. It is, therefore, difficult to draw firm conclusions about the impact of deprivation on turnover.
- No significant association between turnover and deprivation was found for school-based providers in either 2019 or 2021.

There were significant differences in turnover between urban and rural areas for both group-based providers and school-based providers. However, the difference was in different directions for the two provider types and was only present in 2021, not 2019 (Table 45 in Appendix A).

- In 2021 urban group-based providers had higher turnover rates than rural providers by both measures (mean: 16% vs 13%, proportion over 25%: 20% vs 15%).
- In 2021 rural school-based providers had a higher mean turnover rate than urban providers (8% vs 6%) but there were no significant differences in the proportion of school-based providers with turnover above 25%.
- Turnover did not vary significantly between urban and rural areas in 2019 for either group-based or school-based providers.

Group-based settings that were part of chains had significantly higher turnover by both measures compared with settings that were not part of a chain. The same pattern was observed in 2021 and 2019. In 2021, group-based provider settings in chains had an average turnover of 19%, compared to 14% for group-based provider settings which were not part of chains (Table 46 in Appendix A).

There were no significant differences in turnover by size of setting for group-based providers or school-based providers in 2021 or 2019 (Table 47 in Appendix A).

Why staff leave group-based settings and the destination of leavers

Following on from the finding that GBPs had higher turnover than SBPs[37], the qualitative interviews with setting managers for GBPs offered several possible

---

[37] See page 45.

reasons for high staff turnover. None of these were mentioned by managers in SBPs.

Incoming staff were unaware of the day-to-day realities that came with working in Early Years (EY). Broadly speaking, managers believed that incoming staff had idealistic views and expectations about EY job roles and careers. For example, that 'playing with children' was the main requirement to working in EY. Equally, that administrative or less child-interactive responsibilities were a minor, less time-consuming part of the job. Managers therefore believed that incoming staff were often unprepared for the day-to-day realities of working in EY, within the context of the work that had to be undertaken and the hours required. This applied to both apprentices and newly/recently qualified employees.

> They were just pinpointed towards childcare but it's not what they wanted to do. They thought that it was all about playing with toys and glitter. All the apprentices in the past have admitted that they did not realise the amount of hard work that goes into this job, especially the paperwork. They should be prepared more for the reality of the work. - *Setting manager, GBP*

> I think what is less appealing are the hours and the money, getting somebody to do the full 42 hours is hard, especially young people. - *Setting manager, GBP*

Group-based setting managers believed that **a lack of flexibility and poor work-life balance** was another reason why staff left settings. Other EY settings, especially SBPs were described as offering more favourable working conditions in terms of hours and holiday. Working within term-time and within school hours was seen as more conducive to working in EY and maintaining a work-life balance[38]:

> You can have a similar job in a school that's term time only. - *Setting manager, GBP*

The lack of financial incentive to stay in GBPs. Across a subset of the interviews, managers reported that a number of staff leavers moved to similar jobs and sectors that had higher rates of pay (e.g. children's services within the NHS). Other members of staff moved to new industries (e.g. adult social care,

---

[38] Nearly all (94%) of school-based providers were open in term time only (with only 0.2% open in holidays only and 6% in term time and school holidays). In contrast, less than half of group-based providers (44%) were open in term time only (with only 0.5% open in holidays only and 55% in term time and holidays). Source: Survey of Childcare and Early Years Providers 2021.

teaching, supermarkets and 'office-based' jobs). These were all described as paying more favourably. .

> People are shifting careers because they can do the same in the supermarket and get more per hour…you can't blame them for leaving the childcare sector because the cost of living goes up. - *Setting manager, GBP*

The strain of working through COVID-19. The pandemic was reported as leading to staff re-evaluating and reassessing their life/career choices. This meant that they moved from group-based providers into other careers/industries (such as those mentioned above). Workers from overseas were also reported as leaving to return to their home countries.

Reasons for the high rates of retention within school-based settings

As mentioned earlier in chapter 4, within the survey findings, GBPs had higher staff turnover than SPBs[39]. The previous section looked at the reasons for why managers of GBPs felt that they had high staff turnover (none of which were mentioned by managers of SBPs). This section looks at why setting managers for SBPs believed they had low staff turnover (and therefore had few recruitment challenges).

- **Favourable working conditions with regards to working hours and holidays.** This helped ensure high levels of staff satisfaction.

- **Opportunities for personal training & development** gave members of staff at SBPs the chance to develop their skills, experience and abilities. This meant that staff could progress in terms of their career- for example, training and progression were offered as a basis for staff progressing towards teaching assistant roles**.** Setting managers also mentioned how this helped with staff members' sense of self-worth. By contrast, managers of GBPs spoke about how there was a relatively limited number of opportunities for personal training and development and that, any opportunities occurred on an ad hoc rather than systematic basis.

- **The connection between school-based providers and the main school meant that staff felt supported in their roles.** School-based providers could draw on resources from the main school to support members of staff (e.g. if staff had to take time off, the setting could rely on the school to provide cover).

---

[39] See page 45.

- **Good salary progression** to ensure that staff felt their work and efforts were valued. It also helped attract attention to vacant posts.

High rates of retention in SBPs meant that managers generally did not face many recruitment-based challenges. Links with local colleges, for example, meant that settings had helpful and established channels when it came to recruiting apprentices (unlike GBPs). However, when staff did leave, these were often long-serving individuals whose occupational experience and high performance was deemed difficult to replace.

Provider size

Across group and SBPs, smaller settings reported fewer issues with retention. Being part of a smaller team meant that members of staff felt valued and had a clearer idea about the delegation of tasks. As part of this, setting managers spoke about how they felt their lower rates of turnover were linked to the communal feeling that existed within teams. As a result, these settings had work environments that staff did not wish to readily move away from.

Group-based settings and the challenge of recruitment

As well as having high staff turnover, managers for GBPs spoke about the difficulties that they had recruiting new members of staff, particularly with recruiting 'quality'. Concerns were raised about the type of applicants coming forward for vacant positions rather than the number of applicants. For example, applicants were described as having inaccurate and idealistic views about what their roles and responsibilities would entail.

> To get applicants is pretty easy, to get quality staff is difficult. Both for apprentices and qualified staff. - *Setting manager, GBP*

> There is an attitude that staff come here and play with children. It's not seen as a proper career job where you can progress. - *Setting manager, GBP*

The issue of quality also extended to applicants' qualifications in relation to the vacancies that they applied for. A common viewpoint expressed by managers was that the quality of applicants was compromised by the fact that applicants were not qualified for the vacancies that they were applying for. Other managers also spoke about how they saw certain qualifications (e.g. (GCSEs) to be insufficient for a career in EY. For example, managers believed that certain qualifications such as GCSEs and graduate programmes (relating to child development) provided an 'imbalance' whereby applicants had a theoretical, rather than practical understanding of job requirements.

…all of the qualifications are not balanced enough for the practical elements and for understanding it from the ground up. It's becoming too theory based where they can tell me about theories all day long but can't tell me how it works. - *Setting manager, GPB*

We are teaching graduates to do their job. - *Setting manager, GPB*

A subset of the managers for GBPs believed that certain avenues which were used to advertise job vacancies were not particularly suited to attracting the 'right' candidates (in terms of quality). For example, job websites and social media platforms (e.g. Facebook) were described as attracting candidates that were not well-matched or qualified for vacancies.

Other means of recruitment such as word of mouth and local connections were preferred by managers of GBPs. Managers used these as a way to recruit bank staff[40] and apprentices - both of whom were heavily relied upon by managers due to the challenge of recruiting permanent staff that were deemed suitable. Although managers saw bank staff and apprentices as a necessary part of their workforce, there was a preference towards relying less on these members of staff and, instead, hiring permanent members of staff.

The challenges that came with recruiting 'quality' staff to GBPs were believed by setting managers to be long-term and, therefore, not directly linked to COVID-19. Setting managers spoke about other issues that pre-dated the pandemic as having more of a direct impact on the challenges of recruiting 'quality' staff members (e.g. the withdrawal of government funding for national vocational qualifications [NVQs]). COVID-19 was therefore seen as exacerbating long-standing challenges around recruitment within group-based providers.

8 years ago, when government directly funded NVQs for anybody in childcare and when it was heavily subsidised by the government funding, we had zero issues in recruiting good quality staff across every area of childcare need. We started to see a retraction of qualified staff coming into the industry or being retained in the industry because the

---

[40] Bank staff are members of the nursery team and their role involves supporting colleagues in terms of being responsible for children in settings. However, they are not contracted to any set number of hours. They are instead called upon to cover occurrences such as holiday, absence and reduced staff levels.

government funding was completely withdrawn and we went on to apprenticeships... - *Setting manager, GBP*

In cases where COVID-19 was mentioned as impacting GPBs' recruitment more directly, setting managers spoke about the number of applicants that they received for vacant posts:

Recruiting has been awful. Horrendous... These are problems we did not face before last year. - *Setting manager, GBP*

I think childcare has suffered from the pandemic and just getting people in is really hard. - *Setting manager, GBP*

Measures that were taken to boost recruitment in group-based providers

Setting managers spoke about three main ways in which they tried to boost recruitment:

- **Apprentices (level 2 and 3)** that were hired through training providers were potential long-term investments that could effectively integrate into settings as members of staff once they had completed their formal training. Those who spoke about apprentices mentioned that they were often more cost-effective and had the potential to carry out roles and responsibilities to the same standard as other members of staff, once qualified.

- **Advertising job vacancies across multiple platforms and settings.** This included job vacancy websites as well as social media platforms and community spaces (e.g. libraries). Managers for chain settings explained that this difficult to do in their settings due to financial issues (e.g. directors being more reluctant to pay for job adverts in public settings). The managers in non-chain GBP did not report this as an issue.

- **Promoting internally** to ensure career progression for staff. **Formalised training** meant that staff could qualify for more senior and advanced positions. This was considered a means to keep staff from leaving settings in search of more senior positions.

5. Workforce and business planning

This section will present mostly qualitative data on how and why providers made decisions regarding staffing and business models in the context of workforce challenges, COVID-19 and the problems brought about by the pandemic. This includes the process of decision-making (what decisions are made, by whom and when), considerations around the wider context, and perceptions on the impacts of decisions.

Funding, fees and staff pay

Participants spoke of a difficult balance between funding, fees and staff pay. **Staffing was highlighted as the biggest expense for providers, even though wages were perceived as too low in both GBPs and SBPs.**[41] While managers believed that staff were underpaid for the work they were carrying out, they were not able to raise wages as this would put too much pressure on finances and business sustainability.

The increase in minimum wage in April 2022, from £8.91 to £9.50 for those aged 23 and over,[42] was highlighted as a cause for concern. This will not only involve increasing the wages of staff on minimum wage, but for most staff members within the nursery in order to maintain differentials between different staff bands. In April 2022, the hourly funding rate increased for all local authorities by 21p an hour for the two-year-old entitlement and, for the vast majority of areas, by 17p an hour for the three- and four-year-old entitlement. However, setting managers reported that this will not cover statutory rises to the National Minimum or Living Wage (also see Farquharson et al. 2021). This was particularly concerning for those settings which had fewer fee-paying children and relied primarily on funded hours.

Setting managers also highlighted other inflationary pressures as a cause for concern, including rent, fuel, food and other supplies (e.g. toys, games, art supplies).

Low staff pay was associated with government policies and the underfunding of free entitlement hours. **Setting managers identified low funding as one of the main causes of instability in their settings.**

Four main problems with funding were highlighted by setting managers:

---

[41] For school-based and group-based providers, 74% of total costs were staff costs. This proportion has not changed significantly since 2019 (Cattoretti and Paul, 2022). 31% of providers said they had taken steps to reduce staff costs since the start of the pandemic (Davies and Hunnikin, 2022). See Davies and Hunnikin (2022) for ways in which those who had reduced staff costs did so.

[42] Minimum wage will also increase for those age 21-22 (£8.36 to £9.18), those age 18-20 (£6.56 to £6.83) and those age 16-17 (£4.62 to £4.81).

