

2006 Childcare and Early Years Providers Surveys Full day care providers

Robert Kinnaird

BMRB Social Research

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1 Summary and conclusions

1.1 Introduction

The Department for Children, Schools and Families (DCSF) commissioned BMRB to undertake eight surveys to collect information about childcare and early years provision and its workforce. This report outlines the findings for full day care providers (facilities that provide day care for children under eight for a continuous period of four hours or more in any day in non-domestic premises) and is based on interviews with the senior manager at 3,322 full day care providers sampled from the Ofsted database.

Findings from the 2006 survey have been compared with those from similar surveys conducted in 2005 and where appropriate 2003 and 2001. Data have been weighted and grossed to provide national estimates.

1.2 Characteristics of provision

The total number of registered full day care providers has increased from 11,811 in 2005 to 12,694 in 2006, continuing the trend seen since 2001. During the same time, there has been a decrease in the number of sessional day care providers, so it is possible that some of the sessional providers now provide full day care (care for more than four hours per day).

Settings are not evenly distributed across England – the South East accounts for nearly a fifth (17 per cent) of all settings, while the East Midlands accounts for just eight per cent.

Two-thirds (65 per cent) of registered full day care providers are managed by a private sector organisation. Previously the proportion of privately owned full day care providers had been in decline from 78 per cent in 2003 to 59 per cent in 2005. This trend now seems to have reversed. A quarter (24 per cent) of full day care settings were owned by voluntary organisations, a continued increase from nine per cent in 2003, to 20 per cent in 2005. The proportion of local authority led settings fell from nine per cent to five per cent.

Eighty-four per cent of registered full day care settings had been operating for five years or more, an increase from 69 per cent in 2005.

Fourteen per cent of registered full day care providers had expanded in the last 12 months, and 10 per cent planned to expand in the next 12 months. However, the majority (72 per cent) had not expanded and did not intend to in the next 12 months.

Four-fifths (80 per cent) of registered full day care providers said that children could take their free early education sessions over three days rather than five.

Privately run settings were the most flexible with 82 per cent saying the sessions could be taken over three days and local authority run settings were the least flexible with 70 per cent saying this.

Ninety-two per cent of providers said they were in a position to provide the extended free entitlement for three and four year olds, of 15 hours a week, for 38 weeks a year.

1.3 Places and children

The total number of active Ofsted registered places available in registered full day care providers was 544,200. This is an increase of 33,200 places since 2005, a six per cent increase, which is due to the increase in the number of providers.

The total number of children attending registered full day care settings in 2006 was 766,900. The number of children attending registered full day care settings had been increasing at a lower rate than the number of providers and as a result the average number of children attending full day care settings had fallen (from 66 in 2003 to 60 in 2005). This trend seems to have levelled out, or possibly reversed, as the average number of children attending in 2006 stood at 61, with the number of children attending increasing at a slightly faster rate (nine per cent) than the number of registered full day care providers (seven per cent).

Nearly all (97 per cent) of the children attending are pre-school children aged under five years old.

The average proportion of children attending full day care that were from a BME was 15 per cent per setting. The average proportion of children with a SEN or disability was three per cent per setting.

At the time of the 2006 survey 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.

1.4 Characteristics of staff

The overall number of paid staff working in full day care settings was 143,900. Numbers of paid staff and numbers of children attending have increased in line with each other, at nine per cent each.

The staff profile remained the same as in 2005. Senior managers made up nine per cent of all paid staff, supervisory staff made up 62 per cent and other paid staff made up 30 per cent.

The average hours worked by paid childcare staff was 33 hours a week, with seven in ten (72 per cent) of the full day care workforce working full time (30 hours a week or more).

Pay levels for childcare staff have increased across all grades of staff. The average hourly pay is £6.80, an increase of six per cent since 2005 when the average hourly pay was £6.40. Senior managers earned, on average, £9.30 an hour, supervisory staff earned £7.00 an hour and other paid childcare staff earned £5.60 an hour.

1.5 Qualifications of staff

In 2006 a larger proportion of all grades of full day care childcare staff have higher level qualifications compared with 2005.

Eighty-seven per cent had some type of qualification relevant to working with children or young people, 86 per cent have at least a level two qualification and 73 per cent had at least a level three qualification (compared with 77 per cent holding at least a level two qualification and 63 per cent holding at least a level three qualification in 2005).

Nearly all (96 per cent) senior managers had at least a level three qualification, up six percentage points from 2005. One in ten (11 per cent) had a level six qualification or above. Nine in ten supervisory staff had at least a level three qualification; while six in ten other childcare staff had at least a level two qualification.

Among all paid childcare staff, a quarter (24 per cent) were working towards a childcare related qualification. A decrease since 2005 when 30 per cent were working towards a qualification, but as noted above a higher proportion of childcare staff held a qualification.

1.6 Training

The majority (82 per cent) of respondents said they thought the amount of training that their staff had received in the last year was about right, but a sizeable minority (15 per cent) said they thought it was too little.

Three-quarters (76 per cent) of registered full day care providers had written training plans, an increase of six percentage points from 2005.

Just over half (56 per cent) of providers had a training budget, a similar figure to 2005 (53 per cent). Funding for training most commonly came from the Local Authority or Sure Start.

1.7 Recruitment and retention

Overall, 29,300 childcare staff were recruited in the last year. The recruitment rate¹ was 22 per cent, compared with 37 per cent in 2005 when 41,200 staff were recruited.

Just under two-thirds (62 per cent) of all full day care providers had at least one member of staff leave in the last 12 months, a lower proportion than 2003 (69 per cent) and 2005 (66 per cent).

Half of those who left were believed to have taken other jobs in the childcare and early years sector (50 per cent).

The turnover rate² in 2006 was 13 per cent, a decrease since 2003 (18 per cent) and 2005 (17 per cent).

The employment growth rate³ was 10 per cent, a decrease from 20 per cent in 2005.

A quarter of providers were actively trying to recruit at the time of the survey, and there were around 4,500 staff vacancies in total.

1.8 Income

Many providers were unable to say how much they received in income from various sources. Thus, the figures provided should be treated with caution.

In terms of income sources, the largest proportion (78 per cent) came from the fees paid by parents. Average total income per year was around £167,100. This figure is based on small numbers of providers and should be treated with caution.

In terms of fees, the overall average charge was £2.70 per hour. There was some regional variation in fees charged. The average was highest in London (£2.90) and lowest in the North West and the East of England (£2.60). Fees also appear to vary depending on who ran the registered full day care setting. Average fees were highest amongst settings run by schools/colleges (£3.10), privately run settings (£2.90) and lowest in local authority run settings (£2.50) and settings run by voluntary organisations (£2.40).

Overall three in ten (30%) providers had made a profit or a surplus, 32 per cent had covered their costs and 16 per cent had made a loss. A fifth (21 per cent) were

¹ For details of how the recruitment rate is calculated, see section 1.7.4 of the Technical Appendix.

² For details of how the turnover rate is calculated, see section 1.7.4 of the Technical Appendix.

³ For details of how the employment growth rate is calculated, see section 1.7.4 of the Technical Appendix.

unable to say. These figures suggest an improvement on 2005, when 27 per cent had made a profit or a surplus and 21 per cent had made a loss.

1.9 Conclusions

Full day care provision continues to be on the increase in terms of numbers of providers, numbers of places and numbers of children attending. Providers also reported fewer vacancies in 2006 than in 2005. As the full day care sector continues to grow, the numbers of providers registered to provide sessional care has fallen. It is possible that some sessional providers are moving into the full day care sector providing care for more than four hours per day.

Similarly, the paid workforce has continued to grow and has become better qualified since 2005. Staff continue to work similar hours as they did in 2005 and pay has increased across all staff types. Findings suggest that the minimum requirement for senior managers and supervisors to hold a relevant level three qualification are largely (though not universally) being met.

In 2006 the turnover rate continued its decline since 2003, indicating that fewer people left their employment compared with previous years and the average length of service is increasing. A lower recruitment rate was reported in 2006 which, combined with the lower turnover has lead to a slowing of the employment growth rate.

2 Introduction

2.1 The Ten Year Strategy for childcare

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 announcement of free childcare for 50,000 parents in training for work.

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 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.

2.2 Objectives of the research

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
- Sessional childcare
- Out-of-school childcare
- Childminders
- Children's centres

Other early years providers

- Primary schools with nursery and reception classes
- Primary schools with reception but no nursery classes
- Nursery schools

This report presents an overview of the findings across all surveys. The analysis is largely divided between the childcare and early years groups as specified above.

2.3 The survey

The childcare survey examines the key characteristics of childcare and early years provision and its workforce:

- Provider characteristics (ownership, opening times, length of operation, free early education sessions);
- Number of places and children attending (number of places, ages, ethnicity, vacancies);
- Staff characteristics (number of staff, demographics of paid staff, pay, hours);
- Qualifications (qualifications held and working towards by paid staff);
- Training (current level of training, training plans and budgets);
- Recruitment and retention (level of recruitment, retention rates, vacancies);
- Income (income, fees, funding, childcare vouchers, tax credits, business performance).

2.4 Survey design

This report is based on 3,322 interviews conducted with senior managers⁴ of full day care providers or in small number of cases, an alternative senior member of staff. Other childcare surveys were conducted with 1,172 senior managers of sessional providers, 1,725 out of school providers (969 after school clubs and 756 holiday clubs), 1,754 senior managers of out of school provision, 723 childminders and 250 senior managers of children's centres.

2.4.1 Questionnaire

Three different questionnaires were used; one for the childcare group (full day care, sessional, out of school and children's centres), one for the early years group (nursery schools, primary schools with reception classes and primary schools with nursery and reception classes) and a third for childminders.

Copies of the questionnaires are included in the Technical Appendix to the series and can be downloaded from the DCSF website (www.dcsf.gov.uk).

Interviews were conducted by telephone using CATI (Computer Assisted Telephone Interviewing) by Kantar Operations⁵ fully trained telephone interviewers in Ealing. Interviews were carried out between 25th May 2006 and 30th September 2006 .

2.4.2 Sample

All samples were stratified by Ofsted region (childcare groups)⁶ and Government Office Region (GOR) (early years groups, to ensure a representative sample was interviewed in each region. In order to reduce the time it took to complete the interview, it was decided that the childcare questionnaires (excluding the childminder survey) would be divided into two sections. The first section would include core questions to be asked of all respondents and a second section that would consist of one of two modules (module A or B). Module A asked questions on fees and income and module B asked questions on training and recruitment. The sample was randomly divided into two equal groups and assigned to module A or B.

⁴ No specific definition was provided for 'Senior Manager'. Settings decided themselves who best fitted this description.

⁵ BMRB is part of the Kantar Group, the information and consultancy arm of WPP, BMRB's parent company. In addition to BMRB, other market research agencies in the Kantar Group include Research International and Millward Brown, as well as a number of smaller, specialist organisations. In April 2004 the support services of the Kantar companies were grouped to form a shared resource called The Operations Centre, which later changed its name to Kantar Operations. The majority of BMRB's existing operational services, including field management, sampling and data processing continue to be based at BMRB's Head Office in Ealing but, while still wholly owned by WPP, the new operations centre is now a separate legal entity from BMRB. Kantar Operations continue to work to existing quality standards and BMRB continue to take responsibility for the quality of the work undertaken by their support services.

⁶ Ofsted divides England into eight regions: East; East Midlands; London; North East, Yorkshire & Humberside; North West; South East; South West; and West Midlands.

2.4.3 Weighting and grossing

Data are weighted by Ofsted or GOR region (as of March 2006) to ensure the figures are representative of providers throughout England.

To reduce the burden on providers, settings selected in the 2005 sample were excluded when drawing the 2006 sample. As a result any settings that registered after March 2005 had a slightly higher chance of being selected than those that were registered at this date. The data have been weighted to address this.

To reduce both the burden on providers and the overall length of interview, settings employing more than a certain number of staff (more than three supervisors or three other paid childcare staff for childcare settings and two qualified teachers, two nursery nurses or two early years support staff for the early years groups) were asked to randomly select members of staff, rather than having to give details for the whole team. Respondents in the childcare groups were asked to randomly select three supervisory staff and three other childcare staff and. They were also asked for information about the senior manager and the early years professional leader (if this role was filled by someone other than the senior manager). Respondents in early years settings in maintained schools were asked to randomly select two qualified early years teachers, two nursery nurses and two other paid early years support staff and were asked questions about the headteacher or early years co-ordinator. When selecting the members of staff, respondents were instructed to list them in alphabetical order by surname and pick the first three or two in order to provide a random selection of staff. The data were weighted at a provider level to the true number of staff that each provider employs⁷.

In addition, the data were grossed up to the total number of active providers in England.

Full details of the methodology and analysis are included in the Technical Appendix to this report.

2.5 Structure of the report

The report is structured as follows:

Chapter 1 Summary and conclusions

Chapter 2 Introduction

Chapter 3 Characteristics of provision

⁷ In some cases staff weights have been capped in order to prevent reducing the sample efficiency by too large a margin. Full details are given in the Technical Appendix.

Chapter 4	Places and children
Chapter 5	Characteristics of staff
Chapter 6	Qualifications
Chapter 7	Training
Chapter 8	Recruitment and retention
Chapter 9	Income

2.6 Notes on reading the report

2.6.1 Notes on numbers

In the tables, grossed up figures are provided along with percentages. These grossed up figures are based on the total number of providers registered with Ofsted or recorded on Edubase in March 2006, excluding the proportion found by the survey to be no longer eligible for the survey (e.g. closed down, no longer in business). These grossed up figures are not exact, and like the percentages reported are subject to confidence intervals. Throughout the report, where the text comments on differences between subgroups of the sample, these differences have been tested for statistical significance and were found to be statistically significant at the 95 per cent confidence level or above, giving these findings a confidence interval of +/- five per cent. Tests were run on the effective sample sizes, factoring in design effects for each sample group (see section 1.6 of the Technical Appendix).

Data have been analysed at both provider level (e.g. characteristics of provision, places and children, income) and staff level (e.g. characteristics of staff - age, pay, qualifications). For those questions where analysis is at a staff level the bases noted show the overall number of staff, rather than the number of settings.

Where averages have been used, they have sometimes been given as the mean and sometimes as the medians. The median value is the middle value of a group of numbers. The mean is the sum of all numbers in a group divided by the number of items in the group.

2.6.2 Notes on tables

The unweighted and weighted base numbers are given in the last row of each table.

Where respondents can give multiple responses to a question, the sum of the individual responses may be greater than 100 per cent.

Also the percentages in the tables do not always add to 100 per cent due to rounding, and, where percentages in the text differ to the sum of percentages in

the tables, this too will be due to rounding. Also 'netted' (i.e. where a number of responses have been grouped together) responses may not always equal the sum of the individual responses, again due to rounding.

A * in a table signifies a percentage that is greater than 0 but less than 0.5.

A # signifies a value that is less than 50.

A † signifies a cell where data has not been included due to too small a base size.

A +/-0 signifies no change from previous years.

PP chge. refers to the percentage point change between 2003 and 2006.

N/A in a table signifies where we are unable to make a comparison with previous years as either the question wasn't asked or the data wasn't available.

Unless otherwise stated, figures referred to are weighted.

2.6.3 Notes on trends

Where appropriate, comparisons are made with previous waves of the survey, largely the 2003 wave. The 2003 wave was used as data was available for all sample groups (except children's centres which were included for the first time in 2006). The 2005 survey did not include the other early years groups or children's centres. Also while out of school clubs were included the sample was dealt with differently and therefore no comparisons can be made. In order to keep consistency in analysis 2003 has been used for general comparison. However, where appropriate, when discussing full day care, sessional day care and childminders 2005 comparisons have been included.

However, the sample for the childcare audiences in 2003 came from a different source – the Childcarelink database held by Opportunity Links. This did not have full details of all providers in all parts of the country and some work was done to obtain the necessary contact details on certain areas. Therefore, there needs to be some caution in comparing results from 2003 with those from 2005 and 2006 due to differences in sampling.

When comparing data with previous years, in the majority of cases the changes have been noted in terms of the percentage point change from year to year. Given the overall change in settings, this allows us to better identify changes in behaviour or a shift in the distribution. However, where specifically analysing a change in numbers, the percentage change has been noted e.g. the number of settings per region.

In places, comparisons are given with the findings relating to the UK workforce and the UK female workforce, taken from the Labour Force Survey (2006). These

comparisons include only people who were employed or self-employed. It was decided to give comparisons with the female workforce because most of the childcare workforce is female.

In the 2003 report, some analysis was carried out to look at providers in the 20 per cent most deprived wards. By 2005, there had been a change in the areas used to define levels of deprivation from wards to Super Output Areas. Therefore, this report looks at the 30 per cent most deprived areas, which is roughly the equivalent to the 20 per cent most deprived wards.

