
2005 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 Education and Skills therefore requires regular information on childcare and early years provision to allow evaluation of these initiatives and to assess progress towards targets. The Childcare and Early Years Workforce Survey series started in 1998, and was repeated in 2001 and 2002/3. The 2005 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 and business operation. For the first time, the 2005 survey was expanded to provide more information on recruitment and retention issues and the costs of childcare. The 2005 survey covers only childcare settings (full day care, sessional, out-of-school and childminders), and not early years. This research brief provides a summary of the findings from the surveys of all four settings.

Key findings

- There has been a continued increase in the number of full day care providers from 7,800 in 2001 to 11,811 in 2005; a 51 per cent increase. Over the same period, there has been a 29 per cent decline in the number of sessional care providers from 14,000 in 2001 to 9,966 in 2005.
- The number of registered out of school providers has increased since 2003, from 7,281 to 8,609¹. In 2005, 465,500 children attended this registered out of school provision.
- The number of registered childminders is slightly down on 2003 (70,200 compared with 72,900). A substantial minority of childminders approached for the survey said they were not currently working as a childminder. Taking this into account, there are 57,650 active childminders in England, who look after 242,400 children.
- In total, across all these childcare providers there are approximately 1,360,000 registered childcare places available in England. Very crudely (and discounting the fact that some of the out of school places will be for older children, and that many childminders do not fill all of their places) this means there is around one place for every 3.5 children aged under 8.

¹ Comparisons for out of school providers between 2003 and 2005 are not exact. Due to differences in the sampling frame, out of school providers in the 2005 survey answered with regard to their after school services rather than their holiday provision (if they provided both), whereas in 2003, providers will have been equally likely to have answered about either after school or holiday provision (if they provide both). Thus, comparisons in this brief have been kept to a minimum and are indicative only.

- Across all settings, approximately 1,803,000 children were enrolled (1.3 children per place) at the time of the survey. (Of course, some children may be enrolled in more than one setting).
- Over a quarter of a million people (260,550) work within childcare settings (not including childminders, or unpaid staff). These staff are predominantly women (96 per cent). Around half (51 per cent) work part time (less than 30 hours a week), although this varies by sector (ranging from 88 per cent of those in sessional settings to 30 per cent of those in full day care settings).
- Staff working in childcare settings are increasingly well qualified: 58 per cent of childcare staff have at least a Level 3 qualification (up from 48 per cent in 2003), and 74 per cent have a relevant qualification of some type (compared with 71 per cent in 2003). Four per cent of staff have a Level 6 qualification or above².
- Childminders are less likely to hold qualifications: 43 per cent of childminders held at least a Level 3 qualification or above.
- Overall, the level of pay for staff working in the childcare sector is relatively low. The average pay for the three group settings ranged from £6.20 an hour in sessional providers to £6.70 in out of school providers. (The average UK hourly pay is £10.63). Average take home pay for childminders (from childminding) was £5,500 per annum.
- Pay levels for childcare workers appear to have increased at a faster rate than inflation. Workers in full day care and sessional settings have, on average, seen a 16 per cent rise in their hourly pay since 2003. The average pay increase in that time for the UK as a whole is 10 per cent.

The 2005 Childcare and Early Years Providers Survey Report Series

This research brief covers all four of the 2005 surveys that form part of this research project.

There are five main reports produced from the results of the 2005 Childcare and Early Years Providers' Survey:

- Overview report
- Full day care providers
- Sessional providers
- Registered out of school providers
- Registered childminders

The Government's Ten Year Strategy for early years and childcare (published in December 2004) and the current Childcare Bill aim to increase the availability of flexible, affordable, high quality childcare and to ensure that this childcare is delivered by a skilled early years and childcare workforce.

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 3 and 4 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 3-14 from the hours of 8am-6pm every weekday.

Policy background

² Due to changes to the National Qualification Framework in 2004, it is not possible to compare the proportion holding a level 6 qualification or above in 2005 with data from 2003.

This will be accompanied by a package of measures to help address the issue of affordability of childcare, including increases in the childcare costs that can be claimed through Working Tax Credit and measures to help parents balance work and family life, including the extension of paid maternity leave.

