RESEARCH

2005 Childcare and Early Years Providers Survey Out-of-School Providers

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BMRB Social Research

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1 Summary and conclusions

1.1 Introduction

The Department for Education and Skills (DfES) commissioned BMRB to undertake four surveys to collect information about childcare providers and the childcare workforce. This report outlines the findings for out of school care providers (after school clubs, breakfast clubs and holiday clubs) that are registered with Ofsted. (This will not include out of school provision solely for children aged 8 and over, as this does not need to be registered). The report is based on interviews with the senior manager at 1,039 out of school care providers sampled from the Ofsted database.

Where possible, findings from the 2005 survey have been compared with those from similar surveys conducted in 2003. Data have been weighted and grossed to provide national estimates.

1.2 Characteristics of provision

The total number of registered out of school care providers has increased from 7,281 in 2003 to 8,609 in 2005.

Settings are not evenly distributed across England – the North West accounts for nearly a fifth (18 per cent) of all settings, while the East Midlands accounts for just seven per cent. The rate of increase has also varied, with the North West seeing the highest increase since 2003 (71 per cent), while provision in the East of England had actually decreased by nine per cent.

Two fifths of registered out of school care providers are managed by a voluntary or community organisation, and just over a third (36 per cent) were privately run.

Six in ten registered out of school care providers have been operating for five years or more. Profit making providers were more likely to be relatively new, 53 per cent had been in operation for 5 years or more compared with 63 per cent of non-profit making providers.

1.3 Places and children

The total number of Ofsted registered places available in out of school care providers is 309,870. This is an increase of 23,000 places since 2003, which is due to the increase in the number of providers.

The total number of children attending registered out of school care settings in 2005 was 465,500. The average number of children attending per setting was 55.

Three quarters (80 per cent) of the children attending are school-age children aged five years or older. Children of black or minority ethnic origin made up 17 per cent of all children

attending. 11 per cent of children attending were defined by the providers as having special educational needs.

At the time of the survey, there were 71,550 vacant places in registered out of school care providers – an average of nine places per provider. Providers in London were the most likely to be full, with 37 per cent of providers having no vacant places on an average day, compared with the average (29 per cent).

1.4 Characteristics of staff

The overall number of paid staff working in registered out of school care settings was 68,100, an increase of 20,600 since 2003. The proportion of staff who are defined as supervisory staff has increased since 2003, suggesting that the workforce is becoming better qualified and more professional.

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

The average number of hours worked for all staff was 23 hours a week, with the majority (63 per cent) of out of school paid staff working part time (less than 30 hours a week).

The average hourly pay for all staff working in the registered out of school childcare sector was £6.70. The average hourly pay for senior managers was £9.00, for supervisory staff £6.80 and for other paid childcare staff £5.70. The average hourly pay was higher for all staff grades in London.

1.5 Training

Three-quarters of senior managers said that they thought the amount of training their staff had received in the last year was about right, but a substantial minority (20 per cent) felt that their staff had received an insufficient amount.

About two-thirds (64 per cent) of all out of school providers have a written training plan. Half of all out of school providers had a training budget. Funding for training most commonly came from Government sources and the Learning and Skills Council.

1.6 Qualifications of staff

Among all paid childcare staff, almost three-quarters (73 per cent) had some kind of qualification (levels 1 to 8) relevant to working with children or young people and 22 per cent had no relevant qualifications at all. Half (51 per cent) of paid staff had at least a level 3 qualification and seven in ten (70 per cent) had at least a level 2 qualification.

Eight in ten senior managers held at least a level 3 qualification and 13 per cent of senior managers held a level six or above qualification. Nine in ten supervisory staff had at least a level 2 qualification and around seven in ten had at least a level 3 qualification. Just over

half (53 per cent) of all other paid childcare staff held no relevant childcare qualifications. A third of other paid childcare staff held at least a level two qualification and ten per cent held at least a level three qualification.

1.7 Recruitment and retention

Overall, 26,800 childcare staff were recruited in the last year. The recruitment rate was 51 per cent.