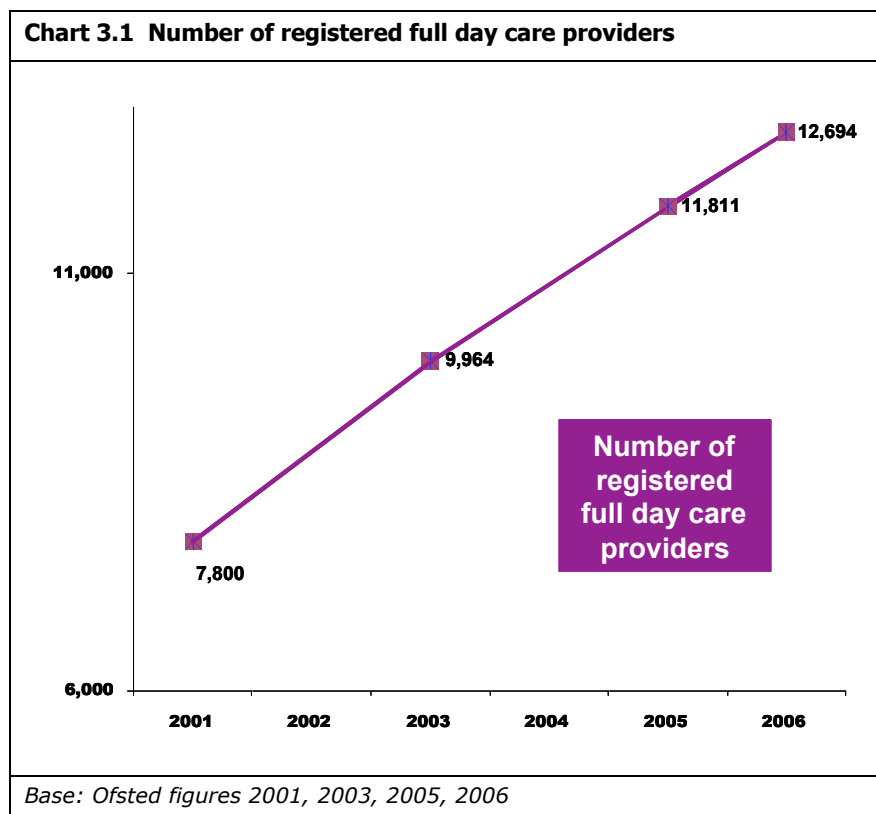
Finally, while the sample for the childcare providers was selected according to Ofsted region, it has been analysed and presented in terms of Government Office Region in order to make it comparable with previous reports and with the Early Years Education Providers. The regions are broadly comparable, with the exception that Ofsted combine Yorkshire and Humberside with the North East, whereas analysis by Government Office Region analyses these two regions separately.

3 Characteristics of provision

This chapter discusses the characteristics of registered full day care providers. It considers factors such as ownership, length of time providers have been operating, opening times, free early education sessions, the extended free entitlement for childcare, thoughts on learning, expansion and whether providers have business plans and access to computers.

3.1 Number of providers

The total number of registered full day care providers in 2006 was 12,694⁸, a continued increase from 9,964 in 2003 and 11,811 in 2005. This represents a seven per cent increase in the number of registered full day care providers since 2005.



The number of settings varied across the regions. The East Midlands accounted for just eight per cent of the total number of providers, while the South East accounted for 17 per cent. The percentage rate of increase from 2005 also varied across regions. The highest increase was seen in the East Midlands with a 12 per cent rise,

⁸ Ofsted figures March 2006 less a percentage deemed ineligible based on fieldwork codes for the 2006 survey (1.22 per cent). Providers were classified as ineligible if they said they did not offer registered full day care provision or if the setting had closed down.

compared with the lowest in West Midlands at just four per cent, although the overall distribution of providers remained very similar to 2005.

Table 3.1 Number of providers by Government Office Region			
	2006	2005	<i>Change in number of providers from 2005 to 2006</i>
	% (No.)	%	%
East Midlands	8% (993)	8%	+12%
East	9% (1,184)	9%	+9%
London	15% (1,899)	15%	+7%
North East, Yorkshire & Humberside	13% (1,666)	13%	+6%
North West	14% (1,718)	13%	+9%
South East	17% (2,220)	18%	+7%
South West	12% (1,486)	12%	+8%
West Midlands	12% (1,528)	12%	+4%
<i>Base 2006: All full day care providers (unweighted 3,322; weighted and grossed 12,694)</i>			
<i>Base 2005: All full day care providers (unweighted 1,171; weighted and grossed 11,811)</i>			

3.2 Ownership profile

Providers were owned by a range of different groups⁹. Around two-thirds (65 per cent) were privately owned¹⁰, a quarter (24 per cent) were owned by voluntary organisations¹¹, five per cent by local authorities and five per cent by a school or college.

The proportion of privately owned providers had previously been in decline from 78 per cent in 2003 to 59 per cent in 2005. This trend now seems to have reversed with the proportion increasing by six percentage points to 65 per cent in 2006. At the same time settings run by voluntary organisations continued to increase from

⁹ It should be noted that respondents were able to give more than one response when answering, to allow for multiple ownership.

¹⁰ Including owner manager, part of a group or a chain.

¹¹ Including church, charity, committee.

nine per cent in 2003, 20 per cent in 2005 to 24 per cent in 2006. The proportion of local authority led settings has fallen from nine per cent in 2003 to five per cent in 2006.

Providers based in the 30 per cent most deprived areas were less likely to be privately owned than those based in the 70 per cent least deprived areas (57 per cent and 68 per cent respectively). However, this difference appears to be narrowing, as in 2005 the corresponding figures were 48 per cent and 66 per cent. Those in the most deprived areas were more likely to be owned by a local authority (12 per cent) than those in the least deprived areas (three per cent), suggesting that local authorities were attempting to plug the gaps in provision in the most deprived areas.

The proportion of providers owned by voluntary organisations was higher in areas of low and medium population density where just over a third (36 per cent in each) of providers were owned by voluntary organisations, compared with 20 per cent in high population density areas.

Of the privately owned registered full day care providers, 84 per cent were owned by a manager (54 per cent of all providers), just over one in ten (13 per cent) were part of a group or chain (nine per cent of all providers) and four per cent of privately run settings were owned by an employer (two per cent of all providers).

Of the registered full day care settings run by voluntary organisations, three-quarters (77 per cent) were run by a voluntary or community group, 10 per cent were run by a committee, eight per cent by a charity and five per cent by a church or religious group.

Table 3.2 Ownership of provision					
	2006	2005	<i>Change from 2005 and 2006</i>	2006	
				30% most deprived areas	70 % least deprived areas
	% (No.)	%	<i>PP chge.</i>	% (No.)	% (No.)
Private	65% (8,300)	59%	+6	57% (2,000)	68% (6,000)
Voluntary sector	24% (3,000)	20%	+4	22% (800)	24% (2,200)
Local Authority	5% (700)	9%	-4	12% (400)	3% (300)
School/ College	5% (600)	4%	+1	6% (200)	4% (400)
Other	2% (300)	6%	-4	3% (100)	2% (200)

Base 2006: All full day care providers (unweighted 3,322, weighted and grossed 12,694), 30 % most deprived areas (unweighted 896, weighted and grossed 3,517). 70% least deprived areas (unweighted 2,426, weighted and grossed 9,178)

Base 2005: All full day care providers (Module A), (unweighted 556, weighted and scaled 11,811)

3.3 Length of operation

Over four-fifths (84 per cent) of registered full day care providers had been operating for five years or more, an increase from 69 per cent in 2005. This proportion was lower amongst local authority run settings where 77 per cent had been running for five years or more.

In 2005 settings based in the 30 per cent most deprived areas were less likely to have been operating for five years or more than those in the 70 per cent least deprived areas, but in 2006 there were no differences.

3.4 Number of weeks open a year

On average registered full day care providers were open for 47 weeks a year. Nearly two-thirds (63 per cent) were open for 50 weeks or more.

3.5 Term time care

Practically all (99 per cent) registered full day care providers were open during term time.

On average providers were open for nine hours a day during term time. Profit making settings were more likely to be open for longer (10 hours) compared with

not for profit organisations (eight hours). Larger settings employing 21 or more staff stay open longer on average, than smaller settings employing one to five people (10 hours and seven hours respectively).

Smaller providers, with one to five members of staff, were open for fewer hours (seven hours a day) on average than larger providers employing 21 or more paid staff (10 hours a day).

Nearly all (95 per cent) settings were open for five days a week.

A sizeable minority (28 per cent) of registered full day care providers were *only* open during term time and not during the summer holidays.

Providers in the 70 per cent least deprived areas were more likely to say they were only open during term time than those based in the 30 per cent most deprived areas (32 per cent compared with 16 per cent respectively).

Registered full day care providers run by voluntary organisations (64 per cent) and those run by schools/colleges (32 per cent) were also more likely to say they were only open during term time than privately run settings (16 per cent) and those run by local authorities (15 per cent).

The largest providers, employing 21 or more staff, were nearly all open all year round, with only two per cent only open during term time, whereas the majority of smallest providers, employing one to five staff, were only open during term time (63 per cent).

3.6 Holiday time care

Around seven in ten (72 per cent) registered full day care providers were open during the school holidays, and practically all of these were open during term time as well. The proportion open during the school holidays has fallen since 2005 when the figure was 79 per cent.

Providers were open, on average, for 10 hours a day during the school holidays.

Again smaller providers, with one to five members of staff, were on average open for fewer hours (nine hours a day), than larger providers, employing 21 or more paid staff (10 hours a day).

Nearly all providers (98 per cent) were open for five days a week.

3.7 Free early education entitlement for three to four year olds

Provision of free early education for three and four year olds has been a universal entitlement since 2004. It is delivered by a mixed economy of maintained, private, voluntary and independent settings. The current minimum entitlement is 12 and half hours per week for 38 weeks of the year. Children become eligible for a free place from the term following their third birthday, and benefit from up to six terms of free provision before reaching statutory school age.

In its *Ten Year Strategy – Choice for Parents, the Best Start for Children*, the Government committed to extending the free entitlement from 12 and a half to 15 hours a week for 38 weeks a year by 2010, and to allowing parents greater flexibility in the way they access the entitlement (e.g. over three days rather than five days and in longer sessions). The changes to the free entitlement are aimed to provide enhanced learning opportunities for children, and choice for parents about the type and pattern of provision that best meets the needs of their children. It should also give working parents the flexibility to balance work and family commitments more effectively.

Four-fifths (80 per cent) of registered full day care providers said that children could take their free early education sessions over three days rather than five.

Privately run settings were the most flexible with 82 per cent saying the sessions could be taken over three days and local authority run settings were the least flexible, but still 70 per cent said the sessions could be taken over three days rather than five.

There was also regional variation. Settings based in the North West were the most flexible with 85 per cent saying the sessions could be taken over three days and those in London were the least flexible with only 72 per cent saying they could be taken over three days.

Table 3.3 Proportion of providers that allow children to take free early education sessions over three days rather than five by ownership of provision

	Total % (No.)	Private % (No.)	Voluntary % (No.)	Local authority % (No.)	School/college % (No.)	Other % (No.)
Yes	80% (9,900)	82% (6,500)	78% (2,300)	70% (400)	78% (400)	79% (200)
No	17% (2,100)	15% (1,200)	20% (600)	29% (200)	18% (100)	13% (#)
Don't know	3% (300)	3% (200)	2% (100)	1% (#)	4% (#)	8% (#)

Base: All full day care providers that have 3-4 year olds attending (unweighted 3,234, weighted and grossed 12,355), All privately run providers that have 3-4 year olds attending (unweighted 2,086, weighted and grossed 8,012), All providers run by voluntary organisations that have 3-4 year olds attending (unweighted 784, weighted and grossed 2,947), All providers run by local authorities that have 3-4 year olds attending (unweighted 165, weighted and grossed 638), All providers run by schools/colleges that have 3-4 year olds attending (unweighted 150, weighted and grossed 571), All full day care providers run by other organisations that have 3-4 year olds attending (unweighted 68, weighted and grossed 261)

Providers were also asked whether the free early education sessions could include breakfast, lunch or tea. Forty-four per cent said they could include breakfast, 69 per cent said they could include lunch and 48 per cent said they could include tea. A quarter of providers said they could include none of these.

Providers set up as profit making organisations were also more likely to say the free early education sessions could include breakfast (53 per cent) and tea (59 per cent) compared with those set up as not for profit (30 per cent for both breakfast and tea).

3.7.1 Extended free entitlement for three and four year olds

Providers who had children aged three or four years old were asked if they were in a position to provide the extended free entitlement for three and four year olds, of 15 hours a week, for 38 weeks a year. Ninety-two per cent said they were able to provide this care.

Privately run full day care providers were more likely to offer this care (94 per cent).

Table 3.4 Proportion of settings that can provide nursery education for three to four year olds, for 15 hours a week, for 38 weeks a year by ownership of provision

	Total % (No.)	Private % (No.)	Voluntary % (No.)	Local authority % (No.)	School/college % (No.)	Other % (No.)
Yes	92% (11,300)	94% (7,500)	87% (2,600)	86% (500)	88% (500)	94% (200)
No	7% (900)	5% (400)	11% (300)	13% (100)	12% (100)	3% (*)
Don't know	1% (100)	1% (100)	2% (100)	1% (#)	0% (0)	3% (#)

Base: All full day care providers that have 3-4 year olds attending (unweighted 3,234, weighted and grossed 12,355), All privately run providers that have 3-4 year olds attending (unweighted 2,086, weighted and grossed 8,012), All providers run by voluntary organisations that have 3-4 year olds attending (unweighted 784, weighted and grossed 2,947), All providers run by local authorities that have 3-4 year olds attending (unweighted 165, weighted and grossed 638), All providers run by schools/colleges that have 3-4 year olds attending (unweighted 150, weighted and grossed 571), All full day care providers run by other organisations that have 3-4 year olds attending (unweighted 68, weighted and grossed 261)

3.7.2 Learning

Respondents were asked if they thought that children aged three to four years old were more receptive to learning at different times of the day and at what time of the day children were most receptive to learning. Respondents were able to give more than one answer.

The majority (86 per cent) said that they did think children were more receptive at different times of the day. Just over half (56 per cent) said early morning (before 10am), 71 per cent said mid morning (10am to 12pm), 18 per cent said early afternoon (12pm to 4pm) and just two per cent said late afternoon (4pm to 6pm). Three per cent said it depended on the child.

Table 3.5 Time of the day that three to four year olds are more receptive to learning	
	%
Early morning (before 10am)	56%
Mid morning (10am to 12pm)	71%
Early afternoon (12pm to 4pm)	18%
Late afternoon (4pm to 6pm)	2%
Depends on child	3%
Not sure	1%
Other answer	*
Don't know	1%
<i>Base: All respondents (Module A) who think that three to four year olds are more receptive to learning at particular times of the day (unweighted 1,432, weighted and grossed 10,762)</i>	

3.8 Expansion

Providers were asked whether they had expanded, in terms of their number of Ofsted registered places. Overall 14 per cent of registered full day care providers had expanded in the last 12 months.

Those who had not expanded were asked whether they planned to in the next 12 months. Of these one in ten (10 per cent) had not expanded in the last 12 months but planned to in the next 12 months. Just under three-quarters (72 per cent) had not expanded in the last 12 months and did not intend to expand in the next 12 months.

Table 3.6 Potential for expansion (increasing number of Ofsted registered places)			
	2006	2005	<i>Change from 2005 and 2006</i>
	% (No.)	%	<i>PP chge.</i>
Have expanded in the last 12 months	14% (1,800)	18%	-4
Have not expanded, but plan to in the next 12 months	10% (1,300)	16%	-2
Have not expanded and have no plans to	72% (9,200)	64%	+8
<i>Base 2006: All full day care providers (Module A) (unweighted 1,620, weighted and grossed 12,694)</i>			
<i>Base 2005: All full day care providers (Module A) (unweighted 556, weighted and grossed 11,811)</i>			

A quarter of registered full day care providers (25 per cent) said they were able to expand in their current premises, 73 per cent said they could not. The most

common reasons given for not being able to expand was that the provider was already at their maximum capacity (41 per cent) or because they would need larger premises (35 per cent). None of the remaining answers were given by more than 10 per cent of the sample.

Table 3.7 Reasons for not planning to expand in the next 12 months			
	2006	2005	<i>Change from 2005 to 2006</i>
	%	%	<i>PP chge.</i>
Already at maximum capacity	41%	37%	+4
Would need larger premises	35%	46%	-9
No sufficient demand for extra places	8%	8%	+/-0
No need to expand/don't wish to expand	8%	7%	-1
Too costly to expand	4%	11%	-7
Regulations	2%	3%	-1
Premises not suitable	2%	3%	-1
Difficulties recruiting suitable staff	2%	3%	-1
Too much competition from other providers	2%	3%	-1
Closing/Sold	1%	1%	+/-0
Not enough staff	*	1%	*
Don't know	2%	2%	+/-0
Other answer	5%	1%	+4
<i>Base 2006: All providers (Module A) that have not expanded in the last 12 months and didn't plan to in the next 12 months (unweighted 1,169, weighted and grossed 9,234)</i>			
<i>Base 2005: All full day care providers (Module A) that have not expanded in the last 12 months (unweighted 359, weighted and grossed 7,593)</i>			

3.9 Business plan

Three-quarters (76 per cent) of providers had business plans. Of those who had a plan, 81 per cent had updated it in the last two years. Overall, 62 per cent had a business plan that had been updated in the last two years. These figures were almost identical to 2005, when 78 per cent had a business plan, of which 80 per cent had been updated in the last two years, giving an overall figure of 62 per cent that had a plan that had been updated in the last two years.