- Managers generally believed that the funding rate was too low and did not fully cover nursery costs, which led to budget shortfalls.

- Managers commonly noted that funding rates had not increased enough to cover rises in National Minimum Wage, again leading to budget shortfalls.

- A group of managers reported that the requirement for parents to apply for 30-hours the previous term was difficult for parents and nurseries. It was believed this system was not flexible enough, preventing parents from enrolling children for additional hours at nursery and leading them to turn down extra hours at work.

- A subset of managers spoke of challenges of basing funding levels on the previous term as settings reported varying levels of demand across the year. This led to underpayment some months and overpayment in others.

We don't get enough money from the government for the funded sessions to be able to cover our costs so we can't offer any more pay. When we are only given £4 per hour for the children for their funded sessions it's not enough to cover our costs. That makes things difficult – *Setting manager, GPB*

To tackle financial shortfalls and increase staff wages, some settings decided to increase parent fees.[43] However, these decisions were weighed up against affordability and parents' ability to pay. Settings acknowledged that they may want to increase parent fees but made the decision not to as they did not want to negatively impact on parents' finances and that it was not in their 'ethos'.

Differences across setting type

Interviews with setting managers demonstrated that the type of setting was a major factor when discussing pay, fees and funding. The main differences were between SBPs and GBPs.

School-based providers

Participants from **school-based providers reported relative stability in terms of finances and business planning**, with few substantial changes made to business models.

When discussing the impact of the pandemic, managers from school-based providers noted they were less impacted because funded hours continued to be

---

[43] In 2021, 41% of group-based providers and 13% of school-based providers reported increasing fees. This is lower than the proportion who reported increasing fees in 2019 (24% for school-based providers and 53% of group-based providers) (DfE, 2021).

paid even while children were not attending. School-based providers receive 72% of their income and MNS receive 71% of their income from free entitlement funding, therefore the income of these settings remained relatively stable (Cattoretti and Paul, 2022).

As highlighted previously, **school-based providers had fewer problems with recruitment and retention.** Consequently, fewer staff hours and financial resources are needed for recruitment, advertising, interviewing and induction training.

Participants working in both school-based and GBPs also commented on the **value of being attached to a school**. They explained that school-based providers were able to utilise staff from the school to cover staff absences related to sickness, isolation or vacancies. Participants felt there was a benefit in being able to move staff around, limiting the numbers and cost of agency staff used within the setting.

> We don't use supply. If someone is off sick we try to use staff who are qualified from within the school because they know the children – *Setting manager, SBP*

In contrast, maintained nursery schools (MNS), a type of school-based provider, had some specific issues that were distinct from other school-based providers. While MNS are early years settings, they are legally constituted as schools. This means they are required to have a head teacher, governing body and at least one qualified teacher. Participants working in MNS expressed that requirements to have higher qualified staff than other nurseries led to staffing being more costly. MNS receive supplementary funding to cover some of these costs, which has been confirmed throughout the spending review period. However, participants felt that they were in an increasingly precarious position and were not able to plan for future years.

> I think as the head of the maintained nursery school, the fact that we are not being funded reflects on statutory requirements of staffing and our overheads…I do think we need to have a separate funding formula for maintained nursery schools that reflects the standards and statutory requirements of our staffing and things like that - *Setting manager, SBP*

Group-based providers

Interview participants from GBPs reported different experiences when asked about business planning.

Private nurseries receive their income from both free entitlement funding and fee-paying hours. **Setting managers reported that funding rates were too low and led to shortfall, resulting in settings cross-subsidising funded hours with income from parent fees**. In order to do this, managers reported different strategies to increase their income, including capping numbers of

funded places and raising parent fees. However, during the pandemic most GBPs were not receiving parent fees in full if children were not attending.[44] Extended lockdown periods and uncertainty about re-opening/staying open caused considerable challenges for GBPs. Although some loss was offset by the furlough scheme, managers noted that this did not cover all their outgoings. Participants from GBPs explained that this exacerbated existing financial problems, leaving many financially unsustainable.

In contrast to school-based providers, who were more able to use school staff to cover workforce absence, **GBPs reported needing to rely more heavily on bank and agency staff, both prior to and during the pandemic**. The use of agency staff resulted in high costs to nurseries, with many noting that repeated use of agency staff was financially unsustainable.

> When you pay an agency, you have to pay hourly rates [and] fees on top
> *- Setting manager, GBP*

Setting managers also perceived agency staff as less effective, having less knowledge of the setting, procedures, children and parents. This increased the workload of permanent staff.

These financial challenges have led to settings taking a variety of measures to increase stability.

One strategy was to **change staff contracts**. Providers chose to reduce the number of contractual hours their staff were guaranteed. Examples of this include providers putting all staff on zero-hour contracts. Managers discussed how this resulted in them committing themselves to paying for fewer staff hours. This allowed managers to alter staff hours more easily in line with parental demand. Managers also noted that a reduction in contractual hours would lead to lower redundancy pay, decreasing the financial pressure on the setting.

Another way setting managers sought to manage budget shortfall was to **hire lower qualified staff, leading to lower wages.** For instance, one provider chose to replace a qualified teacher with an NVQ Level staff member.

For managers who owned their settings, an alternative strategy was to **reduce their own wages**, either partially or completely. Owners explained that they did this as an alternative to changing staff contracts or make staff redundant and, thus, to protect their valued staff members.

> It's my business, I can make the choice to make less money over this year. Obviously, the surplus in the business is my income…That's a choice I have made because I chose not to cut my staff numbers. Some settings do have staff on contracts where they say we don't need you this many hours…For

---

[44] Some providers charged retainer fees while children were not attending nursery during the pandemic.

retention, if you are going to be messing people around with their hours, that's going to be hard – *Setting manager, GBP*

Similarly, managers who owned their settings **reported using financial reserves, taking out bank loans and using personal savings to manage settings' financial deficits.**[45] As a result, managers were concerned about the future viability of their setting if they faced another financial challenge, such as a future COVID-19 outbreak.

Shifting demand

Setting managers from both GBPs and SBPs discussed how the reduction in parental demand for childcare was putting pressure on their finances and leading to changes in business planning.

Participants reported that there had been a **reduction in parental demand for childcare**. This was seen both in a decrease in overall numbers of children registered at nursery and the number of hours children were attending (e.g. going from 30 to 15 hours per week).[46] This was reported across interviews. There was no apparent relationship between a shift in demand and setting type, region, deprivation or setting size.

The **COVID-19 pandemic was described as the primary reason for the drop in demand**. Setting managers noted the increasing number of parents working from home or working more flexibility as reasons for their decrease in numbers. Managers also emphasised the continuing concern about the spread of infection and health risks to children and their wider families.

> This term I haven't got anywhere near the numbers that I have had every other year…It's very difficult, and if they do come, they only want one or two days or mornings. That means you take more children on to fill up, which gives the key workers extra work…I've had lots of people visit but they are very concerned about hygiene and ventilation. Children pass on everything…some people are still very, very worried about it [COVID-19] – *Setting manager, GBP*

Managers of setting that had reported a decrease in the number of hours children were attending, commented that they would have to take on more children overall. This had or could result in an overall increase in the number of children per key person. Managers noted that this would increase staff workload.

---

[45] When looking at group-based providers, 34% reported using business contingency reserves, 37% reported using personal savings and 2% reported taking out a personal loan (Davies and Hunnikin, 2022).
[46] However, SCEYP 2021 (DfE, 2021) indicates that the average number of children registered per setting has not changed between 2019-2021.

The reduction in parental demand was highlighted as a key driver in the loss of income. For GBPs, in particular, changes in demand due to COVID-19 resulted in the loss of fee-paying hours.[47] Group-based providers discussed cross-subsidising entitlement hours with fees from paid-for hours in order to manage low funding rates. The increasing loss of paid-for hours left providers in a financially vulnerable position. Managers believed that if demand did not increase it could lead to the closure of their setting. In this case, COVID-19 exacerbated and exposed existing instabilities of business planning and funding shortfalls within the early years sector.

Setting managers spoke about three main strategies they used to manage the decreasing demand:

- Managers tried to ease parental concerns around COVID-19 through **implementing an effective COVID-19 protocol**, including measures such as additional cleaning, not letting parents into the building and online meetings. This often led to extra workload for staff.

- Managers interviewed were not making staff redundant, however, some decided **not to replace staff when they left** to reduce staff costs.[48] This reduction in staff numbers may have a negative impact on settings if, and when, demand increases.

- There have been some small reductions in settings' **opening hours** to account for the drop in demand. These are often seen at start or end of the day, or on specific days that are quieter (e.g., Fridays).[49]

In other instances, setting managers explained that while they had seen a drop in parental demand for childcare during the pandemic, numbers were now increasing or had already returned to pre-pandemic levels.

Child development, SENCO and children with special educational needs and disabilities (SEND)

The SCEYP survey asked providers about their access to a SENCO or Special Educational Needs Coordinator. SENCOs are usually qualified teachers (in

---

[47] In contrast, when looking at the proportion of income which comes from parent paid fees and free entitlements, there are no statistically significant differences in the composition of provider income between 2019 and 2021 (Cattoretti & Paull, 2022). This is the case for both school-based and group-based providers.

[48] Qualitative data, reported in Chapter 4, suggests that staff are moving within the sector as well as to other jobs. Quantitative data shows that 35% of providers (both school and group based) who had a staff member leave said that at least one member of staff who left stayed within the sector. 56% reported that, of those who had left, at least one staff member had changed career and left the early years sector (Davies and Hunnikin, 2022).

[49] Most settings made no changes to opening hours, with 3% of school-based providers and 16% of group based providers reporting decreasing opening hours/days (Davies and Hunnikin, 2022).

SBPs) or early years practitioners (in GBPs) who have been officially allocated a SENCO role.

In 2021, almost all settings had an internal SENCO, that is a member of staff within their setting who is formally designated as the SENCO. Some settings also had access to an external SENCO. The latter was more common among GBPs than SBPs. In 2021, less than 1% of SBPs and 1% of GBPs did not have access to either an internal or external SENCO (see Table 48 in Appendix A). The proportion of GBPs with access to external SENCOs has declined over time.

When asked about SENCO capacity in the qualitative interviews, setting managers spoke about the effects of COVID-19 on child development and how this impacted early years provision within their settings.

Participants reported a **rise** in numbers of **children needing support with special educational needs and disabilities (SEND)**, specifically emphasising delayed development of speech and language, and physical skills. It is important to note that while managers framed this as an increased need for SEND support within their settings, this does not necessarily mean that more children will be identified as having SEND. Instead, it may be that children need extra support because they have missed out on learning and development opportunities due to the pandemic. Therefore, what managers discuss as SEND support could also include educational recovery.

COVID-19 was perceived to have led to this increase in two ways:

- The **needs** of children were **not being recognised before they started nursery**. Participants attributed this to the fact that many children started nursery at a later age and the disruption to standardised child development checks.

- COVID-19 and the resulting lockdowns meant that many **children had limited social interaction for the first few years of their lives**. Setting managers believed this had a detrimental effect on child development.

    Many more children struggling with speech and language because they were in lockdown for half their lives - *Setting manager, GBP*

In order to provide this support, setting managers reported that staff were having to spend more time with children, put children into smaller groups, spend extra time with parents and professionals (e.g. health visitors), and allocate additional time for paperwork and SEN plans. Consequently, the growth in the number of children perceived as needing SEND support was **leading to increased workload and creating a more challenging work environment**.

To manage these increasing needs, providers put a variety of measures in place:

- **Additional staff**, even if the number of children had stayed the same or decreased. In one instance, a setting made two bank staff permanent to deal with increased workload.

- **Increasing SENCO provision** or sending staff on extra **training** to ensure they were offering high quality provision and support

- Buying **specialist materials** to support children with SEND needs

The reason we decided to have two [SENCOs] is that one of our other buildings, our pre-school building, was seeing an increase in children we felt needed more input, so it made sense to have someone trained there as well *- Setting manager, GBP*

While managers wanted to provide the best support possible to children, they also spoke about how these new measures came at a high cost. Settings which were struggling financially noted that although they may wish to employ new strategies to improve the quality of provision, this was not financially viable. Participants in this group believed that there should be more free or subsidised SEND training for staff to access.