Half of providers had at least one member of staff leave in the last year. The turnover rate in 2005 was 21 per cent. Employment growth in 2005 was 30 per cent. Around two fifths of those who left took other jobs in the childcare and early years sector (39 per cent).

Word of mouth and adverts in the local press were the most commonly used recruitment methods.

Two fifths of out of school care providers who had tried to recruit in the last year had had a fair amount or a great deal of difficulty. A quarter were actively trying to recruit at the time of the survey, and had vacancies for around 4,200 staff in total.

1.8 Income and expenditure

Many providers were unable to say how much they spent on various categories of expenditure, or how much money they received from various sources. Thus, the figures provided should be treated with caution.

Among those providing a figure, the largest item of expenditure was staff costs, which accounted for around 82 per cent of total expenditure (on average). The overall average expenditure for out of school care providers operating all year round was £83,300 a year. (This is a very rough figure, based on sometimes small numbers of providers).

Nearly all out of school care providers spent money on insurance and on toys and books etc for the children. Only a third spent any money on transport and 15 per cent on business rates.

Of those receiving some income from fees, the average amount per week was £1000 and the median amount was £513. (This is a very rough figure, based on sometimes small numbers of providers). For those providers who received funding from local authority/central government (23 per cent), on average they received £23,900 a year.

Two thirds of out of school care providers had either covered their costs or made a profit in the last financial year. A quarter reported that they operated at a loss and ten per cent didn't know either way.

Two-fifths (37 per cent) of these said that this loss was due to one-off circumstances and was unlikely to be repeated in future years. A small proportion of providers (six per cent –

equating to 550 out of school providers) felt that they could not keep operating at a loss for more than another 12 months before having to close.

1.9 Conclusions

Registered out of school care provision is on the increase. A greater number of providers are registered to provide this type of care, and the number of children attending registered out of school care settings has increased.

Two fifths of registered out of school care providers are managed by some type of voluntary or community organisation, and just over a third (36 per cent) are privately run.

The number of paid staff working in registered out of school care settings is 68,100, an increase of 20,600 since 2003. The proportion of staff who are defined as supervisory staff has increased since 2003, suggesting that the workforce is becoming better qualified and more professional.

Two thirds of registered out of school care providers had either covered their costs or made a profit in the last financial year. A quarter reported that they operated at a loss.

2 Introduction

2.1 The 10 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 3 and 4 year olds will be entitled to 15 hours a week of free high quality care, for 38 weeks a year and there will be an out of school childcare place available for all children aged 3-14 from the hours of 8am-6pm every weekday. This will be accompanied by a package of measures to help address the issue of affordability of childcare, including increases in the childcare costs that can be claimed through Working Tax Credit and measures to help parents balance work and family life, including the extension of paid maternity leave.

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

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

2.2 Objectives of the research

The Department for Education and Skills 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 DfES carried out surveys amongst childcare and early years' providers in 1998, 2001 and 2002/3. The 2005 Childcare and Early Years' Providers' Survey is a modified version of the 2002/03 Childcare and Early Years' Workforce Survey, expanded in places to provide more information on recruitment and retention issues and the costs of childcare.

The 2005 survey consists of 4 separate sample surveys aimed at collecting information from the following Ofsted –registered settings:

- full-day childcare: facilities that provide day care for children under 8 for a continuous period of four hours or more in any day in non-domestic premises (for example, day nurseries and children's centres).

- sessional childcare: facilities that provide day care or children under 8 for a session which is less than a continuous period of 4 hours in any day in non-domestic premises, for example, playgroups. (There must be a break between sessions with no children in the care of the provider).

- out-of-school childcare: after school clubs, breakfast clubs and holiday clubs that are registered with Ofsted. (This will not include out of school provision solely for children aged 8 and over, as this does not need to be registered)

- childminders: those looking after one or more children aged under 8 for a total of more than two hours a day, for reward. (People who look after children wholly or mainly in the child's own home do not need to be registered with Ofsted).