Settings based in the 30 per cent most deprived areas were more likely to have business plans than those based in the 70 per cent least deprived areas (81 per cent compared with 74 per cent respectively).

There was no significant difference in the proportion that had a business plan between privately run registered full day care providers and those run by voluntary organisations.

Table 3.8 Whether provider has written business plan					
	2006	2005	<i>Change from 2005 to 2006</i>	2006	
				30% most deprived areas	70% least deprived areas
	% (No.)	%	<i>PP chge.</i>	% (No.)	% (No.)
Yes	76% (9,700)	78%	-2	81% (2,800)	74% (6,900)
No	17% (2,200)	15%	+2	14% (500)	18% (1,700)
Don't know	7% (900)	7%	+/-0	5% (200)	8% (700)
<i>Base 2006: All full day care providers (Module A) (unweighted 1,620, weighted and grossed 12,694), 30% most deprived areas (Module A) (unweighted 428, weighted and grossed 3,544), 70% least deprived areas (Module A) (unweighted 1,192, weighted and grossed 9,250)</i>					
<i>Base 2005: All full day care providers (Module A) (unweighted 556, weighted and grossed 5,265)</i>					

3.10 Access to computer on site for administrative purposes

Eighty-four per cent of providers had a computer on site that could be used for administrative purposes. The proportion was higher amongst settings located in the 30 per cent most deprived areas (91 per cent) than in the 70 per cent least deprived areas (82 per cent). Privately run settings were also more likely to have a computer on site than those run by voluntary organisations (85 per cent and 78 per cent respectively), but were less likely to have one than those run by local authorities and schools/colleges (92 per cent each). Larger providers (employing 21 or more staff) were more likely than smaller settings (employing one to five staff) to have access to a computer on site (98 per cent and 72 per cent respectively).

4 Places and children

This chapter discusses the number of Ofsted registered places and the number of children attending registered full day care settings. It also presents data on the demographic make-up of the children attending in terms of age, ethnicity, special educational needs and disability and vacancies for children.

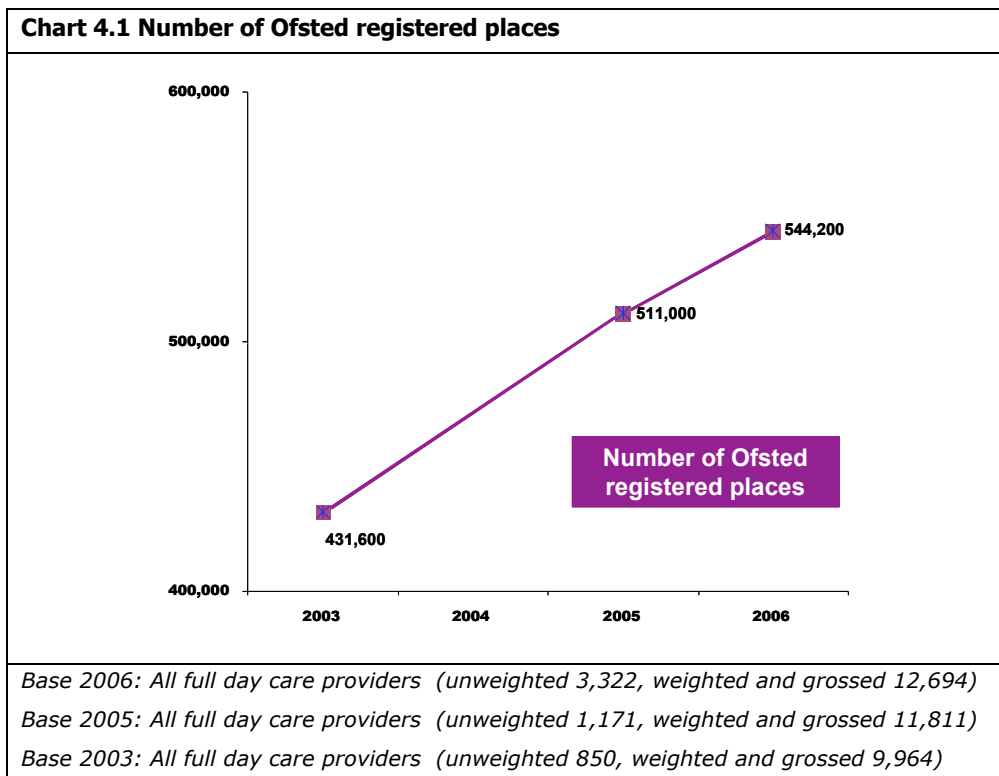
4.1 Number of places

Providers register with Ofsted as registered full day care providers if they offer places to children under eight for a continuous period of four hours or more a day.

The estimated number of active Ofsted registered places in the registered full day care sector was 544,200. This represents a six per cent increase since 2005 when the equivalent figure was 511,000 (33,200 more registered places). This increase was very similar to the increase in the number of registered providers (seven per cent). The average number of places per provider was 43. This is largely unchanged from 2005 and 2003 when the figure was 44.

Registered full day care providers based in the 30 per cent most deprived areas on average offered more Ofsted registered places than those in the 70 per cent least deprived areas (45 and 42 places respectively).

On average providers set up as non-profit making organisations offered fewer places than profit making providers (37 compared with 47 respectively).



4.2 Number of children attending

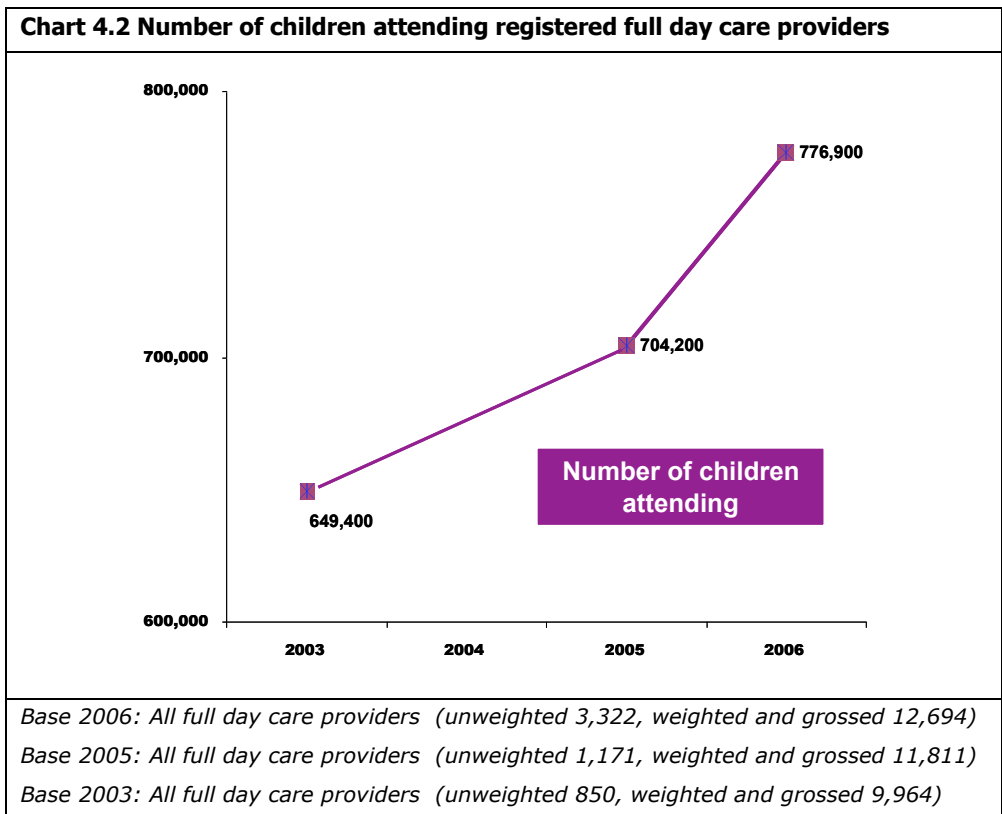
The total number of children attending¹² registered full day care settings in 2006 was 766,900, an increase of nine per cent from 704,200 in 2005. This increase was not surprising given the similar percentage increase in providers in the same period. This continued the trend since 2001.

Since 2001 the average number of children attending per setting has fallen from 70 in 2001, 66 in 2003 and 60 in 2005. The number of children attending registered full day care settings had been increasing at a lower rate than the number of providers. This trend seems to have levelled out, or possibly reversed. The average number of children attending in 2006 stood at 61, with the number of children attending increasing at a slightly faster rate (nine per cent) than the number of registered full day care providers (seven per cent).

Settings based in the 30 per cent most deprived areas on average had fewer children attending than those based in the 70 per cent least deprived areas (56 compared with 62 respectively).

Providers run by voluntary organisations on average had fewer children attending (49 compared with the overall average 61).

¹² Respondents were asked for the total number of children attending their full day care setting in a typical week and were instructed to only count a child once if they attended for more than one session/day, to avoid double-counting.

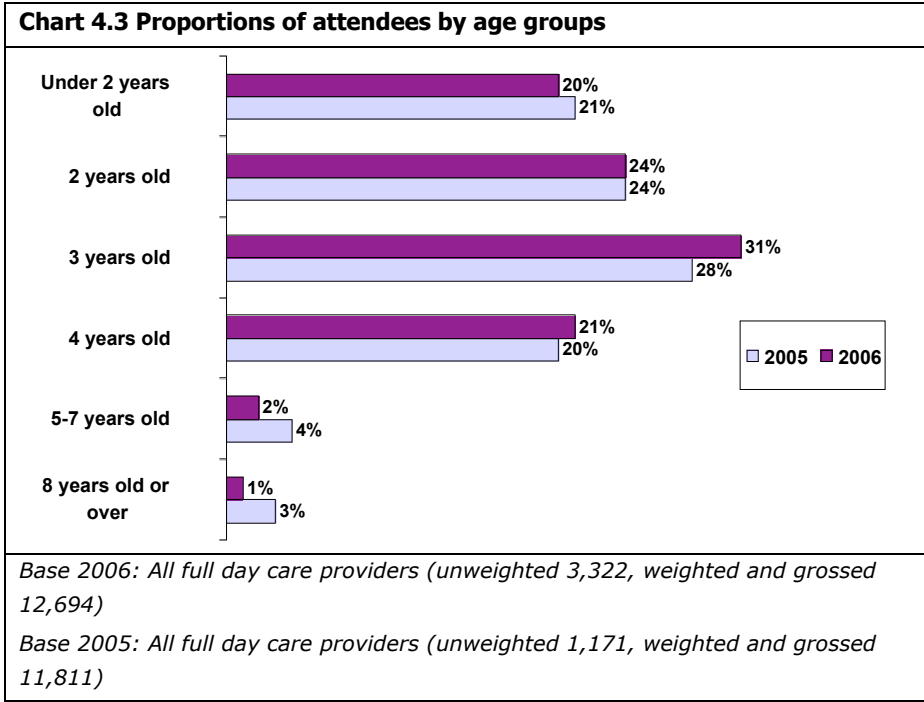


4.3 Profile of children attending

4.3.1 Ages

The majority of children attending full day care were aged three and four (52 per cent) although there were also relatively high numbers of children aged two and under (44 per cent). While the proportion of children aged two or under has remained similar, there has been an increase in the proportion of three and four year olds attending. This corresponds with a reduction in the proportion of older attendees (aged five and over) from seven per cent in 2005 to three per cent in 2006.

Settings run by local authorities on average had a higher number of children aged eight years old or over (three compared with the overall average one).



4.3.2 Ethnicity

In total there were 96,100 children of black and minority ethnic (BME) origin attending registered full day care settings in 2006. The average proportion¹³ of children attending that were from a BME group was 15 per cent per setting. These were very similar figures to 2005 when there were 95,400 children from a BME group, an average proportion of 16 per cent per setting.

Data from the 2001 Census showed that although people of BME origin made up around nine per cent of England’s population, among those aged under seven the proportion rose to 15 per cent. This suggests that the proportion of children of BME origin using registered full day care was as would be expected from their proportion in the population.

Registered full day care settings based in the 30 per cent most deprived areas had a higher average proportion of children from a BME group attending (29 per cent per setting) as did those in areas of high population density (19 per cent per setting). These two factors are likely to be linked as nearly all (98 per cent) of the top 30 per cent most deprived areas are areas of high population density¹⁴.

¹³ For details of how average proportions were calculated, please see section 1.7.5 of the Technical Appendix.

¹⁴ http://www.communities.gov.uk/pub/446/Indicesofdeprivation2004revised_id1128446.pdf (page 55).

Table 4.1 Proportion of children of black and minority ethnic (BME) origin					
	2006	2005	<i>Change from 2005 to 2006</i>	2006	
				30% most deprived areas	70% least deprived areas
	% (No.)	%	<i>PP chge.</i>	% (No.)	% (No.)
None	22% (2,300)	21%	+1	11% (400)	26% (2,400)
1 to 5%	30% (3,800)	28%	+2	21% (700)	33% (3,100)
6 to 10%	16% (2,000)	14%	+2	13% (400)	17% (1,500)
11% or more	32% (4,100)	34%	-2	55% (1,900)	23% (2,100)
Don't know	1% (200)	3%	-2	2% (100)	1% (100)
Mean proportion per setting	15%	16%	-1	29%	10%

Base 2006: All full day care providers (unweighted 3,322, weighted and grossed 12,694), 30 % most deprived areas (unweighted 896, weighted and grossed 3,517). 70% least deprived areas (unweighted 2,426, weighted and grossed 9,178)

Base 2005: All full day care providers (unweighted 1,171, weighted and grossed 11,811)

There were also significant regional variation in the proportion that children from BME groups made up of the number of children attending. In London the average proportion of children from a BME background attending registered full day care providers was 47 per cent per setting. Only three per cent of providers had no children of BME origin. In the South West the average proportion was just five per cent per setting and a third (35 per cent) of providers had no children of BME origin.

	East Midlands	East of England	London	North East, Yorkshire & Humberside	North West	South East	South West	West Midlands
	%	%	%	%	%	%	%	%
None	22%	21%	3%	24%	23%	27%	35%	20%
1-5%	33%	31%	4%	40%	40%	30%	39%	26%
6-10%	17%	20%	8%	14%	15%	20%	15%	18%
11% or more	28%	26%	83%	20%	22%	22%	11%	35%
Don't know	1%	2%	3%	2%	*	1%	*	1%
Mean proportion per setting	12%	11%	47%	8%	9%	8%	5%	16%

Base: East Midlands (unweighted 278, weighted and grossed 993), East of England (unweighted 320, weighted and grossed 1,184) London (unweighted 449, weighted and grossed 1,899), North East, Yorkshire & Humberside (unweighted 434, weighted and grossed 1,666), North West (unweighted 420, weighted and grossed 1,718), South East (unweighted 598, weighted and grossed 2,220), South West (unweighted 427, weighted and grossed 1,486), West Midlands (unweighted 396, weighted and grossed 1,528)

4.3.3 Provider records on ethnicity and language

In 2006, providers were asked whether they kept records on ethnicity and language. Overall, four out of five (79 per cent) providers said they did keep records of the specific ethnic group for all children attending their registered full day care provision. This proportion was higher amongst providers based in the 30 per cent most deprived areas (84 per cent) and settings run by local authorities (92 per cent), although these may be linked as, as mentioned earlier, providers based in the 30 per cent most deprived areas were more likely to be run by local authorities (Section 3.2).

There was also some regional variation. The proportion reporting that they did keep records of the specific ethnic group for all children was highest in East Midlands (89 per cent), London (83 per cent), North East, Yorkshire & Humberside (83 per cent) and lowest in South East (75 per cent), South West (75 per cent) and East of England (73 per cent).

The majority (88 per cent) of providers kept a record of whether English was the main language spoken at home for each child.

4.3.4 Special Educational Needs (SEN) or a disability

Overall there were 20,500 children with a Special Educational Need (SEN) or a disability, an average of two per setting. The average proportion of children attending who had an SEN or disability was three per cent per setting. Two-fifths

(41 per cent) had no children with SEN or a disability and 42 per cent said one to five per cent of their children had SEN or a disability.

Compared with the overall figures (six per cent), the proportion that said over 10 per cent of their attendees had SEN or a disability was higher in the 30 per cent most deprived areas (10 per cent), London and the South West (both nine per cent), organisations set up as not for profit (11 per cent), voluntary run settings (12 per cent) and most significantly, providers run by local authorities (21 per cent).

The proportion was also higher amongst smaller providers, with one to 19 children attending (six per cent) than larger providers, with 50 or more children (three per cent).

Table 4.3 Proportion of children with Special Educational Needs (SEN) or a disability					
	2006	2005	<i>Change from 2005 to 2006</i>	2006	
				30% most deprived areas	70% least deprived areas
	% (No.)	%	<i>PP chge.</i>	% (No.)	% (No.)
None	41% (5,200)	38%	+3	37% (1,300)	42% (3,900)
1 to 5%	42% (5,300)	39%	+3	40% (1,400)	42% (3,900)
6 to 10%	11% (1,400)	11%	+/-0	13% (500)	10% (1,000)
11% or more	6% (800)	8%	-2	10% (300)	5% (500)
Don't know	* (#)	4%	-4	* (#)	* (#)
Mean proportion per setting	3%	3%	+/-0	4%	3%

Base 2006: All full day care providers (unweighted 3,322, weighted and grossed 12,694), 30 % most deprived areas (unweighted 896, weighted and grossed 3,544). 70% least deprived areas (unweighted 2,426, weighted and grossed 9,250)

Base 2005: All full day care providers (unweighted 1,171, weighted and grossed 11,811)

4.4 Vacancies for children

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. On average there were seven vacancies per setting, in 2005 there were eight vacancies per setting. About a quarter (27 per cent) of providers had no vacancies, thirty-one per cent had one to five, 18 per cent had six to ten, 10 per cent had eleven to twenty and six per cent had 21 or more.