They need to put more in training. I think they need to offer free courses as well. Anything and everything we do now is so expensive. For small nurseries like ours, it really affects us *- Setting manager, GBP*

The shift in demand related to the pandemic, noted previously, means that children are attending nursery for fewer hours. These changes could impact children's development going forward and particularly influence school readiness (Ofsted, 2022).

Concerns moving forward

Limited qualified and experienced candidates in the sector

One of the main concerns setting managers spoke of was the **limited number of qualified and experienced candidates in the sector**. Participants working in settings which experienced difficulties with recruitment and retention particularly emphasised this issue. However, it was also noted by those working in more stable settings. Managers felt that government must provide investment to secure the sustainability of the sector.

Four main suggestions were made. Two relate to training to improve the quality of the workforce, while the other two are about improving workforce conditions:

- The first focused on **encouraging people into the profession**. Participants were concerned that the sector was under-appreciated and not attractive to potential candidates. There was a view that there was little value attached to the role and that it was seen as a 'last resort'. Setting managers called for an acknowledgement of the vital work of early years delivery.

- Connected to the idea of raising the status of early years, setting managers called for **additional funding for student training**. Participants suggested more could be done to adequately train students, so they understand the expectations of the role and are more 'job ready'. This could then lead to an increase in staff retention, as staff are more aware of the requirements of the job.

- The final two points relate to funding for existing settings. Participants linked low pay and a lack of funding to lower status of the industry and difficulties with recruitment and retention. There was a view that **staff wages needed to increase** to keep highly skilled existing staff and encourage new staff into the sector.

- Likewise, **staff training** was noted as an area for improvement. Setting managers wanted to invest in their own staff and encourage professional development. However, without an increase in government funding for training courses and costs to cover backfill, settings would struggle to make these changes.

Potential future COVID-19 outbreaks

Another concern reported by setting managers was **the risk of a future COVID-19 outbreaks.** It's important to note that interviews took place before the Omicron variant. However, managers were already beginning to see a rise in cases of sickness amongst staff and children.

During the first COVID-19 outbreak, participants relied heavily on the furlough scheme, with many stating that they would not have stayed open without it. Furthermore, some settings closed or ran at reduced capacity during the first lockdown so did not have to deal with any staffing issues related to COVID-19. Looking ahead, there was concern about how settings would find cover if staff caught COVID-19 or had to isolate. Testing and isolation rules meant managers were never confident about how many staff would be available to work.

> Concern is that COVID-19 is still out there and we are always on edge about what the next thing is that we might have to deal with and the impact that has on children's learning - *Setting manager, SBP*

A new COVID-19 outbreak was mentioned as a potential reason why settings may have to permanently close in the future as managers did not feel they

could survive further financial strain. Participants also pointed to the negative impact a new outbreak could have on child wellbeing, development, and learning.

Staff to child ratios

Changes to staff to child ratios were another concern raised by participants. Providers have a degree of flexibility when choosing how to utilise staff, however there are statutory requirements for minimum staff to child ratios. Participants explained the importance of consistently meeting requirements, with some settings operating above statutory ratios.

Participants in the qualitative study indicated that they were concerned about possible changes to statutory requirements that would reduce the number of staff to children.

> They are going to say, don't worry about ratios you can now have four babies to a member of staff, or six toddlers and 10 pre-schoolers and that's fine. That's my concern with that, which is not what we need – *Setting manager, GBP*

Setting managers viewed this as an unsuitable approach that could impact on the quality of childcare provision and increase workload and dissatisfaction among staff.

6. Summary

The report examined pay, work hours, recruitment, retention and business planning at early years providers in England. It used a mixed-methods approach, consisting of secondary analysis of workforce data from the 2021 Survey of Early Years and Childcare Providers in England (with comparisons with SCEYP 2018 and 2019) and in-depth interviews with setting managers at group-based providers (GBP) and school-based providers (SBP) carried out from October to early-December 2021 (prior to the Omicron variant).

Size and composition of workforce

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

- The number of paid staff working in GBPs and SBPs has been relatively stable since 2018, both in terms of the total number of paid staff and the number of paid staff per setting. In 2021, GBPs had an average of 11 paid staff per setting and SBPs had an average of six.

- Providers were less likely to be employing staff on temporary contracts or to be using unpaid volunteers in 2021 compared with 2019. Group-based providers were more likely than school-based providers to be employing apprentices (40% compared with 11%). The proportion of GBPs employing apprentices has risen since 2018 (from 37%).

- The early years workforce remains female-dominated with 97% of staff in GBPs and SBPs reported to be female. The ethnic composition of the early years workforce broadly mirrors the population at both national and regional level. The age profile of staff employed by GBPs – especially private GBPs – was younger than that of staff employed by school-based providers. Twenty-two percent of staff in GBPs and seven percent of staff in SBPs were under 25. There is no evidence that the age profile of early years staff has changed over time.

The key findings on staff qualifications from the survey data were:

- The majority of early years staff (80% in GBPs and 82% in SBPs) held a recognised early years qualification at least to level 3. Staff employed by SBPs were more likely than staff employed by GBPs to have a level 6, or degree level, qualification (32% compared with 11%). The proportion of staff qualified at each level has not changed since 2018.

- The proportion of staff qualified to level 3 who hold the Early Years Educator qualification increased since 2019 among both group-based and SBPs (to 38% of group-based and 41% of school-based staff).

- Senior staff (senior managers for GBPs and headteachers or early years coordinators for SBPs) were more likely than other staff to have a level 6 qualification. Younger staff (those aged under 25) were less likely to be qualified to at least level 3 than staff aged 25 and over.

- There were few differences in the qualification levels of staff based on setting characteristics such as area deprivation, urban vs. rural or whether the setting was part of a chain.

Staff pay and hours

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

- In 2021, mean hourly pay was lower for staff working in GBPs than SBPs (£11.78 compared to £18.57), while the proportion paid at or below the National Living Wage (NLW) was correspondingly higher for staff working in GBPs (24%) than for those working in SBPs (11%). Mean hourly pay has grown more rapidly for staff in GBPs than SBPs in recent years. Hourly pay saw an annual growth rate of 12.6% between 2018 and 2019 and 6.6% between 2019 and 2021 for GBPs. Hourly pay saw an annual growth rate of 7.8% for SBPs between 2019 and 2021 but no significant change 2018 to 2019.

- The proportion of staff paid at or below the NLW rose by 4 percentage points between 2018 and 2019 for both SBPs and GBPs but was broadly unchanged between 2019 and 2021.

- In 2021, mean weekly hours were higher for GBPs than SBPs, but the difference was not large (staff in GBPs worked an average of 32.8 hours each week compared to 31.1 hours for staff in SBPs). Just under one third of staff worked part-time for both GBPs (28%) and SBPs (29%). Mean weekly hours increased from 32.0 to 32.8 (and the proportion working part-time declined from 31% to 28%) between 2019 and 2021 for GBPs, but hours for SBPs were unchanged from 2019.

- The proportion of staff paid at or below the NLW was lowest in London for staff in both GBPs and SBPs. This proportion was also relatively low for staff working in GBPs the South East and South West. In contrast the proportion of staff in school-based providers paid at or below the NLW was relatively high in the South East and South West. Weekly hours were higher in London and in Yorkshire and the Humber and lower in the

South West for both GBPs and SBPs, but there was a divergence between GBPs and SBPs in the patterns for the North East, West Midlands and East Midlands. There were no marked changes in the regional patterns in hourly pay or weekly hours between 2019 and 2021 for either GBPs or SBPs.

- Hourly pay did not vary by local deprivation in 2019 or 2021. Mean weekly hours were higher and the proportion of staff working part-time was lower in areas with greater deprivation than in areas with less deprivation for both SBPs and GBPs, although the relationship appeared weaker in 2021 than in 2019.

- Mean hourly pay was higher in urban areas than in rural areas for both GBPs and SBPs in 2019, but the gaps had disappeared in 2021. Mean weekly hours were higher and the proportion working part-time substantially lower in urban areas than in rural areas in both years for GBPs and SBPs.

- Within GBPs, the proportion of staff paid at or below the NLW was lower in chains than in single-site settings in both 2019 and 2021, while mean weekly hours were higher and the proportion working part-time was lower in chains than in single-site settings in both years.

- There was an inverse U-shaped relationship for mean hourly pay with setting size (meaning hourly pay was highest for middle-sized settings) for GBPs in 2021, but there was no relationship between size and hourly pay for GBPs in 2019 or for SBPs in either year. For both SBPs and GBPs in both years, mean weekly hours were higher and the proportions working part-time lower for larger settings, with larger variation across setting size for GBPs than SBPs.

- Staff qualification level was an important factor for hourly pay in 2021. The proportion of staff in GBPs paid at or below the NLW was 46% for those with level 2 or below and 10% for those with level 6 or higher, while the proportions were 26% and 2% for SBPs. However, age was not an important factor for hourly pay.

- Both age and qualification were important factors for weekly hours in 2021, with part-time work substantially more prevalent among less qualified and older staff. More than two thirds of staff in GBPs and more than half of staff in SBPs with level 2 or below and aged 40 or older worked part-time.

Recruitment and retention in early years settings

The key findings on retention and recruitment were:

- Both the survey and interview findings demonstrated a difference between provider types, with GBPs facing more challenges.

- The average (mean) turnover rate for GBPs was 16%. Around one in five GBPs had a staff turnover rate of over 25%. In comparison, the average turnover rate for SBPs was eight percent. Only seven percent of SBPs had a turnover rate of over 25%.

- In qualitative interviews with managers at GBPs, participants discussed a range of reasons why they believed staff left their settings. The disconnect between the ideas and ideals of the EY sector and the realities of the job role was mentioned, with workload and working hours given as examples.

- Low pay and lack of financial incentive meant staff left group-based settings to progress their careers in other EY settings, including SBPs which were seen to offer more favourable working conditions. Managers also reported staff leaving the sector for other industries with higher rates of pay or lower workloads. These industries included, adult social care, teaching, supermarkets and 'office-based' jobs.

- In addition to high staff turnover, managers at GBPs reported difficulties with recruitment, particularly recruiting 'quality' staff in terms of qualifications and experience. There were concerns that the right 'type' of applicants were not applying. Because of this, GBPs were increasingly replying on apprentices and/or bank staff to fill positions.

- Setting managers in GBPs discussed four main ways they tried to boost recruitment. This included: taking on apprentices and hiring them once they completed their training, advertising job vacancies more widely, internal promotions and staff training to ensure career progression for staff.

- In line with the survey findings, the qualitative interviews indicated that SBPs had fewer challenges when it came to recruitment and retention. Settings were described as having low levels of turnover, which was attributed to factors such as favourable working hours and holidays, opportunities for personal training and development, support for the setting by the main school and good salary progression.

- The survey findings showed that the rate of staff turnover has been broadly stable over recent years. This suggests that recruitment and retention challenges faced by settings are long-term and therefore not directly linked to COVID-19. Qualitative interviews support this view. However, they also suggest that COVID-19 was seen as exacerbating long-standing challenges around recruitment within GBPs.

Workforce and business planning

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

Funding, fees and staff pay

- In the qualitative interviews, settings managers reported that funding rates and low revenue were one of the main causes of instability in their settings. Managers generally believed staff were being underpaid, however, they could not afford to raise wages.

- Low pay was linked with the perceived underfunding of free entitlement hours. Setting managers reported four main problems with funding: funding rates were too low to cover full nursery costs, funding rates did not increase with 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-existing the pandemic.

- Setting managers found it difficult to manage the balance between fees, funding and staff pay. Although settings believed they might have to increase parent fees to manage staff wages and costs, they did not want to negatively impact on parents' finances.

- The interview findings showed some difference between setting types, particularly when looking at how they managed the pandemic. SBPs reported relative financial stability across the pandemic, with few substantial changes made to business models. In contrast, GBPs described the pandemic as exacerbating existing financial problems.