2.3 The Survey

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

- Provider characteristics (ownership, business performance, length of operation);
- number of places and children attending (number of places, ages, ethnicity, opening hours);
- staff characteristics (number of staff, demographics of paid staff, pay);
- training (current level of training, training plans and budgets);
- qualifications (qualifications held and working towards by paid staff);
- recruitment and retention (level of recruitment, methods of recruitment, vacancies);

- income and expenditure (costs, fees, funding).

2.4 Survey Design

This report is based on 1,039 interviews conducted with senior managers[1] of out of school providers, or in small number of cases, an alternative senior member of staff. Other surveys were conducted with 1,007 senior managers of sessional providers, 1,171 senior managers of full day care provision and 1,132 childminders.

The sample for each provider type was stratified by Ofsted region[2] to ensure a representative sample was interviewed in each region. This sample was then randomly divided into two equal groups and assigned to module A or B. In order to reduce the time it took to complete the interview, it was decided that the questionnaires 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 costs and income and module B asked questions on training and recruitment. A copy of the questionnaire is included in the appendices to the overview report. The same questionnaire was used for all of the group settings, but a slightly different questionnaire was used for the childminder survey.

For the interview, if the provider offered after school care, then that was the focus of the interview. If no after school care was offered, but holiday care was provided, then the interview focused on holiday care.

Data are weighted by Ofsted region (as of March 2005) to ensure the figures are representative of out of school childcare providers throughout England.

Interviews were conducted by telephone using CATI (Computer Assisted Telephone Interviewing) by The Operation Centre's[3] fully trained telephone interviewers in Hull. Interviews were carried out between 28th June 2005 and 2nd September 2005.

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[1] No specific definition was provided for "Senior Manager". Settings decided themselves who best fitted this description. Supervisors were defined as staff qualified to supervise a group of children on their own, whether or not they manage staff.

[2] Ofsted divides England into eight regions: East of England, East Midlands, London, NE and Yorkshire, North West England, South East England, South West England, West Midlands

[3] 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. 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. The Operations Centre continue to work to existing quality standards and BMRB continue to take responsibility for the quality of the work undertaken by their support services.

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

2.5 Structure of the report

This report is one of five produced from the results of the 2005 Childcare and Early Years' Providers' Survey – the latest in a series of surveys going back to 1998. The other four reports cover:

- Sessional providers
- Full day care provision
- Childminders
- Overview report – drawing together the findings from all four settings

The remainder of this report is structured as follows:

Chapter 3	Characteristics of provision and its development since 2001
Chapter 4	Number of places available and number and types of children enrolled
Chapter 5	Characteristics of staff
Chapter 6	Training
Chapter 7	Qualifications of staff
Chapter 8	Recruitment and retention
Chapter 9	Income and expenditure

2.6 Notes on reading the report

In the tables, grossed up figures are provided along with percentages. These grossed up figures are based on the total number of out of school providers registered with Ofsted in March 2005, 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. Grossed figures in this report have been rounded to the nearest 100.

Where appropriate, comparisons are made between these findings and those of the previous childcare workforce surveys (mainly the 2003 survey conducted by MORI, but in some cases with the 2001 survey conducted by SQW and NOP). However, the way the sample of out of school providers was drawn in 2005 is very different to the approach used in earlier surveys, so comparisons are not always appropriate. In 2003, the sample was drawn from the Childcarelink database held by Opportunity Links. This database allowed separate samples to be drawn for out of school clubs and holiday clubs. In 2005, the sample was selected from out of school providers registered with Ofsted. Ofsted do not split out of school providers from holiday clubs, and there is no way to identify these groups from the information held on the Ofsted database.

Therefore, a sample of out of school providers was drawn. For the interview, if the provider offered after school care, then that was the focus of the interview. If no after school care was offered, but holiday care was provided, then the interview focused on holiday care. Therefore, those interviewed about holiday care will be different to holiday clubs interviewed in 2003 (as in 2003, holiday clubs may also have provided after school care), and will also not be representative of all holiday clubs (as many will provide after school care as well).