Providers run by voluntary organisations tended to have fewer vacancies. Nearly two-fifths (37 per cent) had no vacancies compared with the overall figure of 27 per cent. However voluntary run providers tend to be smaller with fewer children attending, therefore one would expect them to have fewer vacancies.

As in 2005, there was some regional variation. Providers in the East of England and the East Midlands had, on average, the highest number of vacancies (nine and ten per setting respectively) and those in the West Midlands and South West had the lowest (five and six per setting respectively). However again, this is probably linked to size as, on average, settings in the East of England and East Midlands tended to have more registered places than settings in the West Midlands and South West fewer.

	East Midlands	East	London	North East, Yorkshire & Humberside	North West	South East	South West	West Midlands
	%	%	%	%	%	%	%	%
None	23%	25%	30%	23%	26%	29%	30%	29%
1-5	25%	29%	30%	26%	31%	34%	32%	34%
6-10	20%	18%	18%	19%	17%	17%	16%	18%
11 or more	24%	21%	16%	19%	17%	13%	12%	13%
Don't know	9%	7%	6%	13%	9%	7%	9%	6%
Mean number of vacancies per setting	10	9	7	8	7	6	6	5
Total number of vacancies per region	8,800	9,400	11,600	11,500	11,500	12,800	7,800	7,600
<i>Base: East Midlands (unweighted 278, weighted and grossed 993), East of England (unweighted 320, weighted and grossed 1,184) London (unweighted 449, weighted and grossed 1,899), North East, Yorkshire & Humberside (unweighted 434, weighted and grossed 1,666), North West (unweighted 420, weighted and grossed 1,718), South East (unweighted 598, weighted and grossed 2,220), South West (unweighted 427, weighted and grossed 1,486), West Midlands (unweighted 396, weighted and grossed 1,528)</i>								

5 Characteristics of staff

This chapter looks at the number of paid and unpaid staff working within the registered full day care sector. It focuses on the demographic profile of those working in the sector, their pay, the number of hours worked and whether they do any other paid work.

The survey looked in detail at three different paid staff types:

- Senior managers. The person with overall responsibility for running the setting.
- Supervisory staff. Those staff that are qualified to look after a group of children on their own, they may or may not supervise other members of staff.
- Other paid childcare staff. Those staff that are not qualified to look after a group of children on their own.

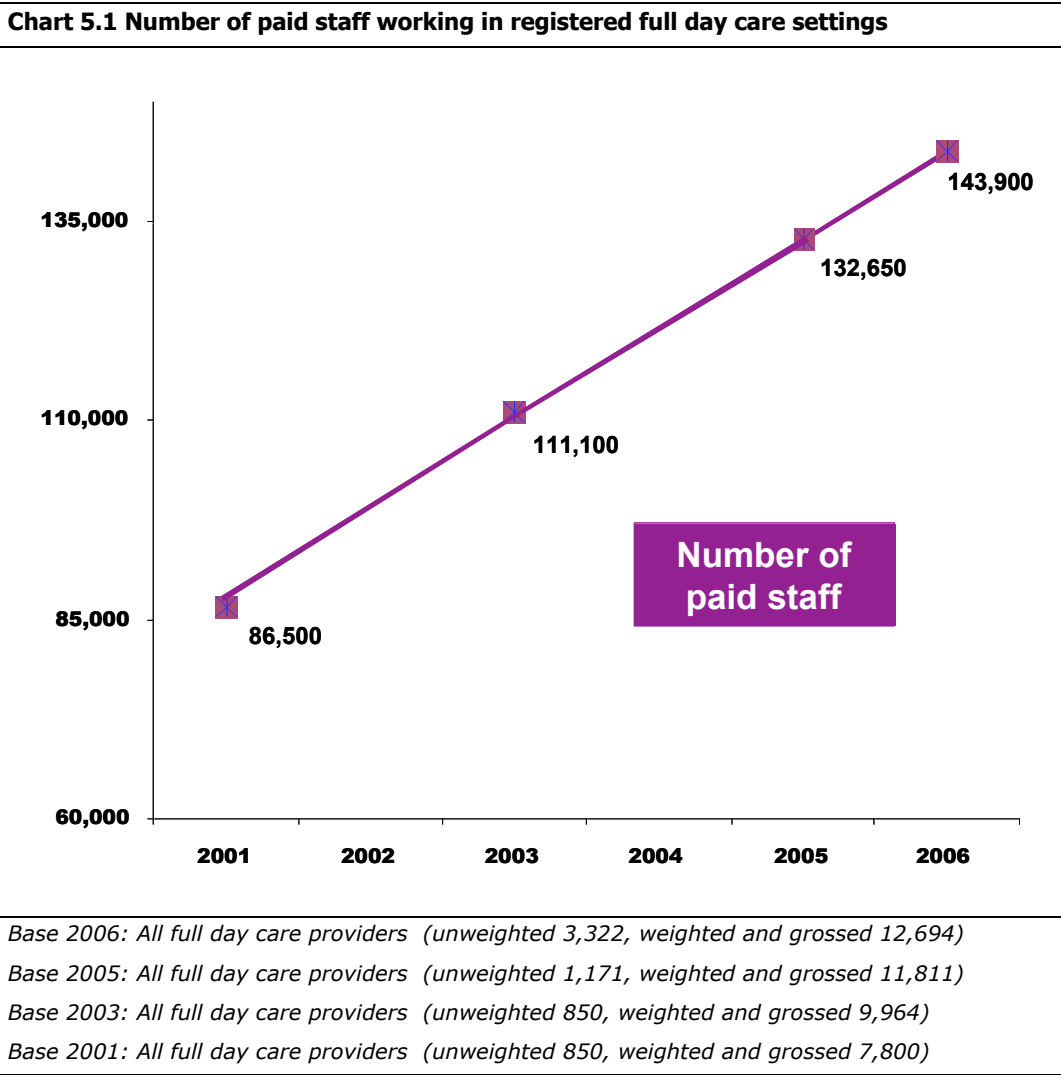
In addition to this settings were asked how many unpaid volunteers and students on placements were used to help run the setting.

5.1 Number of staff

5.1.1 Paid staff

In 2006 there were approximately 143,900 paid staff working within registered full day care settings. This was an increase from 86,500 in 2001, 111,100 in 2003 and 132,650 in 2005. The figures show a continued growth in the number of paid childcare staff working within the registered full day care sector.

The increase in the number of staff can be explained by the increase in the number of providers. Between 2005 and 2006 there was a nine per cent increase in the number of paid staff, which was slightly higher than the increase in the number of providers (seven per cent). The average number of paid staff (11) per setting remained similar to 2005. The ratio of staff per place was one member of staff to four registered places, the same as 2005.

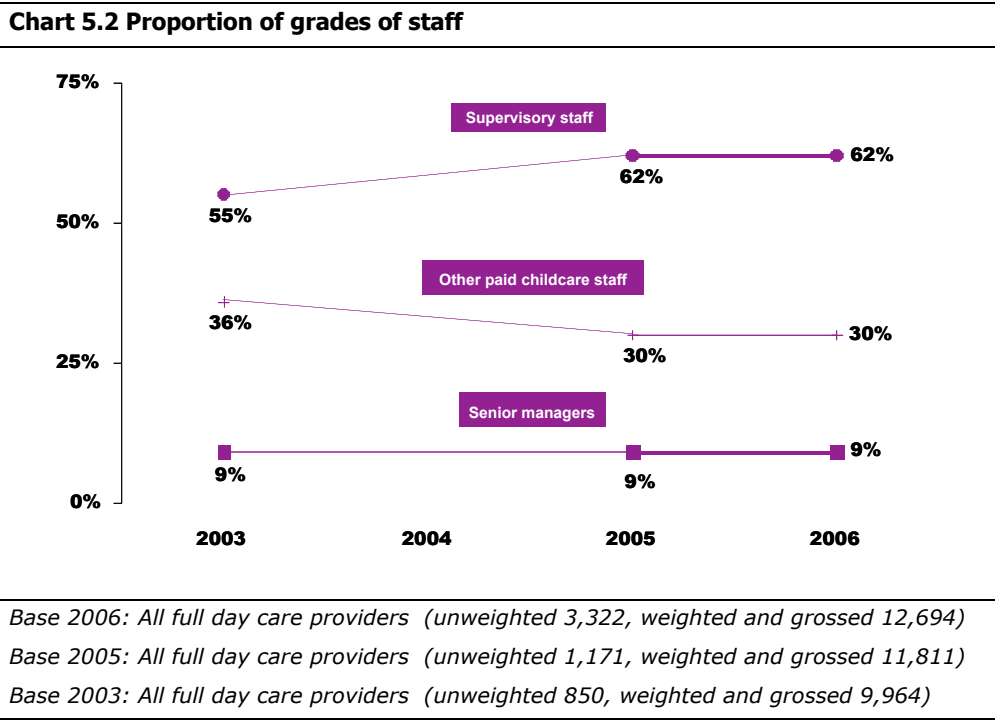


In 2006 there were 12,300 senior managers (nine per cent of all paid staff), 88,700 supervisory staff who were qualified to look after children on their own (62 per cent of all paid staff) and 42,900 other paid childcare staff (30 per cent of all paid staff).

On average there were 11 members of staff per full day care setting: one senior manager, seven supervisors and three other paid childcare staff. These averages were the same as 2005.

Table 5.1 Number of paid staff				
	2006	2005	<i>Change from 2005 to 2006</i>	2003
	No.	No.	%	No.
All paid staff	143,900	132, 650	+9%	111,100
	% (No.)	%	<i>PP chge.</i>	%
Senior managers	9% (12,300)	9%	+/-0	9%
Supervisory staff	62% (88,700)	62%	+/-0	55%
Other paid childcare staff	30% (42,900)	30%	+/-0	36%
<i>Base 2006: All full day care providers (unweighted 3,322, weighted and grossed 12,694)</i>				
<i>Base 2005: All full day care providers (unweighted 1,171, weighted and grossed 11,811)</i>				
<i>Base 2003: All full day care providers (unweighted 850, weighted and grossed 9,964)</i>				

Previously the number of supervisory staff had been increasing at much higher rate than other paid staff and senior managers. Between 2003 and 2005 the number of supervisory staff increased by 33 per cent while the number of other paid childcare staff actually decreased by one per cent. The change indicated a greater professionalisation of the workforce as it moved away from unqualified other paid childcare staff to supervisory staff. This trend did not continue in 2006. The staff proportions were identical to 2005 and the staff numbers increased at a similar rate across the staff types.



The profile of staff working within registered full day care providers varied depending on the ownership of the provision. Local authority run settings and those run by a school or college had the highest proportion of staff qualified to look after children on their own (79 per cent and 81 per cent of staff respectively, being either a senior manager or supervisor). The proportion was lower amongst privately run settings and in particular settings run by voluntary organisations, where 70 per cent and 65 per cent of staff respectively were either a senior manager or supervisor.

	Private	Voluntary	Local authority	School/ college	Other
	% (No.)	% (No.)	% (No.)	% (No.)	% (No.)
Senior manager	8% (8,100)	11% (2,700)	8% (700)	9% (600)	6% (300)
Supervisory staff	62% (63,100)	54% (13,000)	71% (5,800)	72% (4,700)	71% (3,100)
Other paid childcare staff	30% (30,700)	35% (8,400)	21% (1,800)	19% (1,300)	23% (1,000)

Base 2006: All full day care providers (unweighted 3,322, weighted and grossed 12,694), All privately run providers (unweighted 2,147, weighted and grossed 8,247), All providers run by voluntary organisations (unweighted 797, weighted and grossed 2,995), All providers run by local authorities (unweighted 176, weighted and grossed 681), All providers run by schools/colleges that (unweighted 153, weighted and grossed 583), All full day care providers run by other organisations (unweighted 69, weighted and grossed 265)

5.1.2 Unpaid staff

In 2006 there were 15,400 unpaid staff working within registered full day care settings, consisting of 11,000 students on placements and 4,400 volunteers.

While the total number of unpaid staff has remained similar to 2005, there was a marked shift away from the use of volunteers, whose numbers fell by 19 per cent, to the use of students on placements whose numbers increased by nine per cent.

The total number of paid and unpaid staff working within the registered full day care sector in 2006 was 159,300.

	2006	2005	<i>Change from 2005 to 2006</i>	2003
	No.	No.	%	No.
All paid staff and unpaid staff	159,300	146,000	+9%	124,200
Unpaid staff				
Volunteers	4,400	5,400	-19%	2,000
Students on placements	11,000	10,100	+9%	11,000
Total unpaid	15,400	15,500	-1%	13,000

*Base 2006: All full day care providers (unweighted 3,322, weighted and grossed 12,694)
Base 2005: All full day care providers (unweighted 1,171, weighted and grossed 11,811)
Base 2003: All full day care providers (unweighted 850, weighted and grossed 9,964)*

5.1.3 Agency, freelance or supply staff

A quarter (26 per cent) of registered full day care providers had used agency, freelance or supply staff in the last 12 months, a similar figure to 2005 (28 per cent). Settings located in London were much more likely to have used agency, freelance or supply staff, with just under half (46 per cent) reporting that they had done so in the last 12 months.

5.2 Age

The age profile of all paid childcare staff working within registered full day care settings remained similar to 2005. Three in ten (29 per cent) staff were aged between 16 and 24, 43 per cent were aged between 25 to 39, 17 per cent were aged 40 to 49 and ten per cent were aged 50 or over.

	2006	2005	Change from 2005 to 2006	2006		
				Senior manager	Supervisory staff	Other paid childcare staff
	% (No.)	%	PP chge.	% (No.)	% (No.)	% (No.)
16-19	5% (6,900)	7%	-2	* (#)	2% (1,400)	13% (5,500)
20-24	24% (33,500)	22%	+2	2% (300)	24% (20,700)	30% (12,500)
25-39	43% (59,700)	40%	+3	40% (4,900)	49% (41,800)	31% (13,000)
40-49	17% (24,300)	19%	-2	33% (4,000)	16% (14,000)	15% (6,300)
50+	10% (13,600)	11%	-1	25% (3,000)	8% (7,100)	8% (3,500)

Base 2006: All paid staff (unweighted 19,264, weighted and grossed 143,124), All senior managers (weighted 3,209, weighted and grossed 12,275), All supervisory staff (9,073, weighted and grossed 86,010), All other paid childcare staff (unweighted 6,168, weighted and grossed 41,729)

Base 2005: All paid staff (unweighted 6,532, weighted and grossed 132,650)

5.3 Sex

As in 2003 and 2005, the average proportion of the paid workforce that were men was just two per cent (2,500) per setting¹⁵. Sixteen percent of providers employed at least one male member of staff. Larger providers were more likely to employ

¹⁵ For details of how average proportions were calculated, please see section 1.7.5 of the Technical Appendix.

male members of staff. Of the providers who employed one to five members of paid staff, six per cent employed at least one male member of staff compared with providers who employed 21 or more paid staff where 37 per cent employed at least one male member of staff.

5.4 Disability

In total there were 1,600 members of staff who had a disability¹⁶ working in registered full day care providers. The average proportion of the paid workforce with a disability was just one per cent per setting, the same proportion as 2003 and 2005. Although the proportion of childcare staff with a disability made up of the overall workforce remained the same, there was a 23 per cent increase in the number of childcare staff with a disability from 2005 to 2006. This percentage increase is higher than the total increase in the number of paid staff of nine per cent.

One in ten (10 per cent) providers employed at least one member of staff with a disability.

Larger providers were more likely to employ staff who had a disability. Of those providers who employed one to five staff, just four per cent employed at least one member of staff who had a disability, while 19 per cent of providers who employed 21 or more staff employed at least one member of staff who had a disability.

According to the 2006 Labour Force Survey¹⁷, 11 per cent of the working population have a disability, suggesting that disabled people were under represented in the workforce of full day care providers.

5.5 Ethnicity

In 2006 there were approximately 13,000 paid staff from a black and minority ethnic (BME) group. The average proportion of paid staff from a BME group was nine per cent per setting. This was a similar figure to 2005 when the average proportion was ten per cent per setting. This was in line with the 2006 Labour Force Survey¹⁸, which found that eight per cent of the total working population were from a BME group.

As in 2003 and 2005, a third (34 per cent) of providers employed at least one member of staff that was from a BME group. Unsurprisingly the proportion was much higher in London where 81 per cent of providers employed at least one

¹⁶ The definition was a disability which could be described as their having a physical or mental impairment which has a substantial and long term adverse effect upon their ability to carry out normal day to day activities.

¹⁷ 2006 Labour Force Survey. Unadjusted DDA disabled (XDISDDA).

¹⁸ 2006 Labour Force Survey. Ethnicity revised, (ETHCEN6).

member of staff from a BME group, comprising on average, 38 per cent of all paid staff in London.

