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## 2006 Childcare and Early Years Providers Surveys

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### Introduction

In 1998 the National Childcare Strategy was introduced which led to a wide range of childcare initiatives and funding streams. The Department for Children, Schools and Families (DCSF, formerly the Department for Education and Skills) requires regular information on childcare and early years' provision to allow the evaluation of these initiatives and to assess progress towards targets. This information has been collected through the Childcare and Early Years' Workforce Survey series started in 1998, and was repeated in 2001 and 2003. The 2006 Childcare and Early Years Providers Survey is the latest in this series. The questionnaire collects information on the number and characteristics of providers, the characteristics of the children enrolled, workforce composition, qualifications and training, recruitment and retention, and business operation. The 2006 survey covers both childcare (full day care, sessional, out-of-school, childminders and children's centres), and early years settings in maintained schools (nursery schools, primary schools with nursery and reception classes and primary schools with reception but no nursery classes). This research brief provides a summary of the findings from the surveys of all eight settings.

### Key findings

- In 2006, there were 94,272 childcare providers and 16,071 early years providers in maintained schools in England.
- There has been a continued increase in the number of full day care providers; there were 12,694 full day care providers operating in 2006, a 27 per cent increase since 2003 and a seven per cent increase since 2005. Meanwhile the number of sessional providers has declined by 19 per cent since 2003 to 9,681 in 2006.
- From 2003 to 2006 there were large increases in numbers of out of school providers in operation. After school providers increased by 70 per cent to 7,656 and holiday clubs increased by 130 per cent to 6,386 clubs.
- The number of registered childminders remained stable at around 71,500. A substantial minority (19 per cent) of registered childminders contacted for the 2006 survey said that they were no longer working as a childminder. This meant that there were 57,855 active childminders offering childcare places in England. In total there were 272,600 Ofsted registered places with childminders.
- There was very little change in the overall number of other early years providers between 2003 (16,001) and 2006 (16,071).
- In 2006, there were 2,410,600 childcare and early years places registered with Ofsted.
- There were a total of 822,500 Ofsted registered places in full day and sessional care providers, a nine per cent increase from 756,900 in 2003 and a six per cent increase since 2005. From 2003 the number of full day care places increased by 26 per cent, while the number of sessional registered places decreased by 14 per cent.
- As with the numbers of providers, both after school clubs and holiday clubs showed the largest increases in terms of places between 2003 and 2006. The number of registered places in after school clubs grew by 58 per cent (to 260,100) and the number of places in holiday clubs had increased by 117 per cent (to 263,900).

- Among early years providers in maintained schools, there were a total of 791,500 early years places, a six per cent decrease from 843,100 places in 2003.
- With the exception of sessional providers, the number of paid and unpaid staff working in childcare settings increased at a higher rate than the number of providers and the number of places. The number of staff working in full day care rose by 28 per cent, in after school clubs by 85 per cent, in holiday clubs by 156 per cent but in sessional settings the number of staff fell by 17 per cent.
- Across the early years settings in maintained schools, the number of paid and unpaid staff decreased at a faster rate than the number of places (or in the case of nursery schools, despite an increase in places) between 2003 and 2006. The number of staff working in primary schools with reception but no nursery classes fell by 16 per cent, in primary schools with nursery and reception classes by eight per cent and by six per cent in nursery schools.
- There have been improvements in the level of qualifications held by staff across all settings since 2003. In full day care and all early years providers in maintained schools over 73 per cent of staff held at least a level three qualification. In nursery schools and full day care in children's centres 80 per cent of staff held at least a level three qualification. In contrast, lower proportions of staff working in sessional providers (58 per cent), after school clubs (51 per cent) and holiday clubs (53 per cent) were qualified to at least a level three. Childminders were least likely to hold qualifications, with only 52 per cent being qualified to level one and 43 per cent qualified to level two.
- Between 2003 and 2006 the overall rate of pay for all childcare staff increased at a higher rate than the UK average pay, however rates of pay were considerably lower than UK average pay for women, which was £10.24. The highest paid staff worked in full day care providers within children's centres, earning on average £9.30 an hour. Followed by staff who work in holiday clubs and after school clubs (£7.40 and £7.20 per hour respectively). Full day care and sessional staff earned on average £6.80 and £6.60 respectively.
- The average rates of pay for all staff were similar across the early years providers in maintained schools, with nursery school staff receiving on average £12.30 an hour, primary school with nursery classes staff earning £12.50 an hour and primary schools with reception but no nursery classes earning on average £12.10 an hour. Notably, average pay for these groups was higher than the overall UK average. However, these averages were raised because of the comparatively high pay of head teachers, early years or foundation stage co-ordinators and qualified teaching staff

## Policy background

The Government's Ten Year Strategy for early years and childcare, published in December 2004, outlined a number of key principles and objectives:

- *Choice and Flexibility* - greater choice for parents in how they balance their work commitments and family life;
- *Availability* – flexible, affordable, high quality childcare for all families with children aged up to 14 who need it;
- *Quality* - high quality provision delivered by a skilled early years and childcare workforce; and
- *Affordability* – families to be able to afford flexible, high quality childcare that is appropriate for their needs.