To support this, and to help improve the quality of childcare, there is to be a radical reform of the workforce. This will include measures to strengthen professional leadership in all full day care settings, improve the qualifications and status of early years and childcare workers and provide training opportunities for childminders and other home-based carers.

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

Methodology

The 2005 survey consists of four separate nationally representative sample surveys of Ofsted registered settings: full day care; sessional; out-of-school and childminders. All interviewing was conducted by telephone using CATI (Computer Assisted Telephone Interviewing) by Kantar Operations³ fully trained telephone interviewers between 28th June 2005 and 2nd September 2005. Samples of providers were drawn from the Ofsted database:

- Full day childcare - 1,171 interviews with full day care providers (who provide day care sessions of more than four hours for children under 8).
- Sessional providers - 1,007 interviews with sessional providers (who provide day care sessions of four hours or less

to children under 8).

- Out of school providers - 1,039 interviews with after school clubs, holiday clubs and breakfast clubs that are registered with Ofsted.
- Childminders - 1,132 interviews with childminders registered to look after one or more children aged under 8 for a total of more than 2 hours a day, for reward.

The results were weighted and grossed to provide national estimates.

Main findings

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

Full day care

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

Although the number of children attending full day care settings has increased since 2001, the average number of children per setting has decreased: from 69.1 in 2001 to 59.9 in 2005. In summer 2005, there were approximately 88,400 vacant full day care places in England, about eight per setting. A quarter of providers, however, had no vacant places.

Nearly all (93 per cent) of the children attending full day care are pre-school children aged under 5 years old.

Around half of full day care providers manage to either break even (31 per cent) or make a profit (27 per cent). A fifth (21 per cent) of full day care providers made a loss in their last

³ 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).

financial year, which is significantly more than in 2003 (12 per cent). This may be linked with the fact that providers have fewer children enrolled, as the largest source of income for full day care providers is fees (on average, accounting for 83 per cent of all income). Staff costs are the largest item of expenditure (on average, accounting for 82 per cent of all expenditure).

Staff working in full day care providers are better qualified than they were two years ago. In 2005, 63 per cent of paid staff held at least a Level 3 qualification compared with 57 per cent in 2003. Ninety per cent of senior managers held a qualification at this level, as did 84 per cent of supervisory staff. Over one in ten (13 per cent) of senior managers held a Level 6 qualification.

Full day care settings now have a greater proportion of supervisory staff than in 2003 (62 per cent compared with 55 per cent), which also suggests that the workforce is becoming better qualified.

Sessional providers

The provision of sessional care is in decline. Fewer providers are registered to provide this type of care and fewer children are making use of it. This is most likely to be due to a shift towards full day care provision.

Those providers that are still operating as sessional providers have a similar number of children per setting as in 2003 (approximately 39 children per setting). In total, 390,000 children are enrolled in sessional care. At the time of the survey, there were 29,800 vacant sessional places in England, although nearly half (46 per cent) of the sessional providers had no vacant places.

There is a slight upward trend in the proportion making a profit (30 per cent in 2005 compared with 28 per cent in 2003). In fact, the majority of sessional providers (79 per cent) are managing to either make a profit or break even. However, there is also a slight

increase in the proportion making a loss (15 per cent in 2005 compared with 11 per cent in 2003).

As for full day care providers, the largest item of expenditure for sessional providers is staff costs (accounting, on average for 74 per cent of all expenditure). Fee income, however, makes up only a third (35 per cent) of total income and sessional providers are heavily reliant on income from Local Authority or Government sources (which accounts for, on average, 58 per cent of their total income).

A greater proportion of all types of sessional childcare staff have higher level qualifications than in 2003. Three-quarters have some type of qualification relevant to working with children or young people (up from 65 per cent in 2003) and nearly all of these have at least a Level 2 qualification. Over half (55 per cent) of the childcare staff have at least a Level 3 qualification (up from 44 per cent in 2003). Almost nine in ten (86 per cent) senior managers now have at least a Level 3 qualification (compared with 77 per cent in 2003), and nearly one in ten (8 per cent) senior managers have a Level 6 qualification or above.

Out of school providers⁴

Out of school provision is on the increase. A greater number of providers are registered to provide this type of care, and the number of children attending out of school settings has increased. The average number of children attending per setting is 55, and the vast majority of these are school-age children: 36 per cent are 5-7 year olds and 43 per cent are aged 8 and over. Three and four year olds accounted for 15 per cent of children attending, and 6 per cent were aged 2 or younger.