Therefore, we have limited comparisons with 2003 to some overall figures for all out of school provision, and to comparing out of school provision in 2003 with after school providers in 2005.

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 the level of deprivation from wards to Super Output Areas (SOA). Therefore, this report looks at the 30 per cent most deprived areas. For comparative purposes, the 30% most deprived SOAs can be considered as roughly equivalent to the 20 per cent most deprived wards.

There is also some analysis by the population density of an area. This is defined in the same way as in 2003: low density - less than 10 people per hectare; medium density - between 11-24 people per hectare and high density - more than 25 people per hectare.

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.

A * in a table signifies a value between 0 and 0.49, while a “–“ signifies a zero.

Unless otherwise stated, figures referred to are weighted.

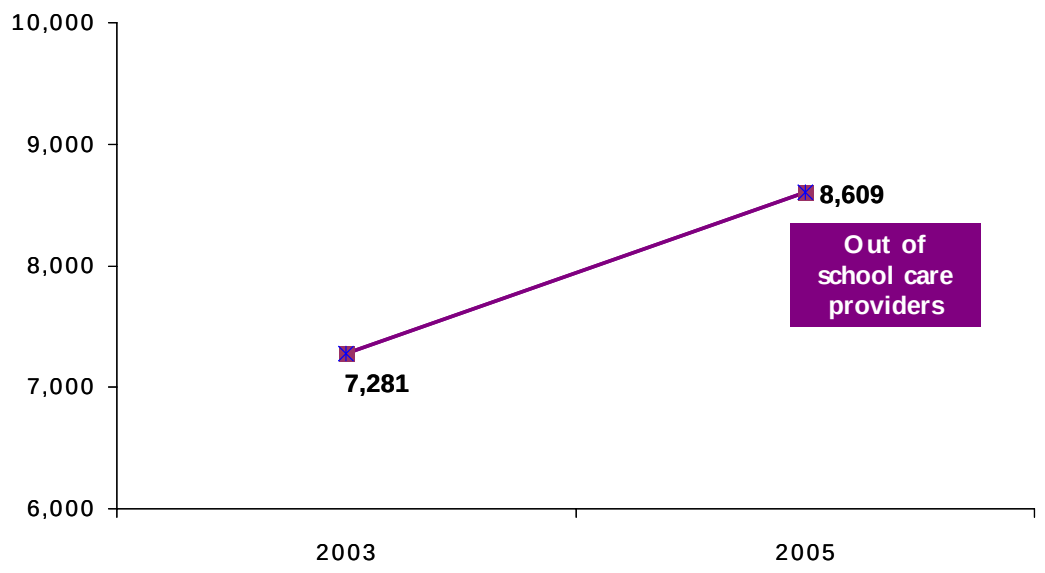
3 Characteristics of Provision

This chapter discusses the characteristics of registered out of school care providers in operation. It considers factors such as ownership, length of time providers have been operating and whether providers have business plans.

3.1 Number of providers

The total number of registered out of school care providers in 2005 was 8,609[4], an increase from 7,281 in 2003.

Chart 3.1 Number of out of school care providers



Base: Ofsted figures 2003, 2005

The number of settings was not evenly distributed across the regions. The East Midlands accounted for just seven per cent of the total number of providers while the North West accounted for nearly a fifth (18 per cent).

The rate of increase also varied across the regions. Overall the number of providers had increased by 18 per cent. The percentage increase was highest in the North West at 71 per cent and lowest in the East of England where the number of providers had actually fallen by nine per cent (see Table 3.1).

[4] Ofsted figures March 2005 less a percentage deemed ineligible based on fieldwork outcome codes from the 2005 survey – 11.25 per cent. Providers were classified ineligible if they did not offer out of school provision, or if the setting had closed down or was no longer in business.