The proportion was also higher in the 30 per cent most deprived areas where the average proportion was 18 per cent of paid staff being from a BME group per setting, compared with six per cent in the 70 per cent least deprived areas.

5.5.1 Ethnicity records

In 2006 providers were asked if they kept records of the specific ethnic group for all paid staff. Three-quarters (77 per cent) of registered full day care providers kept a record of the specific ethnic group that all paid staff were from. As with child records on ethnicity, providers in the East Midlands were more likely than average to keep a record of the specific ethnic group of paid staff (88 per cent compared with 77 per cent).

Table 5.5 Number of male staff, staff from a black and minority ethnic group and number of staff with a disability					
	2006	2005	Change from 2005 to 2006	2006	
				London	30% most deprived areas
	% (No.)	%	PP chge.	% (No.)	% (No.)
Mean proportion of male staff per setting	2% (2,500)	2%	+/- 0	2% (500)	2% (1,700)
Mean proportion of staff with a disability per setting	1% (1,600)	1%	+/- 0	1% (200)	1% (500)
Mean proportion of BME staff per setting	9% (13,000)	10%	-1	36% (7,200)	18% (7,200)
<i>Base 2006: All providers (unweighted 3,322, weighted and grossed 12,694), All full day care providers in London (unweighted 449, weighted and grossed 1,899), All full day care providers in the 30 per cent most deprived areas (896, weighted and grossed 3,517)</i>					
<i>Base 2005: All paid staff (unweighted 1,171, weighted and grossed 11,811)</i>					

5.6 Working hours

Seven in ten (72 per cent) members of paid staff working within the registered full day care sector worked full time (30 hours or more). The figure was similar to 2005, when 70 per cent worked full time.

The average number of hours worked by all staff was 33 hours, a similar figure to 2005 (32 hours). The average number of hours worked was higher amongst profit making organisations (35 hours) than those set up as not for profit (29 hours), which is likely to relate to the fact that profit making organisations tended to be open for more hours per day (as discussed in section 3.5).

Senior managers worked the longest, on average 37 hours a week with 83 per cent working full time.

Supervisory staff worked on average, 35 hours a week and 78 per cent worked full time.

Other paid childcare staff worked on average, 30 hours a week and 57 per cent worked full time.

These figures were all similar to 2005.

To put these figures in context we can compare them with the UK average¹⁹. The 2006 Labour Force Survey found the average number of hours worked for the working population was 32 hours and 27 for females.

Table 5.6 Average number of hours a week		
	2006	2005
All paid staff	33	32
Senior manager	37	38
Supervisory staff	35	34
Other paid childcare staff	30	29
<hr/>		
UK: All Staff (LFS)	32	32
UK: Females (LFS)	27	27
<i>Base 2006: All paid staff (unweighted 19,264, weighted and grossed 143,124), All senior managers (weighted 3,209, weighted and grossed 12,275), All supervisory staff (9,073, weighted and grossed 86,010), All other paid childcare staff (unweighted 6,168, weighted and grossed 41,729)</i>		
<i>Base 2005: All paid staff (unweighted 6,532, weighted and grossed 65,893), All senior managers (unweighted 1,141, weighted and grossed 11, 513), All supervisory staff (unweighted 3,189, weighted and grossed 32,170), All other paid childcare staff (unweighted 2,202, weighted and grossed 22,210)</i>		

5.7 Pay levels

Average pay levels have increased for all full day care staff groups since 2005. The average hourly pay in 2006 was £6.80, a six per cent increase from £6.40 in 2005

Overall average pay was higher in local authority run settings (£10.00 per hour), settings based in London (£8.20 per hour) and providers run by school/colleges (£8.30 per hour).

The average hourly pay for senior managers in 2006 was £9.30 compared with £8.80 in 2005. This represented an increase of six per cent.

¹⁹ 2006 Labour Force Survey. Total actual hours worked in main and second job.

The average hourly pay for supervisory staff in 2006 was £7.00, compared with £6.50 in 2005. This represented an increase of eight per cent.

The average hourly pay for other paid childcare staff in 2006 was £5.60. In 2005 the equivalent figure was £5.30. an increase of six per cent.

The figures are considerably lower than the UK average. In 2006, the average hourly wage was £11.12 and £10.24 for females²⁰. As in 2003 and 2005, even for senior managers, average wages in the full day care sector were below the UK average.

Between 2003 and 2005, the average hourly pay for registered full day care staff appeared to have been increasing at a faster rate than the UK average (16 per cent compared with 10 per cent). However, between 2005 and 2006 this gap had narrowed with the registered full day care average increase at six per cent and the UK average at five per cent, and there was no difference from the average increase for female hourly pay.

Table 5.7 Average hourly staff pay of registered full day care staff				
	2006	2005	<i>Change from 2005 to 2006</i>	
	£	£	£	%
All paid staff	£6.80	£6.40	+£0.40	+6%
Senior manager	£9.30	£8.80	+£0.50	+6%
Supervisor staff	£7.00	£6.50	+£0.50	+8%
Other paid childcare staff	£5.60	£5.30	+£0.30	+6%
UK: All staff	£11.12	£10.63	+£0.49	+5%
UK: Females	£10.24	£9.43	+£0.58	+6%
<i>Base 2006: All paid staff (unweighted 19,264, weighted and grossed 144,251), All senior managers (unweighted 3,209, weighted and grossed 12,372), All supervisory staff (unweighted 9,073, weighted and grossed 86,687), All other paid childcare staff (unweighted 6,168, weighted and grossed 42,058)</i>				
<i>Base 2005: All paid staff (unweighted 6,532, weighted and grossed 65,893), All senior managers (unweighted 1,141, weighted and grossed 11, 513), All supervisory staff (unweighted 3,189, weighted and grossed 32,170), All other paid childcare staff (unweighted 2,202, weighted and grossed 22,210)</i>				

There was a correlation with qualification level and staff pay with better qualified staff generally earning more than less qualified staff. On average staff with a level one qualification were paid £5.70 an hour compared with £13.20 an hour for those with a level seven qualification. This is not necessarily surprising as more senior staff are likely to be better qualified and better paid. However, within the different staff types, those with higher qualifications still tended to have higher earnings.

²⁰ 2006 Annual Survey of Hours and Earnings (First release).

Table 5.8 Average hourly staff pay by qualification level							
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
	£	£	£	£	£	£	£
All paid staff	£5.70	£5.60	£6.90	£8.50	£8.70	£9.60	£13.20
Senior managers	†	†	£8.80	£9.70	£9.80	£11.60	£13.60
Supervisory staff	£6.60	£6.10	£6.90	£8.10	£8.40	£9.40	†
Other paid staff	£5.50	£5.50	£5.90	£6.80	†	†	†
<i>Base 2006: All paid staff (unweighted 19,264, weighted and grossed 144,251), All senior managers (weighted 3,209, weighted and grossed 12,372), All supervisory staff (9,073, weighted and grossed 86,687), All other paid childcare staff (unweighted 6,168, weighted and grossed 42,058)</i>							

† Figures excluded as base size less than 50

There also appears to be a link between the qualification of the senior manager and overall staff pay. The average pay for all paid staff working in providers that had a senior manager with a level six qualification or above (graduate level) was £7.90 compared with £6.60 for providers without a graduate level senior manager. For supervisory staff, those working in providers with a graduate level senior manager the average hourly pay was £8.20 compared with £6.80 for supervisors working in providers without a graduate level senior manager. While there was a difference with other paid childcare staff, it was less marked (£6.00 and £5.40 respectively).

Table 5.9 Average pay by whether setting is led by a graduate senior manager		
	Settings led by a graduate senior manager	Settings not led by a graduate senior manager
	£	£
All paid staff	£7.90	£6.60
Senior manager	£12.00	£9.00
Supervisory staff	£8.20	£6.80
Other paid staff	£6.00	£5.50
<i>Base 2006: All paid staff (unweighted 19,264, weighted and grossed 144,251), All senior managers (weighted 3,209, weighted and grossed 12,372), All supervisory staff (9,073, weighted and grossed 86,687), All other paid childcare staff (unweighted 6,168, weighted and grossed 42,058)</i>		

5.8 Other work

As in 2005, seven per cent of paid staff (10,000 people) did other paid work in addition to working for the provider sampled in the 2006 survey.

For those providers who did have a member of staff doing other paid work, 38 per cent of them did other paid work within the childcare sector.

5.9 Staff responsible for early years professional leadership

The Government's response in February 2006 to the *Children's Workforce Strategy* consultation stated that their aim was to develop a more professional early years

workforce to raise the quality of service and the status of working with pre-school children. The report identified the benefits of developing the role of Early Years Professionals (EYPs) in line with Government's aim to have EYPs in all children's centres offering early years provision by 2010 and in every full day care setting by 2015.

People wishing to become EYPs, who will lead the delivery of the Early Years Foundation Stage (EYFS), will need to demonstrate that they have met a set of national standards at level six by successfully completing one of the current four pathways leading to the award of the Early Years Professional Status (EYPS). The pathways are the:

- three-month part-time validation pathway for those close to demonstrating the Standards;
- six-month part-time Extended Professional Development (EPD short);
- fifteen-month part-time Extended Professional Development (EPD long);
- twelve-month full-time full training pathway.

The Government has recently put in place a number of measures, through the Transformation Fund to support employers in training and employing EYPs.

In 2006 providers were asked if a specific member of staff was responsible for early years professional leadership. Those fulfilling the role were responsible for areas such as curriculum planning, early years professional practice and staff development and work to promote children's learning and development.

Two-thirds (67 per cent) of all registered full day care settings in 2006 said a specific member of staff was responsible for early years professional leadership (around 8,600 settings). Of these, 63 per cent were senior managers, 28 per cent were supervisors and eight per cent were other paid members of staff.

Those fulfilling this role, said that on average they spent half (49 per cent) of their time on early years professional leadership.

Table 5.10 Proportion of time spent on early years professional leadership	
	% (No.)
None	1% (#)
1-25%	28% (2,400)
26-50%	26% (2,200)
51-75%	10% (900)
76-99%	9% (800)
100%	12% (1,000)
Mean proportion of time	49%
<i>Base: All staff responsible for early years professional leadership (unweighted 2,215, weighted and grossed 8,453)</i>	

Respondents were asked how long they had been in the early years professional leader role. Sixteen per cent had been in the role for a year or less, 29 per cent two years or less. Forty-three per cent said they had been in the role for over five years.

Table 5.11 Length of time member of staff has been responsible for early years professional leadership	
	% (No.)
Up to 6 months	7% (600)
Up to 12 months	9% (800)
Up to 18 months	4% (300)
Up to 2 years	9% (800)
Up to 3 years	12% (1,000)
Up to 4 years	9% (700)
Up to 5 years	7% (600)
More than 5 years	43% (3,600)
Don't know	* (#)
<i>Base: All staff responsible for early years professional leadership (unweighted 2,215, weighted and grossed 8,453)</i>	

6 Qualifications

This section looks at the relevant qualifications held by paid childcare staff working in registered full day care settings. The questionnaire was designed to pick up only qualifications that were relevant to working with young people and children. This chapter covers current qualifications held and qualifications that staff were working towards, qualifications required when recruiting senior managers, the proportion of senior managers that were NVQ assessors, proportion of paid staff with Qualified Teacher Status (QTS) and whether providers offered time off and/or financial help for those working towards a childcare qualification.

Overseas qualifications have been excluded from analysis, however they have been included in the tables for information.

6.1 Definition of qualifications

The qualifications are grouped together in the levels that they have been accredited with by the Qualifications and Curriculum Authority.

- Level 1 (foundation level) – GCSE grade D-G, Foundation level GNVQ, Level 1 NVQ
- Level 2 (intermediate level) – GCSE A*-C, Intermediate GNVQ, Level 2 NVQ
- Level 3 (Advanced level) – A level, Vocational A level (Advanced GNVQ), Level 3 NVQ
- Level 4 – Higher level qualifications, BTEC Higher Nationals, Level 4 NVQ (e.g. Level 4 Certificate in Early Years Practice)
- Level 5 – Higher level qualifications, BTEC Higher Nationals, Level 5 NVQ (e.g. Early Years Foundation Degree)
- Level 6 – Honours degree (e.g. Early Childhood Studies)
- Level 7 – Masters degree
- Level 8 – Doctorate

Respondents were asked for the highest qualification relating to childcare that the senior manager, supervisory staff or other paid childcare staff held²¹.

²¹ Prior to 2005, respondents were asked for the actual name and level of the qualification. In the 2005 and 2006 survey respondents were only asked for the level of their highest qualification to reduce the burden on the respondent and to avoid the difficulties of coding the numerous childcare qualifications.

6.2 Requisite qualifications for childcare staff

The *National Standards for Under Eights Day Care and Childminding: Full Day Care* state that every senior manager working within a full day care setting should hold at least a level three qualification appropriate to the post. All supervisors should also hold at least a level three qualification appropriate for the care or development of children. Where this cannot be achieved immediately, providers should set out an action plan detailing how they intend to meet this criterion and in what timescale. In addition to this, at least half of all other childcare staff should hold a level two qualification appropriate for the care or development of children.

6.3 Current qualifications

Compared with 2005 there was a marked improvement in the qualification levels of paid childcare staff working in the registered full day care sector.

Amongst all paid childcare staff 87 per cent had a qualification (levels one to eight) related to working with children and young people and 10 per cent had no relevant qualifications at all. In 2005, 80 per cent held a qualification and 16 per cent had no relevant qualifications.

Eighty-six per cent of all paid staff held at least a level two qualification, an increase from 77 per cent in 2005 and three quarters (73 per cent) held a level three qualification or above, again an increase from 63 per cent in 2005.

Overall, three per cent of all full day care staff held a level six qualification or above, a similar proportion to 2005.

Table 6.1 Level of qualification held by all paid staff			
	2006	<i>2005</i>	<i>Change from 2005 to 2006</i>
	%	<i>%</i>	<i>PP chge.</i>
Level 1	1%	<i>2%</i>	<i>-1</i>
Level 2	14%	<i>15%</i>	<i>-1</i>
Level 3	64%	<i>54%</i>	<i>+10</i>
Level 4	4%	<i>5%</i>	<i>+/-0</i>
Level 5	1%		
Level 6	3%	<i>3%</i>	<i>+/-0</i>
Level 7	*	<i>1%</i>	<i>*</i>
Level 8	*		
Overseas qualifications	*	<i>*</i>	<i>*</i>
Other	1%	<i>3%</i>	<i>-2</i>
Don't know	2%	<i>1%</i>	<i>+1</i>
No qualification	10%	<i>16%</i>	<i>-6</i>
At least level 1			
	87%	<i>80%</i>	<i>+7</i>
At least level 2			
	86%	<i>77%</i>	<i>+9</i>
At least level 3			
	73%	<i>63%</i>	<i>+10</i>
At least level 5			
	4%	<i>N/A</i>	<i>N/A</i>
At least level 6			
	3%	<i>4%</i>	<i>-1</i>
<i>Base 2006: All paid staff (unweighted 19,264, weighted and grossed 143,124)</i>			
<i>Base 2005: All paid staff (unweighted 6,532, weighted and grossed 132,650)</i>			

Overall qualification levels in settings owned by local authorities and schools/colleges were higher than in privately run settings and in those run by voluntary organisations. The proportion of staff with at least a level three qualification was 84 per cent in local authority run settings, 83 per cent in settings run by schools/colleges, 73 per cent in privately run settings and 64 per cent in settings run by voluntary organisations. The proportion of paid staff with at least a level six qualification was highest in local authority run settings (eight per cent), compared with an average of just three per cent.

Table 6.2 Level of qualification held by all paid staff by ownership of provision

	Total %	Private %	Voluntary %	Local authority %	School/college %	Other %
At least level 1	87%	88%	84%	93%	91%	90%
At least level 2	86%	87%	82%	92%	91%	90%
At least level 3	73%	73%	64%	84%	83%	81%
At least level 5	4%	4%	4%	9%	4%	6%
At least level 6	3%	3%	3%	8%	2%	4%

Base: All paid staff (unweighted 19,264, weighted and grossed 143,124), All privately run providers (unweighted 12,923 weighted and grossed 100,821), All providers run by voluntary organisations (unweighted 4,315, weighted and grossed 24,823), All providers run by local authorities (unweighted 911, weighted and grossed 7,915), All providers run by schools/colleges that (unweighted 818, weighted and grossed 6,598), All full day care providers run by other organisations (unweighted 411, weighted and grossed 3,730)

In 2004 the Government published *Choice for Parents, the Best Start for Children: a Ten Year Strategy for Child Care*, which made the case for a better qualified early years workforce. This was followed up with the launch of the Transformation Fund. With this fund the Government aim to transform the quality of childcare by providing financial support for training programmes and incentives to help recruit better qualified staff. One of the Government's objectives is to ensure that by 2015 all full day care settings employ a graduate with 'Early Year's Professional' Status to lead work with children and parents.

In 2006, 19 per cent of full day care settings employed at least one member of staff with a level five qualification or above. The proportion was higher in local authority led settings (30 per cent), than privately run settings (19 per cent), voluntary settings (17 per cent) and settings run by schools/colleges (15 per cent).