The Government's vision is to ensure that every child gets the best start in life, and to give parents more choice about how to balance work and family life. By 2010, all three and four year olds will be entitled to 15 hours a week of free high quality care, for 38 weeks a year and there will be an out of

school childcare place available for all children aged three to 14 from the hours of 8am-6pm every weekday for those who need it. This will be accompanied by a package of new measures to help address the issue of affordability of childcare, such as the recent change to the tax credit system.

To support this, and to help improve the quality of childcare, there is to be a radical reform of the workforce. This will include all full day care settings being professionally led, improved qualifications and status of early years' and childcare workers and training opportunities for childminders and other home-based carers which will enable more of them to achieve level three qualifications.

A Transformation Fund of £250m over the period April 2006 to August 2008 will support investment to attempt to raise the quality of the early years' workforce without undermining efforts to improve affordability.

## Methodology

The DCSF needs robust information on the key characteristics of childcare provision in the early years and childcare sector, as well as information

on its workforce and the costs of childcare that is available.

The DCSF carried out surveys amongst childcare and early years providers in 1998, 2001, 2003 and 2005. The 2006 providers series consists of separate surveys for the following eight childcare and early years settings:

### **Childcare**

- Full-day childcare – 3,322 interviews with full day care providers (who provide day care sessions of more than four hours for children under eight).
- Sessional childcare - 1,172 interviews with sessional providers (who provide day care sessions of four hours or less to children under eight).
- Out-of-school childcare - 1,754 interviews with after school clubs (holiday clubs and breakfast clubs that are registered with Ofsted).
- Childminders - 723 interviews with childminders (registered to look after one or more children aged under eight for a total of more than two hours a day, for reward).
- Children's centres – 250 interviews with senior managers of children's centres (children's centres are places where children under five years old and their families can receive integrated support services and information).

### **Early years in maintained schools**

- Primary schools with nursery and reception classes – 535 interviews with early years or foundation stage co-ordinators or headteachers.
- Primary schools with reception but no nursery classes – 515 interviews with early years or foundation stage co-ordinators or headteachers.
- Nursery schools – 188 interviews with headteachers.

All interviewing was conducted by telephone using CATI (Computer Assisted Telephone Interviewing) by Kantar Operations<sup>1</sup> fully trained telephone interviewers between 25<sup>th</sup> May 2006 and 25<sup>th</sup> October 2006. Samples of providers were drawn from the Ofsted database. The results were weighted and grossed to provide national estimates.

<sup>1</sup> Kantar Operations provides the support and operations services to the market research agencies that form part of the Kantar Group (this includes BMRB, Research International, Millward Brown and some smaller, specialist organisations).

## **Main findings**

The main findings from each of the eight separate surveys are reported in turn below.

### **Full day care**

Full day care provision continued to increase. A greater number of providers were registered to provide this type of care and more children were attending. This may be due to a continued shift away from sessional day care towards full day care provision, with sessional providers moving into the full day care sector and providing care for more than four hours per day.

The number of children attending registered full day care settings increased at a lower rate than the increase in the number of providers and as a result the average number of children attending full day care settings fell (from 66 in 2003 to 60 in 2005). This trend may have levelled out, or possibly reversed, as the average number of children attending in 2006 stood at 61.

In 2006, there were approximately 81,000 registered full day care vacancies for children, an eight per cent decrease from 2005 when there were 88,400, despite the overall increase in the total number of registered providers. A quarter (27 per cent) of providers had no vacant places.

There was a marked improvement in the qualification levels of paid childcare staff working in the registered full day care sector. In 2006, 73 per cent had at least a level three qualification compared with 63 per cent in 2005. Nearly all (96 per cent) senior managers had at least a level three qualification, up six percentage points from 2005.

The 2006 figures indicated that staff retention rates were improving. The staff turnover rate declined, the number of staff leaving fell and the average length of service increased from 2003.

Six in ten registered full day care providers managed to break even or make profit or surplus (62 per cent). There was an increase in the proportion making a profit or surplus (30 per cent in 2006 compared with 27 per cent in 2005), and a decrease in those making a loss (16 per cent in 2006 compared with 21 per cent in 2005).