Table 3.1 Number of providers by region						
	Total 2005		Total 2003		*Change in the number of providers from 2003 to 2005*	
	%	**No.**	%	No.	*%*	*No.*
East Midlands	**7%**	**634**	8%	600	*+6%*	*+34*
East of England	**9%**	**816**	13%	900	*-9%*	*-84*
London	**15%**	**1,269**	11%	800	*+59%*	*+469*
NE & Yorkshire & Humberside	**13%**	**1,087**	14%	1,000	*+9%*	*+87*
North West	**18%**	**1,541**	13%	900	*+71%*	*+641*
South East	**15%**	**1,269**	17%	1,200	*+6%*	*+69*
South West	**11%**	**906**	13%	900	*+1%*	*+6*
West Midlands	**13%**	**1,087**	13%	900	*+21%*	*+187*

Base 2005: All out of school care providers (unweighted 1,039, weighted and grossed 8,609)

Base 2003: All out of school care providers (unweighted 850, weighted and grossed 4,534) and holiday club providers (unweighted 850, weighted and grossed 2,781) combined

3.2 Ownership

Out of school providers were owned by a number of different groups. Two fifths (39 per cent) were owned by some type of voluntary sector organisation, 36 per cent were privately owned, 13 per cent were owned by local authorities and 10 per cent were owned by a school or college.

Providers based in the 30 per cent most deprived areas were more likely to be owned by a voluntary organisation (47 per cent) or a local authority (18 per cent) compared with the 70 per cent least deprived areas (34 per cent and 11 per cent respectively). Providers located in the 70 per cent least deprived areas were more likely to be privately owned (41 per cent) than in the 30 per cent most deprived areas (25 per cent).

Table 3.2 Ownership of provision by level of deprivation						
	Total 2005		30% Most deprived areas		70% Least deprived areas	
	%	**No.**	%	No.	%	No.
Voluntary sector (inc. church, charity, committee)	**39%**	**3,400**	47%	1,400	34%	2,000
Private sector (owner/manager or part of group chain)	**36%**	**3,100**	25%	750	41%	2,350
Local Authority	**13%**	**1,150**	18%	550	11%	650
School/college	**10%**	**900**	11%	300	10%	600
Other	**4%**	**350**	2%	50	5%	250
Base: All out of school care providers (Module A) (unweighted 526, weighted and grossed 4,374), 30% Most deprived areas (Module A) (unweighted 176, weighted and grossed 1,468), 70% Least deprived areas (Module A) (unweighted 350, weighted and grossed 2,906)						

3.3 Length of operation

The majority (59 per cent) of registered out of school care providers had been operating for five years or more. A fifth (20 per cent) had been operating for three to four years, 11 per cent for two years, four per cent for one year and five per cent for less than a year.

Profit-making organisations were less likely to have been operating for five years or more than not-for-profit organisations/charities – 53 per cent compared with 63 per cent respectively.

Settings in areas of lower population density (i.e. rural areas) were less likely to have been operating for five years or more. Three fifths (62 per cent) of providers in areas where the population density was high had been operating for five years or more, compared with 48 per cent in medium or low density areas combined.

Larger providers were also more likely to have been operating for five years or more. Nearly three quarters (72 per cent) of providers with 50 or more children enrolled had been operating for five years compared with 39 per cent of providers with one to nineteen children.

Table 3.3 Length of operation by number of children enrolled												
	Overall		1-19 children		20-29 children		30-39 children		40-49 children		50 or more children	
	%	**No.**	%	No.	%	No.	%	No.	%	No.	%	No.
Less than a years	**5%**	**450**	11%	150	7%	100	3%	50	5%	50	3%	100
1 years	**4%**	**400**	5%	50	5%	100	5%	50	5%	50	4%	100
2 years	**11%**	**950**	17%	250	9%	150	12%	150	14%	150	9%	250
3-4 years	**20%**	**1,700**	17%	350	25%	400	24%	300	16%	150	13%	400
5 years or more	**59%**	**5,100**	39%	500	54%	900	55%	750	60%	600	72%	2,300
Base: All out of school care providers (unweighted 1,039, weighted and grossed 8,609), 1-19 places (unweighted 160, weighted and grossed 1,317), 20-29 places (unweighted 199, weighted and grossed 1,672), 30-39 places (unweighted 162, weighted and grossed 1,339), 40-49 places (unweighted 122, weighted and grossed 997), 50 or more places (unweighted 386, weighted and grossed 3,197)												