Seventeen per cent of full day care settings employed at least one member of staff with a level six qualification. Again the proportion was highest in local authority led settings (29 per cent), than in privately run settings (18 per cent), voluntary settings (15 per cent) and in settings run by schools/colleges (13 per cent).

6.3.1 Senior managers

As noted in section 6.2 the *National Standards for Under Eights Day Care and Childminding* specify that the manager should have at least a level three qualification appropriate to the post. Nearly all senior managers (97 per cent) held a relevant qualification (levels one to eight). Ninety-six per cent of senior managers held a level three qualification or above, a six percentage point increase since 2005 when the equivalent figure was 90 per cent.

Fifteen per cent of senior managers held a level five qualification or above and eleven per cent held a level six qualification or above. In 2005 the proportion

holding a level six qualification or above was 13 per cent. While this would seem to indicate a decrease, this difference was not statistically significant and may be a result of sampling fluctuation rather than an actual decrease.

Senior managers working within providers run by local authorities were much more likely to hold a level six or above qualification than the overall average, with a quarter (24 per cent) saying they held the graduate level qualification.

Senior managers working within London registered full day care providers were also more likely to hold a level six qualification or above (15 per cent).

Table 6.3 Level of qualification held by senior managers			
	2006	2005	<i>Change from 2005 to 2006</i>
	%	%	<i>PP chge.</i>
Level 1	*	0%	+/-0
Level 2	1%	2%	-1
Level 3	65%	61%	+4
Level 4	16%	16%	-4
Level 5	4%		
Level 6	9%	11%	+2
Level 7	3%	2%	+1
Level 8	*		
Overseas qualifications	*	*	*
Other	1%	5%	-4
Don't know	1%	1%	+/-0
No qualification	2%	3%	-1
At least level 1			
	97%	91%	+6
At least level 2			
	96%	91%	+5
At least level 3			
	96%	90%	+6
At least level 5			
	15%	N/A	N/A
At least level 6			
	11%	13%	-2
<i>Base 2006: All senior managers (unweighted 3,209, weighted and grossed 12,275)</i>			
<i>Base 2005: All senior managers (unweighted 1,141, weighted and grossed 11,500)</i>			

6.3.2 Qualifications required of senior managers

The majority of senior managers (87 per cent) were required to hold qualifications relevant to working with children when appointed, a similar proportion to 2005 (86 per cent). Of those who weren't required to hold any qualifications, half (51 per cent) were required to work towards qualifications once appointed.

6.3.3 Supervisory staff

As with senior managers, nearly all supervisory staff (97 per cent) held a qualification (levels one to eight) related to children and young people.

The same proportion (97 per cent) held a level two or above qualification, a four percentage point increase from 93 per cent in 2005.

Nine in ten (91 per cent) supervisory staff held a level three qualification, an increase of seven percentage points from 84 per cent in 2005. The National Standards as specified in section 6.2, state that all supervisory staff should hold at least a level three qualification, or where they don't have the qualification, an action plan should be in place stating how this will be met and in what timescale. The figures show that that this standard was largely being met, but that around one in ten supervisors did not yet hold the required level three qualification.

Just four per cent of supervisory staff held a level five qualification or above and three per cent held a level six qualification or above, the same as in 2005. As with senior managers, supervisors working in local authority settings were more likely to hold a level six qualification (nine per cent).

Supervisory staff working for a provider that had a graduate senior manager (qualified to level six or above) tended to hold higher qualifications than those working in a provider that did not have a graduate senior manager. Ninety-four per cent of supervisors working in graduate-led settings held a level three qualification and 10 per cent held a level six qualification, compared with 90 per cent and just two per cent respectively, in the non-graduate-led settings.

Table 6.4 Level of qualification held by supervisory staff			
	2006	2005	<i>Change from 2005 to 2006</i>
	%	%	<i>PP chge.</i>
Level 1	*	0%	+/-0
Level 2	7%	9%	-2
Level 3	82%	77%	+5
Level 4	4%	4%	+1
Level 5	1%		
Level 6	3%	3%	+/-0
Level 7	*	*	*
Level 8	*		*
Overseas qualifications	*	*	*
Other	1%	3%	-2
Don't know	1%	1%	+/-0
No qualification	1%	1%	+/-0
At least level 1			
	97%	93%	+4
At least level 2			
	97%	93%	+4
At least level 3			
	91%	84%	+7
At least level 5			
	4%	N/A	N/A
At least level 6			
	3%	3%	+/-0
<i>Base 2006: All supervisory staff (unweighted 9,073, weighted and grossed 86,687)</i>			
<i>Base 2005: All supervisory staff (unweighted 3,189, weighted and grossed 82,100)</i>			

6.3.4 Other paid staff

In 2006, nearly two-thirds (64 per cent) of other paid childcare staff held a qualification (level one to eight) related to children and young people.

Six in ten (60 per cent) other paid childcare staff held at least a level two qualification, a considerable increase of 13 percentage point from 47 per cent in 2005. The National Standards as specified in section 6.2, state that at least half of all other paid childcare staff should hold at least a level two qualification related to childcare and development. It should be noted that the standard is on a setting to setting basis, and the survey figures are for all settings, however the figures do suggest that this standard is probably being met.

A quarter (27 per cent) of other paid childcare staff held a level three qualification or above, a ten percentage point increase from 17 per cent in 2005.

Just one per cent held at least a level five qualification and one per cent held a level six or above qualification.

Table 6.5 Level of qualification held by other paid childcare staff			
	2006	2005	<i>Change from 2005 to 2006</i>
	%	%	<i>PP chge.</i>
Level 1	3%	4%	-1
Level 2	33%	30%	+3
Level 3	25%	16%	+9
Level 4	1%	0%	+1
Level 5	*		
Level 6	1%	0%	+1
Level 7	*	1%	*
Level 8	0%		
Overseas qualifications	*	*	*
Other	1%	1%	+/-0
Don't know	3%	2%	+1
No qualification	33%	44%	-11
At least level 1			
	64%	51%	+13
At least level 2			
	60%	47%	+13
At least level 3			
	27%	17%	+10
At least level 5			
	1%	N/A	N/A
At least level 6			
	1%	1%	+/-0
<i>Base 2006: All other paid childcare staff (unweighted 6,168, weighted and grossed 41,727)</i>			
<i>Base 2005: All other paid childcare staff (unweighted 2,202, weighted and grossed 39,450)</i>			

Other paid childcare staff who worked in larger providers that employed more staff were more likely to hold a level three qualification or above. Of other paid childcare staff working within providers that employed one to five members of staff, 14 per cent held at least a level three qualification compared with 34 per cent of other paid childcare staff working within providers that employed 21 staff or more.

Table 6.6 Other paid childcare staff with at least level 3 qualification by number of staff employed by a provider					
	Number of paid staff				
	1-5	6-10	11-15	16-20	21 or more
At least level 3 qualification	14%	21%	26%	31%	34%
<i>Base: All other paid childcare staff working in a provider that employs 1-5 staff (unweighted 509, weighted and grossed 2,054), All other paid childcare staff working in a provider that employs 6-10 staff (unweighted 2,376, weighted and grossed 11,949), All other paid childcare staff working in a provider that employs 11-15 staff (unweighted 1,716, weighted and grossed 11,943), All other paid childcare staff working in a provider that employs 16-20 staff (unweighted 844, weighted and grossed 7,430), All other paid childcare staff working in a provider that employs 21 staff or more staff (unweighted 720, weighted and grossed 8,337)</i>					

Other paid childcare staff working within providers based in the 30 per cent most deprived areas were more likely to hold at least a level three qualification (34 per cent) compared with those working within the 70 per cent least deprived areas (25 per cent). Similarly, higher proportions of other paid childcare staff working in registered full day care providers run by local authorities and schools/colleges held a level three qualification (38 per cent and 34 per cent respectively) compared with the overall average of 27 per cent. The finding that staff working for local authorities and staff working in more deprived areas are better qualified are likely to be related as more deprived areas have a higher proportion of local authority run settings.

There does not appear to be any link between the qualifications of other paid childcare staff and whether the senior manager was a graduate.

6.4 Qualified Teacher Status (QTS)

In the 2006 survey all staff that held a level five qualification or above were asked if they held Qualified Teacher Status (QTS). Just over half (55 per cent) of this group were qualified teachers.

	% (No.)
Overall	2% (3,153)
Senior managers	8% (981)
Supervisory staff	2% (1,742)
Other paid staff	* (155)
<i>Base 2006: All paid staff (unweighted 19,264, weighted and grossed 143,124), All senior managers (weighted 3,209, weighted and grossed 12,275), All supervisory staff (9,073, weighted and grossed 86,010), All other paid childcare staff (unweighted 6,168, weighted and grossed 41,729)</i>	

A higher proportion of staff with QTS worked in the 70 per cent least deprived areas than the 30 per cent most deprived areas (58 per cent compared with 48 per cent respectively).

6.5 Qualifications being worked towards

Among all paid childcare staff, a quarter (24 per cent) were working towards a qualification (levels one to eight). This was a decrease since 2005 when 30 per cent were working towards a qualification, but as already discussed, a higher proportion of childcare staff already held a qualification in 2006.

The most common level of qualification being worked towards was a level three qualification. Other paid childcare staff were the most likely to be working towards a qualification, which is perhaps unsurprising as they were the least likely to hold a qualification.

Table 6.8 Qualifications worked towards by type of childcare staff								
	All paid staff		Senior managers		Supervisory staff		Other paid childcare staff	
	2006	2005	2006	2005	2006	2005	2006	2005
	%	%	%	%	%	%	%	%
Level 1	*	*	*	0%	*	*%	1%	0%
Level 2	3%	6%	*	0%	*	1%	12%	17%
Level 3	11%	16%	2%	4%	6%	8%	27%	33%
Level 4	5%	6%	11%	13%	5%	6%	1%	1%
Level 5	2%		5%		2%		*	
Level 6 or above	2%	2%	6%	7%	2%	2%	*	1%
Not working towards qualification	73%	67%	73%	73%	82%	80%	55%	45%
Other	1%	2%	2%	2%	1%	2%	1%	1%
Don't know	2%	2%	1%	2%	2%	2%	3%	2%
<i>Base 2006: All paid staff (Module B) (unweighted 11,680), All senior managers (Module B) (unweighted 1,648), All supervisory staff (Module B) (unweighted 4,643), All other paid childcare staff (Module B) (unweighted 3,124)</i> <i>Base 2005: All senior managers (Module B) (unweighted 600, weighted and grossed 6,041), All supervisory staff (Module B) (unweighted 1,653, weighted and grossed 16,633), All other paid childcare staff (Module B) (unweighted 1,182, weighted and grossed 11,864)</i>								

6.6 Support provided for staff working towards a childcare qualification

Nine in ten (90 per cent) providers with staff working towards qualifications allowed them time off to study, a similar figure to 2005 (87 per cent). Three-quarters (77 per cent) paid at least some of the costs associated with training for qualifications.

6.7 NVQ assessors

An NVQ assessor is responsible for assessing whether a candidate's work meets the required NVQ standards. In order to be an assessor they must hold the necessary qualifications and have experience of working within the sector. As in 2005, 19 per cent of senior managers were NVQ assessors, around 2,300 managers in total.

Senior managers working in larger providers (employing 21 or more staff) were more likely than senior managers working in smaller providers (employing one to five members of staff) to be NVQ assessors (29 per cent compared with 11 per cent respectively).

7 Training

This chapter looks at childcare related training, which was not directly related to a specific childcare qualification, in particular looking at the amount of training received by childcare staff, training plans, training budgets and sources of funding for training.

7.1 Views on current levels of training

The majority (82 per cent) of respondents said they thought the amount of training that their staff had received in the last year was about right. A sizeable minority (15 per cent) said they thought it was too little and just two per cent said it was too much. These figures are all very similar to 2005, when 81 per cent said the training was about right, 16 per cent said it was too little and one per cent said it was too much.

Table 7.1 Views of current levels of training			
	2006	2005	<i>Change from 2005 to 2006</i>
	% (No.)	%	<i>PP chge.</i>
Too little	15% (2,000)	16%	-1
About right	82% (10,500)	81%	+1
Too much	2% (200)	1%	+/-0
<i>Base 2006: All full day care providers (Module B) (unweighted 1,702, weighted and grossed 12,694)</i> <i>Base 2005: All full day care providers (Module B) (unweighted 615, weighted and grossed 6,188)</i>			

7.2 Training plans and budgets

Three-quarters (76 per cent) of registered full day care providers had written training plans, an increase of six percentage points from 2005.

Higher proportions of providers based in the 30 per cent most deprived areas had a training plan (80 per cent), as did settings with higher numbers of staff (62 per cent in providers employing one to five members of staff compared with 87 per cent of providers with 21 or more staff).

There was also variation by ownership of the provision. Eighty-three per cent of local authority settings and 81 per cent of settings run by schools/colleges had a

written training plan compared with 77 per cent of privately run settings and 68 per cent of settings run by voluntary organisations.

Just over half (56 per cent) of providers had a training budget, a similar figure to 2005 (53 per cent).

Again providers with a greater number of staff were more likely to have a training budget. Of providers that employed one to five members of staff, 41 per cent had a specific training budget compared with 71 per cent of providers that employed 21 or more staff.

As with training plans, there was also variation by ownership of the provision. Eighty-nine per cent of settings run by schools/colleges and 81 per cent of local authority settings had a training budget, compared with 56 per cent of settings run by voluntary organisations and 52 per cent of privately run settings.

Table 7.2 Whether provider has written training plan and specific training budget				
	2006	2005	<i>Change from 2005 to 2006</i>	30% most deprived areas (2006)
	% (No.)	%	<i>PP chge.</i>	% (No.)
Training plan				
Have training plan	76% (9,600)	70%	+6	80% (2,900)
Don't have training plan	23% (2,900)	28%	-5	18% (700)
Don't know	2% (200)	1%	+1	1% (#)
Training budget				
Have a training budget	56% (7,100)	53%	+3	60% (2,200)
Don't have a training budget	40% (5,100)	42%	-2	37% (1,300)
Don't know	3% (400)	5%	-2	3% (100)
<i>Base 2006: All full day care providers (Module B) (unweighted 1,702, weighted and grossed 12,694)</i>				
<i>Base 2005: All full day care providers (Module B) (unweighted 615, weighted and grossed 6,188)</i>				

7.3 Funding for training

The main source of funding for training was from the government (85 per cent) (including local authority funding, Early Years Development and Childcare Partnership (EYDCP) and Sure Start).

The second largest source of funding (15 per cent) was the Learning and Skills Council, although technically, this can also be considered government funding.

Table 7.3 Funding sources for training			
	2006	2005	<i>Change between 2005 and 2006</i>
	% (No.)	%	<i>PP chge.</i>
Government sources (EYDCP, Sure Start, Local authority)	85% (10,800)	90%	-5
Learning & Skills Council	15% (1,900)	17%	-2
Jobcentre Plus	3% (300)	4%	-1
Local community	1% (200)	2%	-1
Pre-school Learning Alliance	1% (100)	1%	+/-0
European funding	* (#)	1%	-1
Other	3% (300)	4%	-1
Don't know	14% (1,700)	9%	+5
<i>Base: All full day care providers (Module B) (unweighted 1,702, weighted and grossed 12,694)</i>			
<i>Base 2005: All full day care providers (Module B) (unweighted 615, weighted and grossed 6,188)</i>			

7.4 Training provision and type of training provided

Nearly all full day care providers (97 per cent) helped their staff to receive some kind of training that was not directly related to a specific childcare qualification, the same proportion as 2005.

First aid was by far the most common type of training offered by about two-thirds (68 per cent) of registered full day care providers. Other common types were child protection (42 per cent), food hygiene (39 per cent), childcare training including courses on creative play (35 per cent), health and safety training (31 per cent) and courses on SEN/Disability/Inclusion (24 per cent).

Table 7.4 Type of training provided (not related to a specific childcare qualification)			
	2006	2005	<i>Change from 2005 to 2006</i>
	%	%	<i>PP chge.</i>
First Aid	68%	67%	+1
Child protection	42%	38%	+4
Food hygiene	39%	41%	-2
Childcare training (including courses on 'creative play' etc.	35%	41%	-6
Health and safety training	31%	32%	-1
SEN/ Disability/ Inclusion	24%	21%	+3
Early years training	11%	13%	+2
Management/ business skills training	9%	14%	-5
Behaviour management	6%	8%	-2
Local authority	3%	0%	+3
Curriculum	3%	6%	-3
In house/ internal	3%	0%	+3
Equal opportunities	2%	5%	-3
IT	2%	0%	+2
Sure Start	1%	0%	+1
Speech and language	1%	0%	+1
Risk assessment	1%	0%	+1
Other answer	7%	10%	-3
Don't know	1%	1%	+/-0
<i>Base 2006: All full day care providers (Module B) that help staff get any other training (unweighted 1657, weighted and grossed 12,367)</i>			
<i>Base 2005: All full day care providers (Module B) that help staff get any other training (unweighted 615, weighted and grossed 12,330)</i>			

8 Recruitment and retention

This chapter outlines the staffing issues for registered full day care providers. It focuses on recruitment, current vacancies and issues around staff retention including staff turnover, employment growth and staff losses.

8.1 Levels of recruitment

Fewer childcare staff were recruited in 2006 than in 2005, an average of two members per setting (29,300 staff in total) compared with on average three members in 2005 (41,200 members of staff).