- School-based providers noted that they were less impacted because they continued to be paid for funded hours even if children were not attending. As SBPs are primarily funded through free entitlement hours, their revenue remained relatively stable.

- Because most SBPs are attached to a school, they were able to use staff from the school to cover staff absence, reducing the number and cost of agency staff.

- In contrast, maintained nursery schools (MNS) reported that requirements to have higher qualified staff led to staffing being most costly for them. MNS receive additional funding which the government has confirmed throughout the spending review period., However, some participants noted planning for future years could be challenging.

- For GBPs, funding covers only part of their costs, with the other part coming from fee-paying hours. During the pandemic they were generally

not receiving parent fees if children were not attending, leading to a drop in revenue.

- GBPs also reported requiring more agency staff, which brings increased cost. Likewise, agency staff were perceived to be less effective, increasing the workload of permanent staff.

- GBPs reported taking several measures to increase stability, during and following the pandemic. These included, changing staff contracts to reduce the number of contractual hours staff were guaranteed, hiring lower qualified staff, reducing the wages of the owner (if manager was the owner), using bank or personal loans to supplement revenue.

Shifting Demand

- Both group-based and SBPs reported a reduction in parental demand for childcare, which was highlighted as a key driver in the loss of income.

- COVID-19 was seen as the main reason for this drop, with working patterns becoming more flexible and continued concern about the spread of infection. A subset of managers believed that if demand did not increase it could lead to the closure of their setting.

- Strategies used to manage this shift included: implementing a COVID-19 protocol, not replacing staff when they left, and small reductions in setting opening hours.

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 skills and physical skills. Setting managers framed this as SEND support. COVID-19 was seen to have led to this in two ways: children's needs not being recognised before they started nursery and limited interactions causing developmental delays.

- Providers spoke about how they were handling these increasing needs, including increasing staff numbers to deal with increased workload, increasing SENCO capacity, and purchasing specialist materials. However, not all settings could afford these new measures.

Concerns moving forward

- One main concern reported by setting managers was the limited number of 'quality' (qualified and/or experienced) candidates in the sector. Four main suggestions were made to address this, including 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.

- Another concern was the risk of a future COVID-19 outbreak[50]. There was concern about how settings would find cover if staff caught COVID-19 or had to isolate. A new COVID-19 outbreak was mentioned as a reason for future potential setting closures as managers did not feel they could survive further financial strain.

- The final main concern was about possible changes to statutory requirements that would reduce the number of staff to children. This was commonly viewed as an unsuitable approach that would impact on the quality of childcare provision.

---

[50] This research was conducted before the Omicron variant became prevalent in England.

References

Blainey, S., and Paull, G., (2017), *Study of Early Education and Development (SEED): The cost and funding of early education*, Department for Education Research Report DFE-RR552, January
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/586235/SEED_-_The_cost_and_funding_of_early_education_-_RR552.pdf

Bonetti, S., and Brown, K. (2018) Structural Elements of Quality Early Years Provision: A Review of the Evidence. Education Policy Institute. Available at
https://epi.org.uk/publications-and-research/early-years-high-quality-provision/

Butt, S., Keyes, A. and Aleksejunaite, M., (2021), *Survey of Childcare and Early Years Providers 2021: Technical Report*, Department for Education, November, Available at
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1039596/SCEYP_2021_Technical_Report.pdf

Cattoretti, G. & Paull, G. (2022), *Providers' Finances: Evidence from the Survey of Childcare and Early Years Providers 2021*, Department for Education Research Report DFE-RRXXX, March, Available at add link

Callanan, M., Anderson, M., Haywood, S., Hudson, R., and Speight, S. (2017) Study of Early Education and Development (SEED): Good Practice in Early Education, DFE-RR553, Department for Education. Available at
https://www.gov.uk/government/collections/study-of-early-education-and-development-seed

Christie & Co. (2019) Early Childhood, Education and Care – Workforce Trends & Associated Factors. Available at
https://www.christie.com/getattachment/News-Resources/Publications/September-2019-(1)/Early-Childhood,-Education-Care-Workforce-Trends-A/Christie-Co-ECEC-Report_Pages.pdf.aspx/?lang=en-GB&ext=.pdf

Davies, C., Hendry, A., and Gonzalez-Gomez, N., (2021) Boosting early years learning during COVID-19, University of Leeds. Available at:
https://doi.org/10.5518/100/66

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 Available at add link

Department for Business, Energy and Industrial Strategy (2017) Race in the workplace: The McGregor-Smith Review, February, Available at

https://www.gov.uk/government/publications/race-in-the-workplace-the-mcgregor-smith-review/race-in-the-workplace-the-mcgregor-smith-review-report

Department for Education (2021), *Early years foundation stage (EYFS) statutory framework, 2021*, September, Available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/974907/EYFS_framework_-_March_2021.pdf

Department for Education (2021), *Survey of Childcare and Early Years Providers: Main Summary, England, 2021*, November, Available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1039675/Main_summary_survey_of_childcare_and_early_years_providers_2021.pdf

Farquharson, C., Sibieta, L., Tahir, I., and Waltmann, B. (2021) *2021 annual report on education spending in England,* The Institute for Fiscal Studies. Available at https://ifs.org.uk/uploads/R204-2021-Education-Spending-Report1.pdf

Frontier Economics and NatCen Social Research (2020), *Childcare and COVID-19: Impacts on opening, child attendance, staffing and income*, October https://www.frontier-economics.com/media/4320/childcare-and-covid-19-impacts-on-opening-child-attendance-staffing-and-income-nov-2020.pdf

Hom, P. W., Roberson, L., & Ellis, A. (2010). Challenging conventional wisdom about who quits: Revelations from corporate America. *Journal of Applied Psychology*, 93(1), 1–34.

Jones, L. (2019) Women's Progression in the Workplace Government Equalities Office, Global Institute for Women's Leadership, Kings College London, Available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/840404/KCL_Main_Report.pdf

Leonard, J. S., & Levine, D. I. (2006). The Effect of Diversity on Turnover: A Large Case Study. *Industrial and Labor Relations Review*, 59(4), 547–572. http://www.jstor.org/stable/25067557

Lewis, J., and West, A. (2017) 'Early childhood education and care in England under austerity: Continuity or change in political ideas, policy goals, availability, affordability and quality in a childcare market?", Journal of Social Policy, 46 (2): 331-348.

Lloyd, E. (2015) 'Early childhood education and care policy in England under the Coalition Government', London Review of Education, 13 (2): 144-156.

Marshall, L., Chidley, S., Lubian, K., Aleksejunaite, M. and Marcheselli, F. (2019), *Survey of Childcare and Early Years Providers 2019: Technical Report*, Department for Education, November, Available at

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/845176/SCEYP_2019_Technical_Report_November-2019.pdf

Marshall, L., Lubian, K., Griggs, J., Childley, S., Basi, T. and Speight, S. (2018), *Survey of Childcare and Early Years Providers: Technical Report*, Department for Education, November, Available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752606/Survey_of_Childcare_and_Early_Years_Providers_2018_Technical_Report.pdf

Melhuish, E., and Gardiner, J. (2017) Study of Early Education and Development (SEED): Study of Quality of Early Years Provision in England (Revised), DFE-RR706, Department for Education. Available at https://www.gov.uk/government/collections/study-of-early-education-and-development-seed

Melhuish, E., and Gardiner, J. (2018) Study of Early Education and Development (SEED): Impact Study on Early Education Use and Child Outcomes up to Age Four Years, DFE-RR843, Department for Education, Available at https://www.gov.uk/government/collections/study-of-early-education-and-development-seed

Melhuish, E., and Gardiner, J. (2019) Structural Factors and Policy Change as Related to the Quality of Early Childhood Education and Care for 3–4 Year Olds in the UK, *Frontiers in Education,* DOI=10.3389/feduc.2019.00035

Office for National Statistics (2021) Labour market overview, UK: December 2021, Available at https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/december2021

Office for Standards in Education, Children's Services and Skills (Ofsted) (2020) COVID-19 series: briefing on early years, October 2020, Available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/933836/COVID-19_series_briefing_on_early_years_October_2020.pdf

Office for Standards in Education, Children's Services and Skills (Ofsted) (2022) Educational recovery in early years providers: spring 2022, Available at http://www.gov.uk/government/publications/education-recovery-in-early-years-providers-spring-2022

Pascal, C., Bertram, T., Cullinane, C., and Holt-White, E., (2020) COVID-19 and Social Mobility Impact Brief #4: Early Years, The Sutton Trust, Available at https://dera.ioe.ac.uk/35885/1/Early-Years-Impact-Brief.pdf

Siraj-Blatchford, I., Mayo, A., Melhuish, E., Taggart, B., Sammons, P., and Sylva, K. (2011) Performing against the odds: developmental trajectories of children in the EPPSE 3 to 16 study. DFE-RR128, Department for Education, Available at Performing against the odds: developmental trajectories of children in the EPPSE 3-16 study (publishing.service.gov.uk)

Appendix A: Tables

Table 9: Achieved qualitative sample by secondary criteria

Region	Achieved
East Midlands	4
East of England	8
London	2
North East	3
Yorkshire and Humber	2
North West	6
South East	4
South West	2
West Midlands	4
Number of registered places	**Achieved**
0-25	6
26-50	18
51-75	4
76-100	4
101+	3
Staff turnover rate	**Achieved**
0	8
1-10%	1
11-25%	9
26-50%	2
51%+	0
No data provided	15
Urban/Rural Setting	**Achieved**
Urban	26
Rural	9
Area deprivation (IDACI Quintiles)	**Achieved**
1 (Most deprived)	5
2	7
3	11
4	6
5 (Least deprived)	6

Table 10: Gender of paid staff by provider type and year

	Female	Male	Other	*Unweighted base*
Private providers				
2018	97%	3%	*	*1,317*
2019	96%	4%	*	*1,569*
2021	97%	3%	*	*1,582*
Voluntary providers				
2018	98%	2%	*	*879*
2019	97%	3%	*	*1,026*
2021	98%	1%	*	*900*
All group-based providers				
2018	98%	2%	*	*2,264*
2019	96%	3%	*	*2,664*
2021	97%	2%	*	*2,549*
Nursery classes				
2018	97%	3%	*	*390*
2019	96%	3%	.	*991*
2021	97%	3%	.	*1,181*
MNS				
2018	97%	3%	0	*117*
2019	96%	3%	*	*101*
2021	97%	2%	*	*114*
All school-based providers				
2018	97%	3%	*	*507*
2019	96%	3%	*	*1,092*
2021	97%	3%	*	*1,295*

Source: Survey of Childcare and Early Years Providers 2018, 2019, 2021

Table 11: Age of paid staff, by provider type and year

	16-24	25-39	40-49	50 and over	*Unweighted base*
Private providers					
2018	26%	49%	14%	11%	*5,241*
2019	30%	45%	15%	10%	*5,377*
2021	26%	48%	14%	12%	*6,441*
Voluntary providers					
2018	12%	37%	28%	22%	*3,298*
2019	13%	37%	27%	23%	*3,684*
2021	11%	37%	27%	25%	*3,561*
All group-based providers					
2018	22%	45%	19%	15%	*8,802*
2019	24%	43%	19%	15%	*9,316*
2021	22%	45%	18%	15%	*1,0271*
Nursery classes					
2018	9%	41%	31%	19%	*1,073*
2019	6%	40%	31%	23%	*2,287*
2021	7%	38%	31%	23%	*3,176*
MNS					
2018	8%	40%	27%	25%	*404*
2019	9%	46%	19%	27%	*309*
2021	8%	36%	28%	28%	*442*
All school-based providers					
2018	8%	41%	31%	20%	*1,477*
2019	7%	40%	30%	23%	*2,596*
2021	7%	38%	31%	24%	*3,618*

Source: Survey of Childcare and Early Years Providers 2018, 2019, 2021

Table 12: Ethnicity of paid staff provider type and year

	White British	White Other	Mixed	Black	Asian	Chinese	Other	Unweighted base
All group-based providers								
2018	84%	4%	2%	3%	5%	*	1%	*2,214*
2019	83%	5%	2%	4%	6%	*	1%	*2,628*
2021	82%	5%	2%	4%	6%	*	2%	*2,535*
All school-based providers								
2018	83%	5%	1%	3%	6%	*	1%	*501*
2019	83%	7%	2%	2%	7%	*	1%	*1,043*
2021	84%	4%	1%	2%	6%	*	1%	*1,276*

Source: Survey of Childcare and Early Years Providers 2018, 2019, 2021

Note: For ethnicity of staff in different types of group-based and school-based provider see DfE, 2021.