At the time of the survey, there were approximately 71,550 vacant out of school

⁴ Due to differences in sampling between 2003 and 2005, comparisons between the two surveys are not always possible.

places in England. Three in ten (29 per cent) providers had no vacant places on an average day.

The overall number of paid staff working in out of school settings is 68,100, an increase of 20,600 since 2003. The proportion of staff who are defined as supervisory staff has increased since 2003 (from 41 per cent to 51 per cent) suggesting that the workforce is becoming better qualified and more professional.

There are also large numbers of unpaid staff working within out of school settings - in total, 11,450 made up of 6,350 volunteers and 5,100 students on placement.

Almost three quarters (73 per cent) of paid out of school staff had some type of qualification relevant to working with children or young people. Half (51 per cent) had at least a Level 3 qualification. 82 per cent of senior managers hold at least a Level 3 qualification and 13 per cent hold a Level 6 qualification or above.

Two thirds of out of school providers had either covered their costs (42 per cent) or made a profit (22 per cent) in the last financial year. A quarter (26 per cent) said they had operated at a loss (10 per cent were unable to say). Compared with 2003, this was a slight decline in the proportion of profitable providers and a slight increase in the proportion of loss making providers.

Childminders

Since 2003 there has been a slight decline in the number of registered childminders: the number has decreased by 2,700 (a four per cent decrease).

A substantial minority (18 per cent) of registered childminders contacted for the survey said that they were no longer working as a childminder, and so did not take part in the interview. Taking this into account, it is

possible to estimate that there are 57,650 active childminders offering childcare places in England.

It is difficult to compare the number of active childminders in 2005 with the number in 2003, as the 2003 sample was drawn from a different source and so we do not know what proportion of Ofsted registered childminders were no longer working as childminders at that time. This means that it is not possible to gross up the 2003 figures on the same basis as has been done in 2005, and so any comparisons of overall numbers are invalid. Other comparisons (involving proportions and averages) are possible, as both samples involved interviews with active childminders.

In 2005, 242,400 children were enrolled with childminders. This works out as, on average, 4.2 children per childminder, which is a slight increase since 2003, when the figure was 3.9. There is a substantial amount of spare capacity in this sector of the childcare market: in total, 53,800 vacant places which childminders would fill if demand was there (out of 80,700 vacancies if all places were to be filled).

A third (35 per cent) of childminders hold no relevant qualification, a slight decrease from 2003 (36 per cent). The majority of childminders (84 per cent) had attended a preparatory training course when they first registered as a childminder.

On average, childminders charge £2.75 per child per hour. Childminders in London charge, on average, the most (£3.30 per hour) and those in the West Midlands the least (£2.19 per hour).

Average net income from childminding in the last 12 months was £5,500. One in ten (13 per cent) had taken home over £10,000; a quarter (27 per cent) had taken home less than £2,500. A fifth (21 per cent) of childminders said that they supplemented their income from childminding from other sources.

Conclusions

Full day care provision is on the increase. A greater number of providers are registered to provide this type of care, staff are being recruited in fairly large numbers and more children are attending. There is a shift away from sessional care, with sessional providers possibly shifting into the full day care sector and providing care for more than four hours a day. There also appears to have been a slight decline in the number of registered childminders.

Staff appear to be better qualified. There has been a slight increase in the proportion of staff with any childcare qualification, and across all provider types there has been an increase in the proportion of staff with at least a level 3 qualification.

Additional Information

Copies of the 2005 Childcare and Early Years Providers Survey Report Series:

RR760 - Full Day Care Providers

ISBN 1 84478 748 6;

RR761 - Out-of-School Providers

ISBN 1 84478 749 4;

RR762 - Sessional Day Care Providers

ISBN 1 84478 750 8;.

RR763 - Childminders

ISBN 1 84478 751 6; and

RR764 - Overview Report

ISBN 1 84478 752 4

priced at £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 (RB760-764) are available free of charge from the above address (tel: 0845 60 222 60). Research Briefs and Research Reports can also be accessed at www.dfes.gov.uk/research/

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