The overall recruitment rate was 22 per cent, which is a 14 percentage point decrease from 37 per cent in 2005.

The recruitment rate is calculated by dividing the total number of paid childcare staff by the total number currently employed plus those leaving their current employment, less those recruited in the last 12 months. For a full explanation as to how the recruitment rate is calculated please see section 1.7.4 in the Technical Appendix.

8.2 Senior managers

Just six per cent of senior managers had been recruited in the past 12 months, around 800 people. This was lower than 2005, when 1,600 people had been recruited (14 per cent).

8.3 Supervisors

About half (51 per cent) of registered full day care providers had recruited at least one member of supervisory staff in the last 12 months. In total around 14,100 supervisors had been recruited, an average of one per setting. These figures were lower than 2005 when 59 per cent had recruited at least one supervisor, around 20,900 had been recruited in total, an average of two per setting.

8.4 Other paid childcare staff

Just under two-thirds of providers (63 per cent) had recruited at least one other paid member of childcare staff in the last 12 months. In total around 14,100 were recruited, an average of one per setting. Again these figures were lower than 2005. Sixty-seven per cent had recruited at least one member of other paid childcare staff, around 18,700 staff, an average of two per setting.

8.5 Length of service

The average length of service for all paid staff was five years and two months, an increase from four years and three months in 2005. Unsurprisingly, the average was highest for senior managers (eight years and five months), then supervisory staff (five years and six months) and lowest for other paid childcare staff (three years and four months). These averages are all higher than in 2005.

8.6 Annual staff losses

Just under two-thirds (62 per cent) of all full day care providers had at least one member of staff leave in the last 12 months, a lower proportion than 2003 (69 per cent) and 2005 (66 per cent).

In total around 16,600 staff, an average of one per setting, had left compared with 18,900 staff, an average of two per setting, in 2005.

Table 8.1 Number of staff that have left provider			
	2006	2005	<i>Change from 2005 to 2006</i>
	% (No.)	%	<i>PP chge.</i>
Providers that had at least one member of staff leave	62% (7,900)	66%	-4
Providers that had no members of staff leave	37% (4,700)	22%	+15
1-2	45% (5,700)	46%	-1
3-4	12% (1,600)	12%	+/-0
5 or more	4% (600)	8%	-4
Average number of staff leaving per setting	1	2	-1
Total number of staff leaving	16,600	18,900	-2,200
<i>Base 2006: All providers (Module B) (unweighted 1702, weighted and grossed 12,694)</i>			
<i>Base 2005: All providers (Module B) (unweighted 615, weighted and grossed 6,188)</i>			

8.7 Destination of staff who left

If a setting reported that they had had staff leave their employment, the respondent was asked where they thought staff had moved on to. Of those staff that had left in the last 12 months, half (50 per cent) had got other jobs within the childcare or early education sector (8,300 people), a similar proportion to 2005 (47 per cent). A quarter (24 per cent) had got jobs outside the childcare and early

education sector (4,100 people), again a similar proportion to 2005 (22 per cent). As in 2005 around one in ten did not get another job (1,400 people) (nine per in 2005 and ten per cent in 2006).

8.8 Staff turnover

Analysis of the total number of employees being recruited and the number leaving the sector enables an assessment of the turnover for the sector and the rate of employment growth.

The turnover rate in 2006 was 13 per cent, a decrease since 2003 (18 per cent) and 2005 (17 per cent).

The turnover rate gives the number of staff that have left as a proportion of all staff who would have been employed at the start of the 12 month period covered by the survey. If no staff have left their employment the turnover rate will be zero. If staff have left, but no more have been recruited, the turnover rate will fall.

The employment growth rate was 10 per cent, a decrease from 20 per cent in 2005.

The employment growth rate gives the number of additional staff recruited as a proportion of those employed at the start of the 12 month period covered by the survey. If the number of staff that left was equal to the number of staff recruited then the employment growth rate will be equal to zero. If more staff have been recruited than the number who have left, then the employment growth rate will have increased. If a larger number of staff have left than have been recruited then the employment growth rate will be negative.

For a full explanation as to the how the turnover rate and employment growth rates are calculated please see section 1.7.4 in the Technical Appendix.

One of the aims of the Children's Workforce Strategy was to improve staff retention. Encouragingly, the 2006 figures all indicate that retention rates are improving. The staff turnover rate has declined, the number of staff leaving has fallen and the average length of service is increasing.

8.9 Current vacancies

At the point of the 2006 survey about a fifth (22 per cent) of registered full day care providers were currently actively trying to recruit staff, a decrease from 26 per cent in 2005. Higher proportions of providers in London and the South East were actively recruiting for new staff (33 per cent and 27 per cent). In total there were 4,500 vacancies for staff.

Table 8.2 Number of vacancies providers are actively recruiting by type of staff			
	2006	2005	Change from 2005 to 2006
	No.	No.	No.
Senior managers	400	200	+200
Supervisory staff	2,100	1,700	+400
Other paid staff	2,000	1,100	+900
Total	4,500	3,000	+1,500
<i>Base 2006: All full day care providers (Module B) who were actively trying to recruit (Module B) (unweighted 377, weighted and grossed 1,452)</i>			
<i>Base 2005: All full day care providers (Module B) who were actively trying to recruit (Module B) (unweighted 156, weighted and grossed 1,582)</i>			

9 Income

This chapter looks at the income of registered full day care providers, specifically deposit and registration fees, fees, income from fees, government and other sources, awareness of childcare vouchers and tax credits, total income, whether providers are breaking even and their profitability.

9.1 Deposit or registration fees

In 2006 providers were asked whether they charged a deposit or registration fee when children registered. Six in ten providers (61 per cent) said they did charge a fee. The average fee charged was £69.

9.2 Fees

The most common units used when charging parents was per half day or session (47 per cent) and per day (25 per cent).

Just over half (53 per cent) of registered full day care providers varied their fees from child to child. This proportion was higher for providers based in London (64 per cent), providers set up to make a profit (60 per cent) and larger providers (33 per cent of providers with one to five members of staff compared with 74 per cent of providers with 21 staff or more).

Of those providers that did vary their fees, the most common reasons for variation were by age of child (76 per cent), number of siblings enrolled (48 per cent), number of hours per week the child attended (46 per cent) and whether the child received a local authority grant (37 per cent).

Table 9.1 Reasons why fees vary			
	2006	2005	<i>Change from 2005 to 2006</i>
	%	%	<i>PP chge.</i>
Age of child	76%	74%	+2
Number of siblings enrolled	48%	49%	-1
Number of hours per week they do	46%	41%	+5
Depending on whether parents get local authority grant	37%	37%	+/-0
Time of day ²²	18%	N/A	N/A
Depending on what the fees cover (e.g. food, nappies etc.)	17%	15%	+2
Parent's income	9%	12%	-3
Discount for employees/members	3%	*	+3
Where they live	1%	2%	-1
Other answer	3%	5%	-2
<i>Base 2006: All full day care providers (Module A) (unweighted 856, weighted and grossed 6,755)</i>			
<i>Base 005: All full day care providers (Module A) where fees vary 299, weighted and grossed 6,070)</i>			

Nine in ten (89 per cent) providers said they did not vary their fees between term time and school holidays.

9.2.1 Average fees for a child aged 18 months

If a provider's fees varied depending on the age of the child and they had children aged under two years old, they were asked how much they charged for a typical child aged 18 months. The average charge for a typical child aged 18 months was £2.90 per hour.

9.2.2 Average fees for a child aged three years old

If a provider's fees varied depending on the age of the child and they looked after children aged three years old, they were asked how much they charged for a typical child aged three years old. The average charge for a typical child aged three years old was £2.60 per hour.

9.2.3 Typical fees

If a provider said that they didn't vary their fees depending on the age of the child, or if they did but did not have any children aged three or under, they were asked

²² In 2005, the 'time of day' response was not included on the response list, although respondents could have mentioned it spontaneously. It was added to the list of pre-coded responses in 2006.

how much they charged a typical child. The average charge for a typical child was £3.00 per hour.

9.2.4 Average fees

If all charges were combined the overall average charge was £2.70 per hour.

There was some regional variation in fees charged. The average was highest in London (£2.90) and lowest in the North West and the East of England (at £2.60 in each region).

Fees also appear to vary depending on who ran the registered full day care setting. Average fees were highest amongst settings run by schools/colleges (£3.10), privately run settings (£2.90) and lowest in local authority run settings (£2.50) and settings run by voluntary organisations (£2.40).

Caution must be taken with the results as all figures have been derived by a number of variables and therefore may be prone to distortion. They should only be used as indicative guide²³.

9.3 Change in fees

Nine in ten (92 per cent) settings had increased their fees in the last two years, an increase from 2005 when the equivalent proportion was 82 per cent. Of these 82 per cent had raised them in the last year and a third (35 per cent) had increased them in the last six months.

Local authority run settings were more likely to have increased their fees in the last six months (46 per cent), compared with privately run settings (34 per cent), settings run by voluntary organisations (30 per cent) and settings run by school/colleges (15 per cent).

9.4 Income from fees

As in 2005, two-fifths (43 per cent) of providers were unable to give an answer, refused to provide the information or did not provide enough information for us to be able to derive an annual sum.

Providers set up as profit making organisations were less likely to provide the information (47 per cent did not) compared with not for profit organisations (35 per cent). Providers that did not have a graduate level senior manager were less likely to provide the relevant fees information (44 per cent did not) compared with those that did have a graduate level senior manager (32 per cent). As such a large

²³ Details of how fee data were derived is included in section 1.7.1 of the Technical Appendix.

proportion did not provide all the relevant information so the findings should only be used as an indicative guide. Again, caution must be taken with these figures as they have been derived from a number of variables.

Of those providing a figure, one per cent said they received nothing in fees.

The mean income per year was £133,500 and the median amount was £96,000. Both of these figures are an increase on 2005 when the mean amount was £117,400 per year and the median was £78,000 per year.

The average income from fees varied by a number of factors. Registered full day care providers set up as profit making organisations made more money from fees than settings set up as not for profit organisations (£178,500 and £72,400 respectively). As would be expected, fee income increased with the size of the setting. The mean income per year for settings with one to nine children attending was £34,000 compared with £179,700 for settings with 21 or more children attending.

Again, caution must be taken with these figures as they have been derived from a number of variables.

	2006	2005	Change from 2005 to 2006	2006	
				Non-profit making organisations	Profit making organisations
	%	%	PP chge.	%	%
No income	1%	2%	-1	1%	1%
£1-50,000	22%	23%	-1	40%	11%
£50,001-100,000	8%	32%	+3	8%	7%
£100,001 or more	27%			15%	33%
Don't know/Refusal	43%	43%	+/-0	35%	47%
Mean income (excluding 0)	£133,500	£117,400	+\$16,100	£72,400	£178,500
Median income (excluding 0)	£96,000	£78,000	+\$62,300	£104,600	£146,600

Base 2006: All full day care providers (Module A) (unweighted 1,620, weighted and grossed 12,694), All full day care providers (Module A) that are set up as not for profit organisations (unweighted 608, weighted and grossed 4,699), All full day care providers (Module A) set up as profit making organisations (unweighted 998, weighted and grossed 7,860)

Base 2005: All full day care providers (Module A) (unweighted 556, weighted and grossed 11,811)

9.5 Tax credits and childcare vouchers

9.5.1 Awareness of tax credits

In April 2006, there was a change to the tax credits system. The amount of childcare that parents are able to claim has risen from 70 per cent to 80 per cent. Sixty per cent of respondents were aware of this change.

Those who said they were aware of the change were asked if it had lead them to make any changes to their fees. The overwhelming majority (90 per cent) said it had made no difference, five per cent said they had increased fees as a result and one per cent said they had decreased them. Two per cent didn't know whether their fees had changed as a result.

9.5.2 Awareness of childcare vouchers

Nearly all (94 per cent) respondents had heard of childcare vouchers²⁴. Of these, ninety per cent said they accepted childcare vouchers. Of those who didn't accept childcare vouchers, 61 per cent said they would consider accepting them in the future.

From April 2006, UK employees do not pay tax or National Insurance on the first 55 pounds a week covered by childcare vouchers. Previously, employees who got childcare vouchers did not pay tax on the first £50 per week of registered or approved childcare. Two-thirds (65 per cent) of those providers that had heard of childcare vouchers were aware of this change.

9.5.3 Fees paid using childcare vouchers

Of those providers who had heard of childcare vouchers, 70 per cent said that some of their children had at least part of their fees paid for using childcare vouchers, an average of 10 per setting, around 65,300 children overall.

9.6 Income from local authorities and central government

Just over a third of providers (37 per cent) could not say how much money they received from the local authority and central government, so these figures must be used with caution.

Eight per cent of providers said they did not receive any funding from local or central government sources. Overall the mean amount that providers received was £40,100 per year and the median amount was £24,000 per year (excluding those who didn't get anything and those who were unable to provide the information). This appeared to be an increase from 2005 when the equivalent figures were £25,900 per year (mean) and £10,000 (median).

²⁴ Childcare vouchers are a means of paying for registered or approved childcare for children up to the age of 15 (16 if the child is disabled). Childcare vouchers, up to a limit of £55 a week, are exempt from tax and national insurance contributions. Employees voluntarily agree to part of their salary being converted into Childcare Vouchers. The employee and the employer save on the National Insurance Contributions for the value of the voucher. Take-up of childcare vouchers is higher amongst professionals as it tends to be larger companies that offer vouchers (Monitoring of the Reform of the Income Tax and National Insurance Rules for Employer-Supported Childcare, December 2006, Kazimirski et al, HMRC).

Settings located in the 30 per cent most deprived areas on average received more than those based in the 70 per cent least deprived areas (£48,100 compared with £37,200 respectively).

Settings set up as not for profit organisations also on average received more than profit making organisations (£43,600 and £37,400 respectively).

9.7 Income from other sources

Providers were asked if they had any other sources of income and if so what they were. Just over half (59 per cent) of registered full day care providers said fees and/or central and local government funding were there only sources of income.

Just over a third (36 per cent) had raised additional income through fundraising. Unsurprisingly higher proportions of providers set up as not for profit or charities had generated income through fundraising activities, than those set up as profit making organisations (64 per cent compared with 19 per cent).

After fundraising, the second most common source was Sure Start, mentioned by just six per cent of providers, a decrease from 14 per cent in 2005. As would be expected the proportion is higher in the 30 per cent most deprived areas (10 per cent), which are more likely to be covered by Sure Start than the 70 per cent least deprived areas (five per cent). All other sources were mentioned by less than five per cent of providers.

Eleven per cent of providers were unable to say how much they received from other sources. Among those that were able to give an amount, the mean amount was £4,300 and the median amount was £1,000. This appeared to be a decrease since 2005 when the equivalent figures were £6,900 and £1,200.

Providers based in the 30 per cent most deprived areas on average received more than those in the 70 per cent least deprived areas (a mean of £5,300 and £3,900 respectively), which may be due to Sure Start.

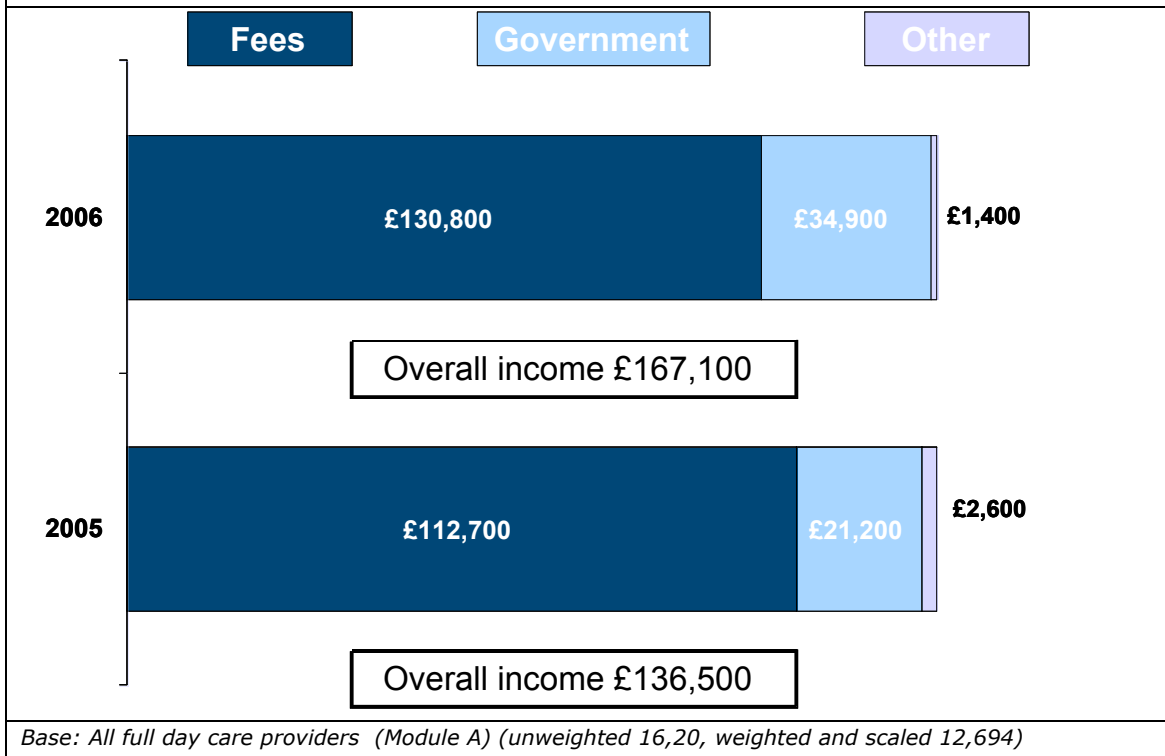
Table 9.3 Income from other sources per year					
	2006	2005	<i>Change from 2005 to 2006</i>	2006	
				30% most deprived areas	70% least deprived areas
	%	%	<i>PP chge.</i>	%	%
No income	59%	51%	+8	56%	61%
£1-500	11%	12%	-1	12%	10%
£501-1,000	6%	4%	+2	4%	6%
£1,001-£5,000	8%	10%	-2	6%	8%
£5,000 or more	5%	6%	-1	6%	4%
Don't know ²⁵	11%	17%	-6	15%	10%
Mean income (excluding 0)	£4,300	£6,900	<i>£2,600</i>	£5,300	£3,900
Median income (excluding 0)	£1,000	£1,200	<i>£200</i>	£1,000	£1,000
<i>Base 2006: All full day care providers (unweighted 1,620, weighted and grossed 12,694), All full day care providers (Module A) in the 30% most deprived areas (unweighted 428, weighted and grossed 3,471), All full day care providers (Module A) in the 70% least deprived areas (unweighted 1,192, weighted and grossed 9,323)</i>					
<i>Base 2005: All full day care providers (Module A) (unweighted 556, weighted and grossed 11,811)</i>					

9.8 Total income

Chart 9.1 shows the average income from each source (including providers who had no income from a source) and the overall average income.