Table 13: Highest qualification held by early years staff, by provider type and year

	Level 2 or lower	Level 3	Level 4 or 5	Level 6	*Unweighted base*
Private providers					
2018	20%	60%	9%	10%	*5,288*
2019	19%	61%	9%	10%	*5,390*
2021	20%	60%	9%	11%	*6,393*
Voluntary providers					
2018	17%	62%	10%	11%	*3,320*
2019	20%	61%	10%	9%	*3,702*
2021	21%	59%	9%	11%	*3,510*
All group-based providers					
2018	19%	60%	10%	11%	*8,876*
2019	19%	61%	10%	10%	*9,344*
2021	20%	59%	9%	11%	*10,176*
Nursery classes					
2018	18%	40%	9%	33%	*1,066*
2019	19%	38%	9%	34%	*2,268*
2021	18%	39%	10%	34%	*3,195*
MNS					
2018	18%	51%	7%	25%	*407*
2019	17%	49%	9%	25%	*311*
2021	21%	47%	8%	24%	*445*
All school-based providers					
2018	18%	42%	9%	32%	*1,473*
2019	19%	39%	9%	33%	*2,579*
2021	18%	40%	10%	32%	*3,640*

Source: Survey of Childcare and Early Years Providers 2018, 2019, 2021

Note: Proportion staff with overseas qualifications (<1%) not shown

Table 14: Proportion of staff qualified to level 6 holding a relevant early years qualification, by year

Qualification	Group-based providers			School-based providers		
	2018	**2019**	**2021**	**2018**	*2019*	*2021*
Qualified Teacher Status	24	28	27	79	84	83
Early Years Teacher Status	20	28	19	19	32	18
Early Years Professional Status	27	30	25	11	17	10
Early Years Degree	59	66	57	21	29	18
Unweighted base	*1,333*	*1,403*	*1,387*	*435*	*938*	*1,062*

Source: Survey of Childcare and Early Years Providers 2018, 2019, 2021

Note: Proportions of staff holding each qualification do not sum to 100% as staff may hold multiple qualifications or none. Providers were asked to record the number of staff against each qualification, not to indicate which of their staff held which/none of these qualifications.

Table 15: Highest qualification held, by staff role 2021

	Head teacher/Early years coordinator/Senior manager	Other staff	All staff
Group-based providers			
Level 2 or lower	*	22	20
Level 3	33	62	59
Level 4 or 5	28	7	9
Level 6	38	8	11
Unweighted base	*2,499*	*7,677*	*10,176*
School-based providers			
Level 2 or lower	*1*	*22*	*18*
Level 3	*3*	*47*	*40*
Level 4 or 5	*2*	*11*	*10*
Level 6	*94*	*20*	*32*
Unweighted base	*1,190*	*2,450*	*3,640*

Source: Survey of Childcare and Early Years Providers 2021

Note: Proportion staff with overseas qualifications (<1%) not shown

Table 16: Highest qualification held, by staff age 2021

	16-24	25-39	40-49	50 and over	All staff
Group-based providers					
Level 2 or lower	34	15	16	17	20
Level 3	59	62	58	54	59
Level 4 or 5	4	9	13	15	9
Level 6	3	13	13	13	11
Unweighted base	*1,517*	*4,120*	*2,219*	*2,187*	*10,176*
School-based providers					
Level 2 or lower	*37*	*18*	*17*	*15*	*37*
Level 3	*43*	*40*	*34*	*44*	*43*
Level 4 or 5	*9*	*10*	*11*	*8*	*9*
Level 6	*10*	*33*	*38*	*33*	*10*
Unweighted base	*201*	*1,301*	*1,158*	*918*	*201*

Source: Survey of Childcare and Early Years Providers 2021

Note: Proportion staff with overseas qualifications (<1%) not shown

Table 16: Highest qualification held by region, 2019 and 2021

Highest qualification	Region	Group-based providers		School-based providers	
		2019	2021	2019	2021
At least level 3 (%)	East Midlands	83 *	85 *	86	86
	East of England	74	74	77	79
	London	77	74	78	82
	North East	92	91	83	85
	North West	86	85	81	84
	South East	77	76	76	78
	South West	79	81	83	82
	West Midlands	87	84	86	83
	Yorks and Humber	86	83	84	78
Level 6 (%)	East Midlands	10	10 *	34	36
	East of England	9	8	26	30
	London	9	12	37	33
	North East	11	16	27	35
	North West	12	12	34	36
	South East	8	9	31	30
	South West	10	11	34	27
	West Midlands	10	10	31	30
	Yorks and Humber	11	14	36	34
Unweighted base	*East Midlands*	*841*	*850*	*208*	*279*
	East of England	*1173*	*1,378*	*243*	*410*
	London	*1276*	*1,459*	*382*	*609*
	North East	*489*	*433*	*180*	*299*
	North West	*1140*	*1,214*	*443*	*595*
	South East	*1765*	*1,856*	*264*	*395*
	South West	*1065*	*1,203*	*201*	*243*
	West Midlands	*859*	*1,000*	*334*	*422*
	Yorks and Humber	*736*	*783*	*324*	*388*

Source: Survey of Childcare and Early Years Providers 2019, 2021

Note: Significance tests run for overall associations between qualification and region in 2019 and 2021 for group-based and school-based providers. Differences between individual regions not tested. *Indicates significant association between region and that qualification level for the given year and provider type.

Table 17: Highest qualification held by area deprivation, 2019 and 2021

Highest qualification	Area deprivation (IDACI)	Group-based providers		School-based providers	
		2019	2021	2019	2021
At least level 3 (%)	Q1 most deprived	82 *	83	83	83
	Q2 second most	84	81	79	79
	Q3 middle quintile	82	78	83	80
	Q4 second least	80	79	80	83
	Q5 least deprived	77	78	79	85
Level 6 (%)	Q1 most deprived	9	11	33	33
	Q2 second most	10	12	33	31
	Q3 middle quintile	9	11	31	32
	Q4 second least	10	10	32	32
	Q5 least deprived	11	11	34	34
Unweighted base	*Q1 most deprived*	*1478*	*1,532*	*713*	*919*
	Q2 second most	*1786*	*1,819*	*603*	*783*
	Q3 middle quintile	*1875*	*2,203*	*454*	*683*
	Q4 second least	*2168*	*2,359*	*398*	*654*
	Q5 least deprived	*2033*	*2,263*	*407*	*599*

Source: Survey of Childcare and Early Years Providers 2019, 2021

Note: Significance tests run for overall associations between qualification and deprivation in 2019 and 2021 for group-based and school-based providers. Differences between individual quintiles not tested.

*Indicates significant association between deprivation and that qualification level for the given year and provider type.

Table 18: Highest qualification held by urban/rural, 2019 and 2021

Highest qualification	Urban/rural	Group-based providers		School-based providers	
		2019	2021	2019	2021
At least level 3 (%)	Urban	81	79	81	81*
	Rural	80	81	81	88
Level 6	Urban	*9**	*11*	*33*	*32*
	Rural	*12*	*12*	*33*	*32*
Unweighted base	*Urban*	*7020*	*7,793*	*2129*	*2,997*
	Rural	*2320*	*2,383*	*446*	*641*

Source: Survey of Childcare and Early Years Providers 2019, 2021
Note: *Indicates significant difference in that qualification level between urban/rural areas for the given year and provider type.

Table 19: Highest qualification held by whether group-based provider part of a chain, 2019 and 2021

Highest qualification	Single or multi-site (chain)	Group-based providers	
		2019	2021
At least level 3 (%)	Chain	80	78
	Single site	81	81
Level 6 (%)	Chain	*10*	*11*
	Single site	*10*	*11*
Unweighted base	*Chain*	*2298*	*2,884*
	Singe site	*7041*	*7,292*

Source: Survey of Childcare and Early Years Providers 2019, 2021
Note: *Indicates significant difference in that qualification level between chain/not for the given year

Table 20: Highest qualification held by setting size, 2019 and 2021

Highest qualification	Setting size (Number of registered places)	Group-based providers		School-based providers	
		2019	2021	2019	2021
At least level 3 (%)	1 to 25	79	79	84	86
	26 to 50	81	80	81	83
	51 to 75	81	82	77	77
	76 to 100	82	79	79	85
	101 plus	77	76	83	81
Level 6 (%)	1 to 25	13 *	12	37 *	36 *
	26 to 50	10	10	36	35
	51 to 75	9	11	28	30
	76 to 100	9	11	24	27
	101 plus	9	11	22	23
Unweighted base	*1 to 25*	*2071*	*2,004*	*510*	*768*
	26 to 50	*4383*	*4,575*	*1408*	*1,865*
	51 to 75	*1884*	*2,131*	*359*	*499*
	76 to 100	*639*	*921*	*167*	*256*
	101 plus	*344*	*517*	*113*	*205*

Source: Survey of Childcare and Early Years Providers 2019, 2021

Note: Significance tests run for overall associations between qualification and setting size in 2019 and 2021 for group-based and school-based providers. Differences between individual quintiles not tested.

*Indicates significant association between setting size and that qualification level for the given year and provider type.

Table 21: Staff hourly pay by region for group-based providers

Region	Mean hourly pay in 2019	Mean hourly pay in 2021	Proportion of staff aged 25+ paid at or below the NLW in 2019	Proportion of staff aged 25+ paid at or below the NLW in 2021
North East	£10.03	£11.10	33%	28%
North West	£10.19	£10.99	29%	31%
Yorkshire and the Humber	£10.59	£11.22	35%	28%
West Midlands	£10.01	£10.83	27%	29%
East Midlands	£9.50	£11.41	27%	27%
East of England	£10.60	£11.55	25%	29%
London	£11.18	£12.45	13%	14%
South East	£10.62	£12.32	20%	20%
South West	£9.94	£12.99	20%	23%
Region	*Unweighted base*	*Unweighted base*	*Unweighted base*	*Unweighted base*
North East	*431*	*395*	*345*	*330*
North West	*1,019*	*1,084*	*822*	*906*
Yorkshire and the Humber	*698*	*721*	*559*	*566*
West Midlands	*774*	*926*	*618*	*775*
East Midlands	*746*	*783*	*610*	*663*
East of England	*1,048*	*1,280*	*881*	*1,064*
London	*1,147*	*1,274*	*953*	*1,098*
South East	*1,597*	*1,753*	*1,346*	*1,505*
South West	*963*	*1,108*	*790*	*944*

Source: Survey of Childcare and Early Years Providers, 2019 and 2021

Notes: The unweighted base is lower for the NLW proportion because some banded wage responses could not be used for this proportion. F-tests for the joint statistical significance of the region variables indicated that region was significant for the proportion paid at or below the NLW in 2019 and 2021, but was not significant for mean hourly pay in 2019 and 2021.