### **Sessional providers**

Sessional day care provision continued to decline. While the overall number of providers registered with Ofsted fell, the number of places actually increased and the number of children attending was

stable from 2005 (at approximately 40 per setting). However, there was a steady decline in the number of places and children attending from 2001. This may be due to a continued shift towards full day care provision, with sessional providers moving into the full day care sector and providing care for more than four hours a day.

Compared with 2005 there were slight improvements in the qualification levels of paid childcare staff working in the sessional day care sector. Amongst all paid childcare, three-fifths (58 per cent) had at least a level three qualification (55 per cent in 2005). Nine in ten (93 per cent) senior managers had a level three qualification or above, a seven percentage point increase from 2005 when the equivalent figure was 86 per cent.

As in 2005 the majority of sessional providers were managing to break even or make a profit or surplus (78 per cent in 2006).

### **Out of school providers**

Since 2003 there was a dramatic increase in the number of after school and holiday clubs in operation; after schools clubs increased by 70 per cent and holiday clubs increased by 130 per cent. This increase is likely to be due to the Government's focus on increasing out of school provision, in particular with the Extended Services in Schools programme. At the time of the 2006 survey there were 54,400 vacancies amongst after school clubs and 76,700 vacancies amongst holiday clubs, a quarter (26 per cent of after school clubs and 25 per cent of holiday clubs) had no vacancies.

There have been marked increases in the qualification levels of the after school and holiday club workforce. Half of all paid staff (51 per cent of after school staff and 53 per cent of holiday club staff) held at least a level three qualification; a 14 percentage point increase for after school club staff and a 23 percentage point increase for holiday club staff since 2003.

On average staff in out of school providers had been employed for longer and staff turnover rates had declined since 2003.

There are some concerns regarding the sustainability of out of school provision, while the majority of settings said they had made a surplus or profit or covered their costs (68 per cent of after school clubs and 67 per cent of holiday clubs) a sizeable minority were making a loss (17 per cent of after school clubs and 24 per cent of holiday clubs). However, these figures were similar to 2003, but

this is something that will need to be monitored over the next few years.

### **Childminders**

Since 2005 there was a slight increase in the number of registered childminders, from 70,200 to 71,500 (a two per cent rise).

As in 2005 about a fifth (19 per cent) of registered childminders were not working as childminders at the time of the 2006 survey, and so did not take part in the interview. Taking this into account, it is possible to estimate that, at the time of the 2006 survey, there were 57,900 active childminders offering childcare places in England.

While the total number of childminders and registered places remained similar to 2005, the overall number of children attending increased from 242,400 to 267,900. This meant that the average number of children a childminder looked after rose from four to five.

At the time of the 2006 survey there were 67,000 vacant places with childminders – an average of 1.2 per childminder. However, childminders did not always want to work at their full capacity, and if demand were there childminders would still only fill 66 per cent of these vacancies (44,400 places).

The qualification levels of childminders had not improved since 2005, with a third (33 per cent) of childminders not holding any relevant qualification in 2006. The proportion of childminders working towards a qualification had not improved either, just under a fifth (17 per cent) of childminders said they were working towards a relevant qualification, the same level as in 2005.

### **Children's centres**

The Sure Start children's centres programme is relatively new and in 2006 children's centres were included in the survey for the first time. There were 823 children's centres in operation at the time of the 2006 survey. The most common type of care offered was full day care (84 per cent). The full day care offered within children's centre also falls under the overall registered full day care figures and should be regarded as a sub-group, rather than in addition to this provision.

The estimated number of active Ofsted registered places in full day care in children's centres in 2006 was 37,750, with an estimated 40,050 children attending. There were approximately 6,600 vacant full day care places in children's centres, about 12 vacancies per provider.

In 2006, there were approximately 9,300 paid staff working within full day care provision in children's centres. Eighty per cent of paid staff held at least a level three qualification, rising to 95 per cent among supervisory staff. Overall, a tenth (10 per cent) of all staff held a level six qualification or above.

Overall only 12 percent of full day care providers operating in children's centres had made a profit or a surplus, 28 per cent had covered their costs and 37 per cent had made a loss. A quarter (23 per cent) were unable to say.

### **Nursery schools**

Despite a decrease in the overall number of nursery schools in operation from 465 in 2003 to 444 in 2006, there was a four per cent increase in the overall number of places being offered, and a one per cent increase in the number of children attending. As a result the average number of attendees increased from 77 in 2003 to 82 in 2006.