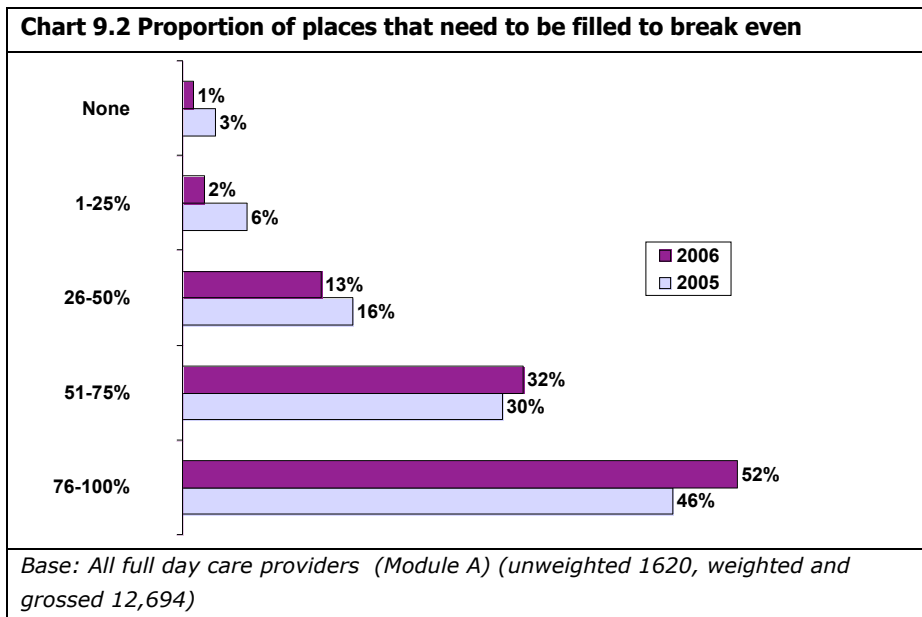
²⁵ This includes respondents who said don't know, refused or gave insufficient information to enable an overall annual figure to be derived.

Chart 9.1 Average annual income (including those receiving nothing)



9.9 Breaking even

Providers were asked what proportion of places they needed to fill in order to break even. The average proportion was 74 per cent per setting. Of those providers who were able to give an answer (30 per cent could not say), 36 per cent said they needed 76 to 100 per cent of the registered places to be filled in order to break even, 22 per cent said 51 to 75 per cent of places, nine per cent said 26 to 50 of places per cent and one per cent said one to 25 per cent of places.



9.10 Profitability of providers

Most (62 per cent) registered full day care providers were set up on a for-profit basis. Two-fifths (37 per cent) were set up on a not-for-profit basis and one per cent were not sure. This represented a slight shift since 2005, when 56 per cent were set up as for-profit, 41 per cent were set up as not for profit and three per cent weren't sure.

Profit making organisations were asked if they had made a profit and not-for profit organisations were asked if they had made a surplus. Overall three in ten (30 per cent) providers had made a profit or a surplus, 32 per cent had covered their costs and 16 per cent had made a loss. A fifth (21 per cent) were unable to say. These figures were an improvement on 2005, when 27 per cent had made a profit or a surplus and 21 per cent had made a loss.

Providers set up as profit making organisations seemed to be in a better financial state than those set up as not-for profit. Two-fifths (38 per cent) of profit making organisations had made a profit compared with 18 per cent of providers set up as not for profit making a surplus. Nearly a quarter (22 per cent) of not-for-profit settings had made a loss compared with just 12 per cent of profit making organisations.

Table 9.4 Business performance of providers					
	2006	2005	<i>Change from 2005 to 2006</i>	2006	
				Profit making	Non-profit
	% (No.)	%	<i>PP chge.</i>	% (No.)	% (No.)
Made a profit or surplus	30% (3,900)	27%	+3	38% (3,000)	18% (800)
Covering costs	32% (2,000)	31%	+1	23% (900)	48% (1,100)
Operating at a loss	16% (1,000)	21%	-5	12% (500)	22% (500)
Don't know	21% (2,700)	21%	+/-0	26% (2,100)	13% (600)

Base 2006: All full day care providers (Module A) (unweighted 1,620, weighted and grossed 12,694), All full day care providers (Module A) setup as profit making organisations (unweighted 1,012, weighted and grossed 7,930), All full day care providers setup on a not for profit bases (unweighted 608, weighted and grossed 4,644)

Base 2005: All full day care providers (Module A) (unweighted 556, weighted and grossed 11,811)

10 Terminology and definitions

Ownership: The term ownership refers to the type of organisation responsible for owning and managing a provider. For the purposes of the report, five different ownership scenarios have been used. These are Private (owner/manager and part of a group or chain), Voluntary (church, charity or committee), Local Authority, School/College and Other (hospitals and other answers that could not be included in any of the existing categories). In a small number of cases, more than one type of ownership scenario will apply.

Type of setting: refers to the type of care offered by a setting. These include:

- **Full day care:** defined as “facilities that provide day care for children under eight for a continuous period of four hours or more in any day in premises which are not domestic premises.”²⁶
- **Sessional care:** defined as “facilities where children under eight attend day care for no more than five sessions a week, each session being less than a continuous period of four hours in any day. Where two sessions are offered in any one day, there is a break between sessions with no children in the care of the provider.”²⁷
- **Out-of-school clubs:** defined as “clubs...open before and after school and all day long during school holidays, giving 3 to 14 year-olds and up to 16 for children with special needs a safe and enjoyable place to play, meet and sometimes catch up on homework.”²⁸ For the purposes of this research, the questionnaire focused on After-school and Holiday care.
- **Children’s centres:** defined as “places where children under 5 years old and their families can receive seamless holistic integrated services and information, and where they can access help from multi-disciplinary teams of professionals.”²⁹ For example, some children’s centres provide literacy, language or numeracy programmes for parents or carers with basic skills needs. For the purposes of this survey, analysis has focused on full day care provision offered by these establishments.
- **Childminders:** “A childminder is registered to look after one or more children under the age of eight to whom they are not related on domestic premises for reward and for a total of more than 2 hours in any day.”³⁰

²⁶ <http://www.surestart.gov.uk/doc/0-ACA52E.PDF>

²⁷ <http://www.childcarelink.gov.uk/pdf/ofsted/Module5.pdf>

²⁸ <http://www.surestart.gov.uk/surestartservices/childcare/outofschoolchildcare/>

²⁹ <http://www.surestart.gov.uk/surestartservices/settings/surestartchildrenscentres/>

³⁰ <http://www.childcarelink.gov.uk/pdf/ofsted/Module2.pdf>

- **Nursery schools:** these “provide education for children under the age of 5 and over the age of 2.”³¹ Maintained nursery schools generally accept children in term time.
- **Primary schools with reception but no nursery classes:** some primary schools are able to admit four and five year old children into a reception class. Such classes operate throughout the school year.³²
- **Primary schools with reception and nursery classes:** some primary schools offer both nursery and reception classes, and again, these operate throughout the school year.

Maintained settings (Nursery schools, Primary schools with reception but no nursery classes and Primary schools with reception and nursery classes) have slightly different characteristics. As these settings are funded by Local Authorities, there is no charge to parents for using them.

Childcare vouchers: these are a government initiative that enables employers and/or parents to purchase tax-free vouchers with which to pay for childcare. Employers have to sign up to the scheme and providers are under no obligation to accept them. Parents are allowed to take up to £55 worth of childcare vouchers per week. Research conducted by HMRC found that “the highest proportion of employees receiving employer-supported childcare were employed in professional occupations or as managers and senior officials (an average of 35 per cent and 33 per cent respectively).”³³

Child Tax Credits: families with children are eligible to claim Child Tax Credits (for separated families only the main carer is entitled to claim). The size of the claim will depend on number of children living with the family, incidence of disability and the claimants income.

Working Tax Credit: people who work but are on low pay can apply for working tax credits. Both employed and self employed people are eligible to apply and do not have to be responsible for children. The size of the claim can depend upon whether the claimant has responsibility for any children, whether they make childcare payments, whether the claimant is disabled and whether the claimant is aged 50 or over.

Attendees: respondents were asked to give the number of children attending their establishment. Care was taken to ensure that respondents did not count any children twice so this can be taken to mean the number of children enrolled with a provider.

³¹ <http://www.edubase.gov.uk/Assets/EduBase%20Glossary.doc>

³² http://www.direct.gov.uk/en/EducationAndLearning/PreschoolLearning/NurseriesPlaygroupsReceptionClasses/DG_10013534

³³ <http://www.hmrc.gov.uk/research/report23-final.pdf> (pages 50/51)

Registered provision: any person who is rewarded for looking after children under eight for more than two hours a day must register with Ofsted. If the provider is planning to offer early years education, they are also inspected for the quality of the provision by Ofsted.

Registered places: as part of the registration process, Ofsted inform providers of the maximum number of children they can look after. This is based on ages of children and number of staff.³⁴

Index of Multiple Deprivation (IMD): measures deprivation at the “small area level”.³⁵ The index analyses a number of defined characteristics of deprivation (including Income deprivation, Employment deprivation, Health deprivation and disability, Education, skills and training deprivation, Barriers to Housing and Services, Living environment deprivation and Crime).³⁶ More deprived areas will experience a higher number of these characteristics of deprivation

Types of staff: the National Standards state that all staff must be mentally and physically capable of caring for children and that all staff should “have the appropriate experience, skills and ability to do their jobs”³⁷.

- **Senior Manager:** the National Standards stipulate that Senior managers should hold an appropriate level three qualification and two years experience of working in a day care setting.
- **Supervisory staff:** the National Standards state that supervisors in full daycare settings should all hold a level three qualification, or where this is not possible, an action plan should be put in place setting out how and when they intend to satisfy this requirement. For sessional and out-of-school providers, supervisors are not required to hold a level three qualification but half of all other staff are required to hold a level two qualification³⁸.
- **Other paid childcare staff:** at least half of this group are required to hold an appropriate level two qualification.
- **Qualified Teacher Status:** this is a requirement for anyone who wants to teach in a maintained school in England and Wales.
- **Early Years Professional Status (EYPS):** this is a new role developed from February 2006 in response to proposals in the Children’s Workforce Strategy. Candidates are required to complete one of four pathways, leading to the award of the EYPS at level six. The first candidates gained EYPS in January 2007.

³⁴ http://www.ofsted.gov.uk/assets/Internet_Content/Early_Years/guide_daycare.pdf (page 17)

³⁵ <http://www.communities.gov.uk/index.asp?id=1128444>

³⁶ *ibid.*

³⁷ <http://www.surestart.gov.uk/doc/P0000411.PDF>

³⁸ <http://www.surestart.gov.uk/doc/P0002407.pdf>

- **Early years professional leadership:** because no one in childcare and early years settings had gained EYPS at the time of data collection, a question was asked about early years professional leadership more generally in order to determine how many providers had staff acting in this capacity less formally.
- **Nursery Nurses:** are subject to the same requirements as supervisors in full day care settings.³⁹
- **Childminders:** are not required to hold any formal qualifications but must complete a local authority approved training course and a first aid course appropriate to infants and children within 6 months of beginning working as a childminder. First aid certificates should be kept up to date.⁴⁰

Disability: The Disability Discrimination Act (DDA) defines a disabled person as someone who has a "physical or mental impairment that has a substantial and long-term adverse effect on his or her ability to carry out normal day-to-day activities."⁴¹

Special Educational Needs: The term 'special educational needs' (SEN) has a legal definition, referring to "children who have learning difficulties or disabilities that make it harder for them to learn or access education than most children of the same age".⁴²

National Standards: were developed by the Sure Start Unit in order to set out and measure and monitor the quality of care offered for under eights day-care and childminding. Providers must meet these standards before they can register with Ofsted and commence operation.⁴³ Providers are subject to an Ofsted inspection within seven months of registration and at least once every three years thereafter.⁴⁴

NVQ qualifications: are work based qualifications. Candidates are assessed on the job by a qualified NVQ Assessor, who may be a line manager or an external Assessor if the manager is not a qualified NVQ Assessor.⁴⁵

NVQ Assessors: appropriately qualified and experienced childcare staff can apply to become NVQ Assessors, for which they are required to complete a further

³⁹http://www.bbc.co.uk/schools/parents/life/you_and_school/working_in_schools/training_nursery_nurse.shtml

⁴⁰ <http://www.surestart.gov.uk/doc/P0002411.pdf>

⁴¹ http://www.direct.gov.uk/en/DisabledPeople/RightsAndObligations/DisabilityRights/DG_4001069

⁴² http://www.direct.gov.uk/en/EducationAndLearning/Schools/SpecialEducationalNeeds/DG_4008600

⁴³ http://www.daycaretrust.org.uk/mod.php?mod=userpage&page_id=40

⁴⁴ http://www.ofsted.gov.uk/portal/site/Internet/menuitem.455968b0530071c4828a0d8308c08a0c/?vgn_extoid=013a8487a73dc010VgnVCM1000003507640aRCRD

⁴⁵ http://www.edexcel.org.uk/VirtualContent/64456/Edexcel_NVQ_guidance_for_candidates.pdf

training course.⁴⁶ NVQ Assessors assess on-site and can assess their own staff or those working in other settings.

Training: all staff are required to undergo induction training within their first week of work, which includes training on health and safety and on child protection policies and procedures. The registered person has a responsibility to ensure at least one member of staff has attended a child protection course and that at least one member of staff who has attended a first aid training course is present at all times that children are cared for. Additionally, 50 per cent of staff who care for babies should have specific training in that area.

Churn within sector: where recruitment, employment growth and turnover rates have been discussed, these include the churn within the sector, meaning staff moving from one provider to another. Staff promotions and movement of staff within an individual setting are not included in these calculations.

Population density: is based on the number of people per hectare (ha = 10,000 square meters). Areas of low population density have up to 10 people per ha; areas of medium density have 11-24 people per ha and; areas of high density have 25 or more people per ha. Areas with lower population densities are generally more rural than those with high densities.

Recruitment rate: the recruitment rate gives the number recruited as a proportion of all those who would have been employed at the beginning of the 12 month period covered by the survey. If no new staff have been recruited then the recruitment rate will be equal to zero, regardless of the number of leavers.

Turnover rate: the turnover rate gives the number of staff that left as a proportion of all staff who would have been employed at the start of the 12 month period covered by the survey. If no staff have left their employment the turnover rate would be zero. If staff have left but no more have been recruited, the turnover rate will fall.

Employment growth rate: the employment growth rate gives the number of additional staff recruited after leavers have been replaced. If the number of staff that left was equal to the number of staff recruited then the employment growth rate will be equal to zero. If more staff have been recruited than the number who have left, then the employment growth rate will be positive, while if a larger number of staff have left than have been recruited then the employment growth rate will be negative.

Transformation Fund: Local authorities have money available from the Transformation Fund to help childcare providers to recruit new graduates, or to assist existing staff in achieving higher qualifications or in undertaking training for

⁴⁶http://www.nurseryworld.co.uk/training/training_today/display.aspx?story_id=502344&path=/Training%20Today/Career%20Progression/

children with additional needs (e.g. disabilities, Special Educational Needs or children and families who speak English as an Additional Language.

- **Quality Premium:** This is for providers who already employ a graduate level professional who is committed to attain Early Years Professional Status within 2 years.
- **Recruitment Incentive** This money is for providers who are employing a graduate level professional for the first time who is committed to attain Early Years Professional Status within 2 years.
- **Home Grown Graduate Incentive** This money is for providers who do not employ a graduate level professional, but want to help one of their existing staff to progress to this level.

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