Table 22: Staff hourly pay by region for school-based providers

Region	Mean hourly pay in 2019	Mean hourly pay in 2021	Proportion of staff aged 25+ paid at or below the NLW in 2019	Proportion of staff aged 25+ paid at or below the NLW in 2021
North East	£16.32	£17.65	3%	11%
North West	£16.18	£21.98	9%	8%
Yorkshire and the Humber	£17.87	£16.47	11%	12%
West Midlands	£14.64	£18.87	9%	9%
East Midlands	£15.55	£19.16	12%	12%
East of England	£14.85	£21.01	15%	18%
London	£19.26	£17.87	5%	4%
South East	£13.51	£16.72	9%	17%
South West	£13.13	£14.82	10%	15%
Region	*Unweighted base*	*Unweighted base*	*Unweighted base*	*Unweighted base*
North East	*159*	*255*	*145*	*244*
North West	*370*	*484*	*347*	*448*
Yorkshire and the Humber	*277*	*304*	*260*	*282*
West Midlands	*282*	*337*	*262*	*316*
East Midlands	*170*	*244*	*158*	*228*
East of England	*206*	*315*	*196*	*287*
London	*301*	*471*	*284*	*453*
South East	*214*	*289*	*198*	*277*
South West	*129*	*199*	*120*	*175*

Source: Survey of Childcare and Early Years Providers, 2019 and 2021

Notes: The unweighted base is lower for the NLW proportion because some banded wage responses could not be used for this proportion. F-tests for the joint statistical significance of the region variables indicated that region was significant for mean hourly pay in 2019 and for the proportion paid at or below the NLW in 2021, but was not significant for mean hourly pay in 2021 and for the proportion paid at or below the NLW in 2019.

Table 23: Staff weekly hours by region for group-based providers

Region	Mean weekly hours in 2019	Mean weekly hours in 2021	Proportion of staff working part-time in 2019	Proportion of staff working part-time in 2021
North East	31.7	31.8	29%	32%
North West	33.4	34.3	26%	23%
Yorkshire and the Humber	32.1	33.1	29%	26%
West Midlands	33.2	33.2	25%	25%
East Midlands	31.9	33.4	34%	25%
East of England	29.8	31.0	40%	35%
London	33.8	34.3	24%	22%
South East	30.7	31.9	37%	34%
South West	31.3	31.2	33%	35%
Region	*Unweighted base*	*Unweighted base*	*Unweighted base*	*Unweighted base*
North East	*491*	*440*	*491*	*440*
North West	*1,148*	*1,222*	*1,148*	*1,222*
Yorkshire and the Humber	*738*	*778*	*738*	*778*
West Midlands	*851*	*1,006*	*851*	*1,006*
East Midlands	*831*	*856*	*831*	*856*
East of England	*1,158*	*1,381*	*1,158*	*1,381*
London	*1,277*	*1,446*	*1,277*	*1,446*
South East	*1,755*	*1,858*	*1,755*	*1,858*
South West	*1,065*	*1,212*	*1,065*	*1,212*

Source: Survey of Childcare and Early Years Providers, 2019 and 2021

Notes: F-tests for the joint statistical significance of the region variables indicated that region was significant for mean weekly hours and the proportion of staff working part-time in both 2019 and 2021.

Table 24: Staff weekly hours by region for school-based providers

Region	Mean weekly hours in 2019	Mean weekly hours in 2021	Proportion of staff working part-time in 2019	Proportion of staff working part-time in 2021
North East	31.7	32.0	25%	23%
North West	29.9	31.3	34%	29%
Yorkshire and the Humber	29.7	31.4	36%	28%
West Midlands	30.1	29.9	28%	31%
East Midlands	29.8	29.9	37%	34%
East of England	30.0	31.0	35%	31%
London	32.1	32.4	25%	22%
South East	30.4	31.0	32%	31%
South West	30.1	29.6	35%	41%
Region	*Unweighted base*	*Unweighted base*	*Unweighted base*	*Unweighted base*
North East	*184*	*293*	*184*	*293*
North West	*426*	*564*	*426*	*564*
Yorkshire and the Humber	*318*	*355*	*318*	*355*
West Midlands	*323*	*410*	*323*	*410*
East Midlands	*206*	*274*	*206*	*274*
East of England	*229*	*383*	*229*	*383*
London	*367*	*579*	*367*	*579*
South East	*253*	*371*	*253*	*371*
South West	*190*	*233*	*190*	*233*

Source: Survey of Childcare and Early Years Providers, 2019 and 2021

Notes: F-tests for the joint statistical significance of the region variables indicated that region was significant for mean weekly hours and the proportion of staff working part-time in 2021, but was not significant for mean weekly hours or the proportion of staff working part-time in 2019.

Table 25: Staff hourly pay by area deprivation for group-based providers

Area deprivation (IDACI)	Mean hourly pay in 2019	Mean hourly pay in 2021	Proportion of staff aged 25+ paid at or below the NLW in 2019	Proportion of staff aged 25+ paid at or below the NLW in 2021
Q1 most deprived	£10.42	£11.43	26%	27%
Q2 second most	£11.27	£13.29	23%	24%
Q3 middle quintile	£10.35	£10.63	26%	26%
Q4 second least	£9.67	£11.29	24%	22%
Q5 least deprived	£10.44	£12.32	21%	23%
Local deprivation	*Unweighted base*	*Unweighted base*	*Unweighted base*	*Unweighted base*
Q1 most deprived	*1,357*	*1,363*	*1,089*	*1,127*
Q2 second most	*1,567*	*1,644*	*1,273*	*1,332*
Q3 middle quintile	*1,657*	*2,044*	*1,364*	*1,733*
Q4 second least	*1,971*	*2,162*	*1,614*	*1,839*
Q5 least deprived	*1,867*	*2,111*	*1,582*	*1,820*

Source: Survey of Childcare and Early Years Providers, 2019 and 2021

Notes: The unweighted base is lower for the NLW proportion because some banded wage responses could not be used for this proportion. F-tests for the joint statistical significance of the deprivation variables indicated that deprivation was not significant for either measure in either year.

Table 26: Staff hourly pay by area deprivation for school-based providers

Area deprivation (IDACI)	Mean hourly pay in 2019	Mean hourly pay in 2021	Proportion of staff aged 25+ paid at or below the NLW in 2019	Proportion of staff aged 25+ paid at or below the NLW in 2021
Q1 most deprived	£16.96	£18.59	8%	10%
Q2 second most	£15.60	£20.59	6%	11%
Q3 middle quintile	£15.40	£18.42	9%	10%
Q4 second least	£15.36	£16.87	8%	8%
Q5 least deprived	£16.63	£17.74	14%	15%
Local deprivation	*Unweighted base*	*Unweighted base*	*Unweighted base*	*Unweighted base*
Q1 most deprived	*582*	*780*	*539*	*722*
Q2 second most	*520*	*630*	*489*	*595*
Q3 middle quintile	*346*	*536*	*329*	*509*
Q4 second least	*323*	*490*	*298*	*450*
Q5 least deprived	*333*	*460*	*312*	*432*

Source: Survey of Childcare and Early Years Providers, 2019 and 2021

Notes: The unweighted base is lower for the NLW proportion because some banded wage responses could not be used for this proportion. F-tests for the joint statistical significance of the deprivation variables indicated that deprivation was not significant for either measure in either year.

Table 27: Staff weekly hours by area deprivation for group-based providers

Area deprivation (IDACI)	Mean weekly hours in 2019	Mean weekly hours in 2021	Proportion of staff working part-time in 2019	Proportion of staff working part-time in 2021
Q1 most deprived	33.8	33.3	21%	24%
Q2 second most	32.3	33.5	30%	23%
Q3 middle quintile	32.3	32.6	31%	29%
Q4 second least	31.3	32.6	35%	30%
Q5 least deprived	30.8	32.2	37%	33%
Region	*Unweighted base*	*Unweighted base*	*Unweighted base*	*Unweighted base*
Q1 most deprived	*1,480*	*1,520*	*1,480*	*1,520*
Q2 second most	*1,795*	*1,808*	*1,795*	*1,808*
Q3 middle quintile	*1,857*	*2,219*	*1,857*	*2,219*
Q4 second least	*2,147*	*2,365*	*2,147*	*2,365*
Q5 least deprived	*2,031*	*2,287*	*2,031*	*2,287*

Source: Survey of Childcare and Early Years Providers, 2019 and 2021

Notes: F-tests for the joint statistical significance of the deprivation variables indicated that deprivation was significant for mean weekly hours for 2019 and for the proportion of staff working part-time in both years, but was not significant for mean weekly hours in 2021.

Table 28: Staff weekly hours by area deprivation for school-based providers

Area deprivation (IDACI)	Mean weekly hours in 2019	Mean weekly hours in 2021	Proportion of staff working part-time in 2019	Proportion of staff working part-time in 2021
Q1 most deprived	31.4	31.7	24%	25%
Q2 second most	30.9	31.0	29%	28%
Q3 middle quintile	29.9	30.8	36%	30%
Q4 second least	29.6	30.5	36%	33%
Q5 least deprived	29.8	31.1	39%	33%
Region	*Unweighted base*	*Unweighted base*	*Unweighted base*	*Unweighted base*
Q1 most deprived	*690*	*888*	*690*	*888*
Q2 second most	*576*	*738*	*576*	*738*
Q3 middle quintile	*449*	*654*	*449*	*654*
Q4 second least	*384*	*618*	*384*	*618*
Q5 least deprived	*393*	*562*	*393*	*562*

Source: Survey of Childcare and Early Years Providers, 2019 and 2021

Notes: F-tests for the joint statistical significance of the deprivation variables indicated that deprivation was significant for mean weekly hours and the proportion of staff working part-time in 2019, but was not significant for either measure in 2021.

Table 29: Staff hourly pay and weekly hours by urban/rural for group-based providers

Financial measure	Urban/ rural	2019	2021	*Unweighted base in 2019*	*Unweighted base in 2021*
Mean hourly pay	Urban	£10.66	£11.45	*6,277*	*7,066*
	Rural	£9.43 *	£13.13	*2,142*	*2,258*
Proportion of staff aged 25+ paid at or below the NLW	Urban	23%	24%	*5,079*	*5,880*
	Rural	25%	25%	*1,843*	*1,971*
Mean weekly hours	Urban	32.7	33.3	*7,006*	*7,786*
	Rural	29.3 *	30.6 *	*2,304*	*2,413*
Proportion of staff working part-time	Urban	28%	26%	*7,006*	*7,786*
	Rural	44% *	39% *	*2,304*	*2,413*

Source: Survey of Childcare and Early Years Providers, 2019 and 2021

Notes: * indicates statistically significant difference between urban and rural.

Table 30: Staff hourly pay and weekly hours by urban/rural for school-based providers

Financial measure	Urban/ rural	2019	2021	*Unweighted base in 2019*	*Unweighted base in 2021*
Mean hourly pay	Urban	£16.40	£18.52	*1,743*	*2,353*
	Rural	£14.27 *	£18.82	*361*	*543*
Proportion of staff aged 25+ paid at or below the NLW	Urban	9%	10%	*1,637*	*2,207*
	Rural	9%	11%	*330*	*501*
Mean weekly hours	Urban	30.9	31.3	*2,058*	*2,844*
	Rural	28.5 *	29.5 *	*434*	*616*
Proportion of staff working part-time	Urban	29%	27%	*2,058*	*2,844*
	Rural	44% *	41% *	*434*	*616*

Source: Survey of Childcare and Early Years Providers, 2019 and 2021

Notes: * indicates statistically significant difference between urban and rural.

Table 31: Staff hourly pay and weekly hours by single-site and chain for group-based providers

Financial measure	Single- or multi-site (chain)	2019	2021	Unweighted base in 2019	Unweighted base in 2021
Mean hourly pay	Single	£10.37	£11.47	6,483	6,837
	Chain	£10.49	£12.43	1,935	2,487
Proportion of staff aged 25+ paid at or below the NLW	Single	25%	26%	5,553	5,954
	Chain	20% *	20% *	1,367	1,897
Mean weekly hours	Single	30.2	31.1	7,019	7,355
	Chain	36.3 *	36.1 *	2,290	2,844
Proportion of staff working part-time	Single	39%	35%	7,019	7,355
	Chain	13% *	14% *	2,290	2,844

Source: Survey of Childcare and Early Years Providers, 2019 and 2021

Notes: * indicates statistically significant difference between single-site and chain.