3.4 Business plans

The majority (71 per cent) of registered out of school care providers had a written business plan. Of those who had a plan, three quarters (76 per cent) had updated it in the last two years. Thus, just over half (54 per cent) of all providers had a written business plan that had been updated in the past two years. A fifth (22 per cent) did not have a written business plan (seven per cent didn't know) and 13 per cent had a written business plan that had not been updated in the last two years.

Private sector providers were more likely to have a business plan than voluntary sector providers (80 per cent compared with 65 per cent).

4 Places and Children

This chapter discusses the number of Ofsted registered out of school places and the number of children attending out of school providers. It also looks at the demographic make-up of the children attending in terms of age and ethnicity, children with special educational needs, the number of vacant places, opening hours and days and whether there is potential for expansion.

4.1 Number of places

The estimated number of Ofsted registered places in out of school providers is 309,870. (The Ofsted database has 341,200 out of school places registered. However, as mentioned in the previous chapter, some providers are no longer operating). This is an eight per cent increase from 2003 when the equivalent figure (obtained by adding together places in out of school providers to those in holiday clubs) was 286,800[5].

This is a smaller increase than the increase in the number of settings (which had increased by 18 per cent). However, comparisons with 2003 should be treated with caution as the method of sampling and interviewing this group of providers has changed (as discussed in the introduction).

4.2 Types of care offered

The out of school childcare sector covers any care provided both before and after school, during the school holidays and at weekends. Many of the out of school providers provide more than one type of out of school childcare. The most common out of school childcare provided were after school activities (provided by 76 per cent of out of school providers) and holiday clubs (provided by 73 per cent of out of school providers). Half (47 per cent) of the out of school providers offered activities or childcare before school. Provision of activities and childcare at weekends is fairly uncommon and only six per cent offered this.

As well as offering out of school care, two-fifths (43 per cent) offered sessional care for children under five and a third (34 per cent) offered full day care for children under five.

[5] This comparison is not exact, as providers in the 2005 survey will have answered with regard to their after school services rather than their holiday provision (if they provide both), whereas in 2003, providers will have been equally likely to have answered about either after school or holiday provision (if they provide both). Thus, this finding is indicative only.

Table 4.1 Type of out of school childcare provided		
	Total 2005	
	%	**No.**
After school activities	**76%**	**6,600**
Holiday childcare	**73%**	**6,300**
Before school activities	**47%**	**4,000**
Weekend care	**6%**	**500**
Full daycare for under 5s	**34%**	**2,900**
Sessional day care for under 5s	**43%**	**3,700**

Base 2005: All out of school providers (unweighted 1,039, weighted and grossed 8,609)

Half of the out of school providers (53 per cent) said they accepted children both after school and during school holidays.

4.3 Number of children attending

The total number of children attending registered out of school providers in England in 2005 was 465,500. The average number of children attending per setting was 55. A third (37 per cent) of out of school providers catered for over 50 children. There was little difference by area, whether the setting was for-profit of not-for profit, or whether the provider was telling us about after school activities and childcare or holiday activities or childcare.