In 2006 there were 4,600 paid staff working within nursery school settings, a six per cent increase since 2003. There appeared to have been a slight drop in the proportion of staff with a relevant qualification. Amongst all paid staff in nursery schools 87 per cent had a qualification (levels one to eight) related to working with children and young people and nine per cent had no relevant qualifications at all (compared with 92 per cent and eight per cent respectively in 2003). The proportion with no qualifications rose due to the increase in the number of other paid early years support staff, amongst whom 46 per cent had no relevant qualification. Encouragingly, a quarter (24 per cent) of paid early years staff were working towards a qualification (levels one to eight). This was an increase since 2003 when 20 per cent were working towards a qualification.

Staff retention rates improved since 2003. The average length of service increased by a year to seven years nine months, the proportion of settings saying they had lost staff in the last 12 months fell (45 per cent compared with 55 per cent of settings in 2003) and the turnover rate decreased (eight per cent compared with 11 per cent in 2003).

### **Primary schools with nursery and reception classes**

The total number of primary schools with nursery and reception classes was 6,476, a three per cent increase from 6,287 in 2003, however the number of places available declined by four per cent to 477,300 places. The average capacity per setting

was 75 places. Although a third (35 per cent) of settings had no vacancies on an average day, three out of five settings (60 per cent) had at least one vacant place.

The total number of paid and unpaid staff in primary schools with nursery and reception classes was around 58,000, an eight percent decrease from 62,800 in 2003. The average number of staff per setting was nine, in 2003 it was 10. Early years or foundation stage co-ordinators and early years teachers tended to hold qualifications of at least level six (91 per cent and 86 per cent respectively did so), reflecting that most had degree level teaching qualifications. Nursery nurses tended to have at least a level three qualification (93 per cent). Other paid support staff were the only group where a sizeable proportion held no relevant qualifications (32 per cent, compared with less than one per cent of all other paid staff).

### **Primary schools with reception but no nursery classes**

Since 2003 there was a small decline in the number of primary schools with reception but no nursery classes (from 9,249 to 9,151) but there was a significant decline, of eleven per cent, in the number of places available (286,100 places in 2006). There was a similar decline in the total number of children attending over the same period (from 276,500 to 251,000). The average number of attendees in 2006 was 28 per setting, compared with an average 32 places available. However, although the number of places decreased, the level of unused capacity remained largely unaltered.

The total number of paid staff working in primary schools with reception but no nursery classes in 2006 was 31,200, a decrease of nine per cent from 34,300 in 2003. However, since this fall was in line with the decrease in places, the number of paid staff per place was largely unchanged. The composition of staff, and the qualifications they held, indicates a workforce that is becoming more professional. There was a shift towards more qualified staff and a corresponding reduction in unqualified staff and volunteers.

### **Conclusions**

Full day care provision and out of school provision are on the increase. A greater number of providers are now registered to offer these types of care, the number of staff is increasing and more children are attending these settings. There is a continued shift away from sessional care, while the number of childminders has remained stable.

The number of early years providers in maintained schools remained stable, but across the three types of settings, the number of places has declined. The number of staff is decreasing at a faster rate than the number of places indicating there has been a real drop in the number of staff working within early years settings in maintained schools.

The proportion of supervisory staff has increased and the proportion of other paid staff decreased, across all childcare settings. The proportion of better qualified staff also increased in the other early years settings. Across all provider types there has been an increase in the proportion of staff with at least a level three qualification.

However, sustainability concerns remain with lower proportions of all childcare providers saying they had made a profit or surplus than in 2003 and higher proportions (apart from after school clubs) saying they had made a loss. Although the proportion of full day care providers making a profit or surplus fell by 13 percentage points between 2003 and 2006, data suggest that this situation may be beginning to reverse as there was an increase of three percentage points in the proportion making a profit or surplus between 2005 and 2006.

### **The 2006 Childcare and Early Years' Providers' Survey Report Series**

This research brief covers all eight of the 2006 surveys that form part of this research project.

There are nine main reports produced from the results of the 2006 Childcare and Early Years' Providers' Survey:

- Overview report
- Full day care providers
- Sessional providers
- Out of school providers
- Childminders
- Children's centres
- Nursery schools
- Primary schools with nursery and reception classes
- Primary schools with reception but no nursery classes

### **Additional Information**

*Copies of the full report (DCSF-RR009) - priced £4.95 - are available by writing to DfES Publications, PO Box 5050, Sherwood Park, Annesley, Nottingham NG15 0DJ.*

*Cheques should be made payable to "DfES Priced Publications".*

*Copies of this Research Brief (DCSF-RB009) are available free of charge from the above address (tel: 0845 60 222 60). Copies of all of the reports can be accessed at [www.dcsf.gov.uk/research/](http://www.dcsf.gov.uk/research/)*

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