Table 32: Staff hourly pay and weekly hours by setting size for group-based providers

Financial measure	Setting size (number of registered places)	2019	2021	*Unweighted base in 2019*	*Unweighted base in 2021*
Mean hourly pay	1 to 25	£10.62	£10.91	*1,907*	*1,858*
	26 to 50	£10.27	£12.00	*4,010*	*4,286*
	51 to 75	£10.70	£12.37	*1,651*	*1,913*
	76 to 100	£10.00	£11.90	*546*	*820*
	101 plus	£10.21	£10.38	*294*	*427*
Proportion of staff aged 25+ paid at or below the NLW	1 to 25	28%	30%	*1,745*	*1,682*
	26 to 50	25%	26%	*3,367*	*3,718*
	51 to 75	20%	21%	*1,206*	*1,486*
	76 to 100	24%	18%	*398*	*633*
	101 plus	18%	22%	*194*	*316*
Mean weekly hours	1 to 25	25.0	26.2	*2,059*	*2,031*
	26 to 50	30.0	30.2	*4,363*	*4,573*
	51 to 75	34.8	35.9	*1,886*	*2,132*
	76 to 100	36.4	36.3	*638*	*925*
	101 plus	37.9	36.0	*344*	*515*
Proportion of staff working part-time	1 to 25	62%	56%	*2,059*	*2,031*
	26 to 50	39%	38%	*4,363*	*4,573*
	51 to 75	19%	16%	*1,886*	*2,132*
	76 to 100	14%	15%	*638*	*925*
	101 plus	6%	15%	*344*	*515*

Source: Survey of Childcare and Early Years Providers, 2019 and 2021

Notes: F-tests for the joint statistical significance of the size variables indicated that size was significant for mean hourly pay in 2021 and for the proportion paid at or below the NLW, mean weekly hours and proportion of staff working part-time in both years, but was not significant for mean hourly pay in 2019.

Table 33: Staff hourly pay and weekly hours by setting size for school-based providers

Financial measure	Setting size (number of registered places)	2019	2021	*Unweighted base in 2019*	*Unweighted base in 2021*
Mean hourly pay	1 to 25	£14.56	£15.55	*415*	*607*
	26 to 50	£17.05	£19.84	*1,141*	*1,484*
	51 to 75	£15.28	£17.20	*305*	*383*
	76 to 100	£17.42	£18.03	*139*	*221*
	101 plus	£13.50	£21.85	*93*	*173*
Proportion of staff aged 25+ paid at or below the NLW	1 to 25	9%	12%	*384*	*559*
	26 to 50	7%	10%	*1,069*	*1,400*
	51 to 75	9%	11%	*288*	*357*
	76 to 100	16%	9%	*133*	*212*
	101 plus	12%	7%	*84*	*156*
Mean weekly hours	1 to 25	28.8	30.7	*504*	*735*
	26 to 50	30.0	30.3	*1,363*	*1,759*
	51 to 75	31.6	32.0	*358*	*478*
	76 to 100	32.7	32.8	*159*	*244*
	101 plus	32.7	32.8	*106*	*204*
Proportion of staff working part-time	1 to 25	40%	33%	*504*	*735*
	26 to 50	32%	32%	*1,363*	*1,759*
	51 to 75	28%	29%	*358*	*478*
	76 to 100	25%	19%	*159*	*244*
	101 plus	20%	18%	*106*	*204*

Source: Survey of Childcare and Early Years Providers, 2019 and 2021

Notes: F-tests for the joint statistical significance of the size variables indicated that size was significant for mean hourly pay, mean weekly hours and proportion working part-time in both years, but was not significant for the proportion paid at or below the NLW in both years.

Table 34: Staff hourly pay by qualification and age for group-based providers

Mean hourly pay	Age 16 to 24	Age 25 to 39	Age 40 to 49	Age 50 plus	All ages
Level 2 or below	£11	£10	£13	£10	£11
Level 3	£10	£12	£12	£11	£11
Level 4 or 5	£11	£13	£14	£14	£13
Level 6 or higher	£15	£13	£17	£15	£14
All levels	£11	£12	£13	£12	£12

Source: Survey of Childcare and Early Years Providers, 2021

Notes: Internal cell sample sizes range from 58 to 2,095. F-tests for the joint statistical significance of the qualification variables indicated that qualification was significant for mean hourly pay and was also significant with controls for age group. F-tests for the joint statistical significance of the age variables indicated that age was significant for mean hourly pay, but was not significant with controls for qualification.

Table 35: Proportion of staff paid at or below the NLW by qualification and age for group-based providers

Proportion of staff aged 25+ paid at or below the NLW	Age 25 to 39	Age 40 to 49	Age 50 plus	All ages
Level 2 or below	45%	47%	46%	46%
Level 3	25%	23%	21%	24%
Level 4 or 5	13%	11%	12%	12%
Level 6 or higher	9%	9%	13%	10%
All levels	25%	24%	23%	24%

Source: Survey of Childcare and Early Years Providers, 2021

Notes: Internal cell sample sizes range from 243 to 2,080. F-tests for the joint statistical significance of the qualification variables indicated that qualification was significant for the NLW proportion and was also significant with controls for age group. F-tests for the joint statistical significance of the age variables indicated that age was not significant for the NLW proportion and was not significant with controls for qualification.

Table 36: Staff hourly pay by qualification and age for school-based providers

Mean hourly pay	Age 16 to 24	Age 25 to 39	Age 40 to 49	Age 50 plus	All ages
Level 2 or below	£9	£16	£12	£13	£13
Level 3	£28	£18	£14	£14	£17
Level 4 or 5	[£11]	£18	£16	£14	£16
Level 6 or higher	[£22]	£23	£26	£28	£25
All levels	£19	£19	£18	£18	£19

Source: Survey of Childcare and Early Years Providers, 2021

Notes: Internal cell sample sizes range from 15 to 504. Cells with less than 50 staff observations are indicated in square brackets. F-tests for the joint statistical significance of the qualification variables indicated that qualification was significant for mean hourly pay and was also significant with controls for age group. F-tests for the joint statistical significance of the age variables indicated that age was not significant for mean hourly pay and was not significant with controls for qualification.

Table 37: Proportion of staff paid at or below the NLW by qualification and age for school-based providers

Proportion of staff aged 25+ paid at or below the NLW	Age 25 to 39	Age 40 to 49	Age 50 plus	All ages
Level 2 or below	31%	26%	16%	26%
Level 3	16%	13%	9%	13%
Level 4 or 5	7%	5%	4%	5%
Level 6 or higher	2%	1%	3%	2%
All levels	13%	10%	8%	11%

Source: Survey of Childcare and Early Years Providers, 2021

Notes: Internal cell sample sizes range from 78 to 503. F-tests for the joint statistical significance of the qualification variables indicated that qualification was significant for the NLW proportion and was also significant with controls for age group. F-tests for the joint statistical significance of the age variables indicated that age was significant for the NLW proportion and was also significant with controls for qualification.

Table 38: Staff weekly hours by qualification and age for group-based providers

Mean weekly hours	Age 16 to 24	Age 25 to 39	Age 40 to 49	Age 50 plus	All ages
Level 2 or below	33	27	23	22	28
Level 3	38	35	30	30	34
Level 4 or 5	33	34	35	34	34
Level 6 or higher	38	36	34	34	35
All levels	36	34	30	29	33

Source: Survey of Childcare and Early Years Providers, 2021

Notes: Internal cell sample sizes range from 67 to 2,294. F-tests for the joint statistical significance of the qualification variables indicated that qualification was significant for mean weekly hours and was also significant with controls for age group. F-tests for the joint statistical significance of the age variables indicated that age was significant for mean weekly hours and was also significant with controls for qualification.

Table 39: Proportion of staff working part-time by qualification and age for group-based providers

Proportion working part-time	Age 16 to 24	Age 25 to 39	Age 40 to 49	Age 50 plus	All ages
Level 2 or below	23%	51%	66%	73%	46%
Level 3	7%	22%	41%	44%	25%
Level 4 or 5	30%	22%	22%	22%	23%
Level 6 or higher	8%	15%	22%	24%	18%
All levels	14%	25%	40%	43%	28%

Source: Survey of Childcare and Early Years Providers, 2021

Notes: Internal cell sample sizes range from 67 to 2,294. F-tests for the joint statistical significance of the qualification variables indicated that qualification was significant for the part-time proportion and was also significant with controls for age group. F-tests for the joint statistical significance of the age variables indicated that age was significant for the part-time proportion and was also significant with controls for qualification.

Table 40: Staff weekly hours by qualification and age for School-based providers

Mean weekly hours	Age 16 to 24	Age 25 to 39	Age 40 to 49	Age 50 plus	All ages
Level 2 or below	31	26	25	26	27
Level 3	33	33	30	31	32
Level 4 or 5	[35]	33	31	31	32
Level 6 or higher	[33]	32	32	32	32
All levels	33	32	30	31	31

Source: Survey of Childcare and Early Years Providers, 2021

Notes: Internal cell sample sizes range from 19 to 601. Cells with less than 50 staff observations are indicated in square brackets. F-tests for the joint statistical significance of the qualification variables indicated that qualification was significant for mean weekly hours and was also significant with controls for age group. F-tests for the joint statistical significance of the age variables indicated that age was significant for mean weekly hours and was also significant with controls for qualification.

Table 41: Proportion of staff working part-time by qualification and age for school-based providers

Proportion working part-time	Age 16 to 24	Age 25 to 39	Age 40 to 49	Age 50 plus	All ages
Level 2 or below	33%	48%	56%	53%	49%
Level 3	14%	18%	33%	25%	23%
Level 4 or 5	[8%]	17%	26%	31%	22%
Level 6 or higher	[11%]	27%	28%	29%	28%
All levels	20%	26%	34%	31%	29%

Source: Survey of Childcare and Early Years Providers, 2021

Notes: Internal cell sample sizes range from 19 to 601. Cells with less than 50 staff observations are indicated in square brackets. F-tests for the joint statistical significance of the qualification variables indicated that qualification was significant for the part-time proportion and was also significant with controls for age group. F-tests for the joint statistical significance of the age variables indicated that age was significant for the part-time proportion and was also significant with controls for qualification.

Table 42: Staff turnover by provider type and year

Turnover measure	Year	Private providers	Voluntary providers	All group-based providers	Nursery classes	MNS	All school-based providers
Average rate of turnover	2018	16%	11%	14%	7%	7%	7%
	2019	17%	12%	16%	9%	8%	9%
	2021	17%	12%	16%	6%	8%	6%
Proportion of providers with >25% turnover	2018	21%	13%	18%	7%	3%	7%
	2019	22%	15%	19%	11%	2%	11%
	2021	21%	15%	19%	8%	3%	8%
Unweighted base	*2018*	*1,309*	*873*	*2,251*	*393*	*117*	*510*
	2019	*1,537*	*1,025*	*2,634*	*1,051*	*107*	*1,158*
	2021	*1,581*	*906*	*2,553*	*1,186*	*113*	*1,299*

Source: Survey of Childcare and Early Years Providers 2018, 2019, 2021

Table 43: Staff turnover by region, 2019 and 2021

Turnover measure	Region	Group-based providers		School-based providers	
		2019	2021	2019	2021
Average rate of turnover	East Midlands	15%*	15%	9%*	8%*
	East of England	15%	19%	10%	8%
	London	18%	17%	12%	6%
	North East	12%	12%	5%	5%
	North West	17%	14%	6%	4%
	South East	17%	15%	14%	7%
	South West	14%	14%	7%	9%
	West Midlands	18%	15%	7%	5%
	Yorks/Humber	13%	17%	9%	8%
Proportion of providers with >25% turnover	East Midlands	18%	17%	12%*	11%
	East of England	19%	18%	12%	8%
	London	21%	22%	15%	9%
	North East	14%	8%	4%	5%
	North West	15%	16%	9%	4%
	South East	22%	19%	18%	5%
	South West	17%	17%	6%	13%
	West Midlands	23%	19%	6%	6%
	Yorks/Humber	14%	23%	12%	12%
Unweighted base	*East Midlands*	*248*	*219*	*95*	*102*
	East of England	*327*	*330*	*110*	*149*
	London	*362*	*366*	*190*	*223*
	North East	*138*	*110*	*93*	*105*
	North West	*322*	*307*	*202*	*207*
	South East	*489*	*463*	*115*	*140*
	South West	*297*	*305*	*79*	*88*
	West Midlands	*247*	*259*	*135*	*144*
	Yorks/Humber	*204*	*194*	*139*	*141*

Source: Survey of Childcare and Early Years Providers 2019, 2021
Note: Significance tests run for overall associations between qualification and region in 2019 and 2021 for group-based and school-based providers. Differences between individual regions not tested. *Indicates significant association between region and turnover for the given year and provider type.