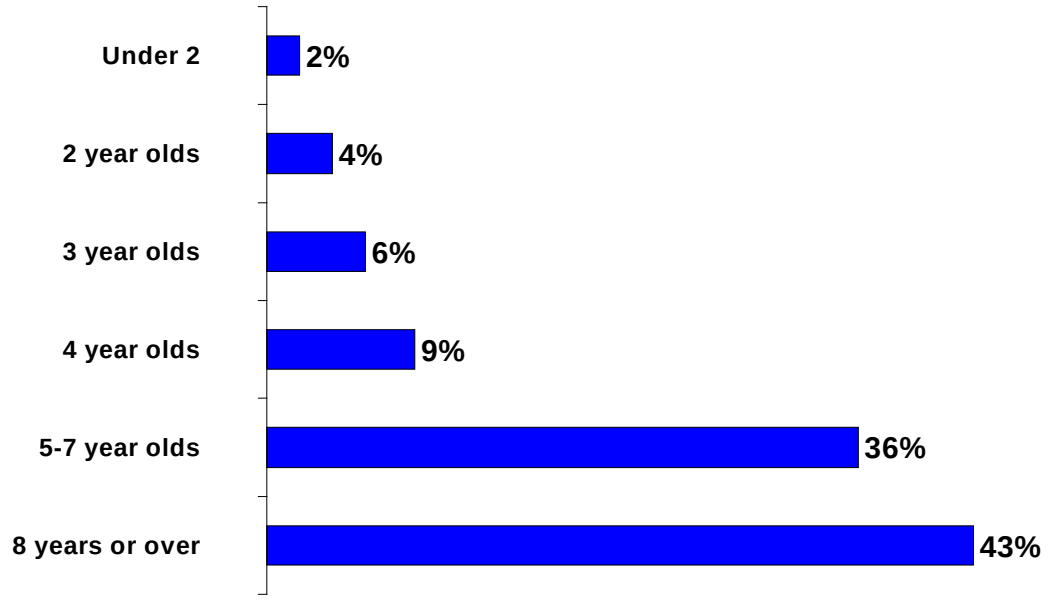
Not all of these children would be attending for out of school provision, as is evident from the age information provided. If only school age children (aged 5+) are considered, the number attending out of school provision was 355,300 (an average of 43 per setting). (Some of the younger children may be attending an out of school provider who provides wrap around care for children in nursery education, which may also be seen by the provider as out of school care).

4.4 Ages

As mentioned above, most of the children attending registered out of school providers were aged 5+ (80 per cent). Children attending after school clubs had a similar age profile to those attending holiday clubs, although after school clubs had a slightly

greater proportion of pre-school children (22 per cent were aged under 5 compared with 14 per cent of children attending holiday clubs).

Chart 4.1 Proportions of enrolled children by age group



Base: All children (unweighted 55,929 in 1039 providers; weighted 445,281 in 8609 providers)

0 to 2 year olds

The number of children aged 0-2 years old attending out of school providers in England in 2005 was 26,900. These children would obviously not be attending the out of school provision, but would be making use of the nursery or playgroup care that some out of school providers offered. Ninety per cent of out of school providers said that their out of school provision did not have any children of this age on their books.

3-4 years old

Three and four year olds are also unlikely to be attending out of school provision. Some four year olds (who are rising fives) may be at school in a reception class, or attending nursery education full time and so may fall into the scope of out of school

provision. Three year olds may be receiving wrap around care linked to a standard nursery education place. In total, 63,000 three and four year olds are being catered for in England by out of school providers.

5-7 years old

The number of children aged five to seven attending out of school providers in England was 162,450 in 2005, making up a third (36 per cent) of children attending out of school providers. Ten per cent of out of school providers had no children in this age group. On average, those out of school providers with 5-7 year olds on their books had 20 attending.

8+ years old

This age group formed the largest proportion of children catered for by the out of school providers, accounting for 43 per cent of children attending. In total, 192,800 children of this age were attending out of school provision in England in 2005. Sixteen per cent of out of school providers currently had no 8+ year olds on their books (and this was more common among providers with larger numbers of staff). On average, those out of school providers with 5-7 year olds on their books had 23 attending.

4.5 Black or minority ethnic groups (BME)

Overall there were 70,250 children of black or minority ethnic origin attending registered out of school care providers, representing 17 per cent of all children (for whom ethnic origin was provided). A fifth (20 per cent) of out of school providers had no children of black or minority ethnic origin attending (this rose to 32 per cent in the South West and fell to two per cent in London).