Table 44: Staff turnover by deprivation, 2019 and 2021

Turnover measure	Area deprivation (IDACI)	Group-based providers		School-based providers	
		2019	2021	2019	2021
Average rate of turnover	Q1 most deprived	17%*	15%*	9%	6%
	Q2 second most	14%	16%	9%	5%
	Q3 middle quintile	16%	19%	10%	7%
	Q4 second least	16%	13%	8%	6%
	Q5 least deprived	17%	15%	8%	8%
Proportion of providers with >25% turnover	Q1 most deprived	19%	18%*	10%	7%
	Q2 second most	15%	22%	10%	7%
	Q3 middle quintile	19%	22%	15%	9%
	Q4 second least	20%	13%	12%	7%
	Q5 least deprived	22%	20%	9%	9%
Unweighted base	Q1 most deprived	417	381	327	313
	Q2 second most	491	465	254	272
	Q3 middle quintile	557	548	214	261
	Q4 second least	590	593	188	235
	Q5 least deprived	578	566	174	217

Source: Survey of Childcare and Early Years Providers 2019, 2021

Note: Significance tests run for overall associations between qualification and setting size in 2019 and 2021 for group-based and school-based providers. Differences between individual quintiles not tested.

*Indicates significant association between setting size and turnover for the given year and provider type.

Table 45: Staff turnover by urban/rural, 2019 and 2021

Turnover measure	Urban/rural	Group-based providers		School-based providers	
		2019	2021	2019	2021
Average rate of turnover	Urban Rural	16% 16%	16%* 13%	9% 8%	6%* 8%
Proportion of providers with >25% turnover	Urban Rural	18% 21%	20%* 15%	11% 12%	7% 10%
Unweighted base	*Urban* *Rural*	*1,984* *649*	*1,945* *608*	*944* *213*	*1,047* *251*

Source: Survey of Childcare and Early Years Providers 2019, 2021

Note: *Indicates significant difference in turnover between urban/rural areas for the given year and provider type.

Table 46: Staff turnover by whether group-based provider part of a chain, 2019 and 2021

Turnover measure	Single- or multi-site (chain)	Private providers		Voluntary providers		All group-based providers	
		2019	2021	2019	2021	2019	2021
Average rate of turnover	Chain	19%	20%	11%	16%	18%*	19%*
	Single	17%	16%	14%	12%	16%	14%
Proportion of providers with >25% turnover	Chain	24%	23%	13%	23%	22%*	23%*
	Single	21%	20%	15%	14%	18%	17%
Unweighted base	Chain	*544*	*575*	*92*	*96*	*647*	*685*
	Single	*992*	*1,006*	*932*	*810*	*1,985*	*1,868*

Source: Survey of Childcare and Early Years Providers 2019, 2021

Note: *Indicates significant difference in turnover between chain/not for the given year

Table 47: Staff turnover by number of registered children, 2019 and 2021

Turnover measure	Setting size (Number of registered places)	Group-based providers		School-based providers	
		2019	2021	2019	2021
Average rate of turnover	1 to 25	16%	16%	9%	8%
	26 to 50	16%	16%	9%	5%
	51 to 75	16%	15%	9%	6%
	76 to 100	17%	15%	11%	7%
	101 plus	13%	14%	7%	8%
Proportion of providers with >25% turnover	1 to 25	18%	18%	15%*	12%
	26 to 50	20%	19%	12%	6%
	51 to 75	19%	20%	6%	7%
	76 to 100	23%	14%	4%	6%
	101 plus	12%	14%	3%	5%
Unweighted base	*1 to 25*	*599*	*551*	*247*	*304*
	26 to 50	*1,213*	*1,153*	*642*	*692*
	51 to 75	*509*	*505*	*151*	*154*
	76 to 100	*197*	*212*	*59*	*77*
	101 plus	*109*	*124*	*43*	*55*

Source: Survey of Childcare and Early Years Providers 2019, 2021

Note: Significance tests run for overall associations between turnover and setting size in 2019 and 2021 for group-based and school-based providers. Differences between individual quintiles not tested.

*Indicates significant association between setting size and turnover for the given year and provider type.

Table 48: Proportion of providers who have access to a SENCO, by provider type and year

	Designated SENCO at setting	Access to external SENCO	Unweighted base
Nursery classes			
2018	99%	12%	395
2019	99%	10%	1,084
2021	99%	11%	1,209
MNS			
2018	98%	16%	117
2019	98%	8%	110
2021	98%	9%	114
All school-based providers			
2018	99%	13%	512
2019	99%	10%	1,194
2021	99%	11%	1,323
Private group-based providers			
2018	97%	37%	582
2019	96%	38%	606
2021	96%	32%	622
Voluntary group-based providers			
2018	98%	35%	366
2019	98%	27%	369
2021	97%	24%	329
All group-based providers			
2018	98%	36%	976
2019	97%	34%	1,009
2021	96%	29%	986

Source: Survey of Childcare and Early Years Providers 2018, 2019, 2021

Appendix B: Interview topic guide

SCEYP 2021 Thematic study –
Workforce: recruitment, retention and training

Interview Topic Guide

NatCen, working with Frontier Economics, has been commissioned by the Department for Education to conduct research into how childcare providers do their business planning within the contexts of recruitment and retention.

This project is a mixed-methods thematic study which involves the analysis of survey data that has already been collected.

These interviews with Early Years settings will seek to understand providers' perceptions and experiences regarding their workforce and any changes to demand in light of the COVID pandemic. Topics will include:

- current experiences around the recruitment and retention of staff- including decision-making around staffing
- staff qualifications and training;
- parental demand for places and potential changes since the COVID pandemic;
- views on how things might change in the future.

The following guide does not contain pre-set questions but rather lists the key themes and sub-themes to be explored with participants. It does not include follow-up questions like `why', `when', `how', etc. as it is assumed that participants' contributions will be fully explored throughout to understand the hows and whys.

1. INTRODUCTION

Aim: to remind the participant about the aims of the research, explain how the interview will be conducted and how the data will be used.

Introduction to researcher. Thank you for agreeing to take part.

Introduction to NatCen – independent research organisation, we have been commissioned by the Department for Education to conduct research into how childcare providers currently do their business planning and how we move out of the pandemic.

Explanation of research – as part of this research, we're exploring providers' experiences around staff recruitment, retention and training. ***Incentive is an e-voucher to the value of £30***

The information you provide will be used to write a report that we will share with the Department for Education. All information will be treated confidentially. No individual or organisation will be named in the report and nothing you say will be attributed to you.

We would like to record the interview, so we have an accurate record of what is said.

> Recorder is encrypted, and files stored securely in line with General Data Protection Regulation (GDPR).

> Only the research team will have access to the recordings.

The interview will last around 50 minutes.

Any questions?

Permission to start recording.

Turn on recorder - obtain verbal consent to participate.

2. PARTICIPANT BACKGROUND

Aim: to 'warm up' participant and to understand their role in the setting and in decision-making around occupancy and staffing. [up to 10 mins]

➢ Confirm key setting characteristics reported in SCEYP 2021 *[record this in recruitment log]*
- o Type of setting (*maintained primary school with nursery*)
- o Number of places
- o Structure of staffing/staff deployment
  - ▪ *Permanent staff*
  - ▪ *Supply staff*
  - ▪ *Any staff that do not work with children (some or all of the time?)*
    - • *What are their roles?*
    - • *Has any of this changed?*
  - ▪ *Apprentices*
  - ▪ *SENCOs*

- *What is your current SENCO capacity (trained and not trained) i.e. do you have access to one?*

- *Is there demand for access to one at your setting? i.e. can you currently meet the demands?*

- *What change in demand for SEND support or SENCO need do you see in the future?*

  o Whether they take children under 2 and aged 2 *[assuming all settings take 3-4 yo]*

  o Whether they are part of a chain

➢ Brief overview of respondents' role at the setting

  o Responsibilities

  o Length of service

3. STAFF RECRUITMENT (PRE & DURING COVID)

Aim: to explore respondent's perceptions of the factors impacting staff recruitment in their setting. Variations by; setting type, region and time are all of interest. [10 mins]

➢ How easy or difficult has it been to recruit staff compared to pre-pandemic years

  o Current number of vacancies at the setting?

    ▪ *Certain positions more prone to becoming vacant?*

    ▪ *Certain positions easier/more difficult to attract?*

  o Quality of candidates (both in terms of qualification level and/or experience)

    ▪ *Reasons for any changes over time?*

  o Impact of vacancies on the setting (*e.g. in terms of provision?)*

➢ Measures taken to boost recruitment

  o What has worked- why?

  o Have Level 2 and Level 3 apprenticeships helped?

  o What have been the barriers to recruitment?

  o Measures that will be taken in the future

    Lessons learnt from past experiences
➢ Decision-making around staff

  o Which staff members are involved?

  o What factors do you consider when it comes to decision making around staffing and recruitment?

    ▪ *Qualifications?*

118

- - *Staff experience?*

- - *Child welfare?*

- o Approaches taken to staffing and recruitment

- - Opting for fewer higher qualified staff (e.g. at level 6 to look after more children)?

- - Changes to staff-child ratios?

- - Changes of parents' flexibility when it comes to sending their children to providers?

- o Contracting supply workers

- - When?/ What situations? (*has this increased during COVID/the 'pingdemic'?*)

- - Costs relative to permanent members of staff?

- - What proportion of gaps are you able to fill with supply workers?

4. STAFF RETENTION (PRE & DURING COVID)

Aim: to explore respondent's views on how likely staff may or may not stay at a setting (and any variations around provider type/region). [10-15 mins]

➢ Perception of current retention rate compared to pre-pandemic years?
- o Reasons staff have given for leaving?
- o Potential barriers to keeping staff?
- o What are the destination of staff that have decided to leave?
  - - *Did they leave: the setting or the EY sector as a whole?*
  - - *Have there been any changes to this overtime?*
- o If retention rates are low:
  - - Measures taken to manage low retention?
  - - How current levels have impacted provision

    (e.g. quality/quantity of provision, the impact of on staff & children)

    Certain types of staff members leaving, e.g. many years of experience or particular qualification levels?

➢ Measures that have been taken to increase staff retention

- o What has worked? (*e.g. CPD*)

- o What have been the barriers to increasing staff retention?

    - ▪ *More management & supervision?*

    - ▪ *Not being able to release staff for CPD*

- o Are there things you would like to try?

- o Are there things which staff have said they need?

- o Concerns for the future

Cue for interviewer: Explain that the topic of discussion for this section now includes but extends beyond workforce issues

5. BUSINESS PLANNING & COVID

Aim: to explore the impact of COVID and any actions that have been undertaken in response to the pandemic [about 10 mins]

- ➢ What changes to your business model/practice have you made in response to COVID?

    - o Delivery of service (e.g. half/whole days, changes to opening hours)

    - o Changes that are linked to workforce issues

    - o Are you reducing flexibility?

    - o Are you introducing restrictions in free entitlement provision?

    - o Are you letting staff go?

        - ▪ *Replacing them when they leave?*

    - o Are you exploring different options?

    - o Are you increasing parental fees, and what influences this decision?

    - o If not covered above, have there been changes in parental demand (number of hours/ days)

- ➢ Why have you made these changes?

- ➢ Changes for the year ahead:

    - o Risk(s) most concerned about in the year ahead

        - ▪ Potential fluctuations to staffing levels?

        - ▪ Demand?

    - o Planned responses to any challenges that are envisaged in the next year

        - ▪ Continuation of any changes?

        - ▪ New approaches that might be introduced?

        - ▪ Any planned changes to parental fees?

6. CLOSE

- Final closing comments – anything else to raise

- Any questions?

End recording

- Thank participant and reaffirm confidentiality