Data from the 2001 Census shows that although people of black or minority ethnic origin make up around 9 per cent of England's population, among those aged 0-7 the proportion rises to 15 per cent. This suggests that children of BME origin are using out of school care as would be expected from their proportion in the population

Providers based in the 30 per cent most deprived areas, those in areas of high population density and those situated in London have higher numbers of children of black or minority ethnic origin, and these children make up a higher proportion of their enrolments. In London, on average, half (48 per cent) of children enrolled are of BME origin, and only two per cent of London based providers have no children of BME origin enrolled. According to the 2001 Census, in London, 40 per cent of 0-7 year of olds are of black or minority ethnic origin.

Table 4.2 Proportion of children of black or minority ethnic origin						
	Total 2005		30% most deprived areas		70% least deprived areas	
Unweighted base	**1039**		345		694	
	%	**No.**	%	No.	%	No.
None	**20%**	**1,800**	15%	400	23%	1,300
1- 5%	**21%**	**1,800**	16%	450	24%	1,400
6-10%	**15%**	**1,300**	11%	300	17%	1,000
11% or more	**38%**	**3,250**	55%	1,600	29%	1,700
Don't know	**5%**	**450**	3%	100	6%	350
Mean (inc. zeros)	**17%**		29%		10%	
Base: All out of school providers (unweighted 1,039, weighted and grossed 8,609)						

4.6 Special Educational needs (SEN)

Overall there were 44,050 children attending registered out of school providers in England who have a special educational need (SEN); this represents eleven per cent of the overall number of children. A quarter (25 per cent) of out of school providers had no children with a special educational need attending, and there was little difference by region or type of area. At the other extreme, for 24 per cent of providers 11 per cent or more of the children attending had special educational needs.

The data shows a link between the number of children attending settings that have a special educational need and providers based in the most deprived areas. In the 30 per cent most deprived areas 33 per cent of providers had more than 10 per cent of children with a special educational need compared to 20 per cent of providers in less deprived areas.

Among out of school providers set up on a not-for-profit basis 31 per cent had more than 10 per cent of their children with SEN compared with 15 per cent of those set up on a for-profit basis.

Table 4.3 Proportion of children who have a special educational need (SEN)			
	Total 2005 % of all providers	30% most deprived areas	70% least deprived areas
None	**25%**	22%	27%
1-5%	**30%**	27%	31%
6-10%	**17%**	15%	18%
11% or more	**24%**	33%	20%
Mean percentage	**11%**	14%	10%
Base: All out of school providers (unweighted 1,039, weighted and grossed 8,609)			

In 2004, 17 per cent of children at maintained primary schools were assessed as having special educational needs (around two per cent with statements). This is slightly higher than the proportion in out of school care – but providers will be relying on their own judgement, as the managers of out of school providers may not have access to this information.

Holiday clubs appeared to cater for a higher proportion of children with special educational needs than after school clubs. A third (35 per cent) of holiday clubs had more than 10 per cent of children with SEN, and on average 19 per cent of children attending the holiday clubs had special educational needs. The proportion attending after school clubs was nine per cent.

4.7 Vacancies

At the time of the survey, there were approximately 71,550 vacant registered 'out of school' places in England. Three out of ten providers (29 per cent) had no vacant places on an average day, 24 per cent one to five places, 20 per cent had six to ten, 14 per cent had 11 to 20 and eight per cent had 21 or more. On average, providers had nine vacant places on an average day. Providers in London were the most likely to be full, with 37% of providers having no vacant places on an average day.

There were no significant differences between holiday clubs and after school clubs in terms of their likelihood of having vacancies, or the average number of vacancies per setting.

4.8 Term time care

After school providers were open for 4.6 hours a day (in term time). There is no information as to whether these hours were before or after school.

There were no significant differences in hours between after school providers in different types of area, or in different regions.

On average, after school providers opened for five (4.9) days a week during term-time. Ninety two per cent of providers were open for five days per week. Two per cent were open for more than five days a week.

4.9 Holiday time care

On average holiday clubs were open for 7.4 hours a day during the holidays. Thirty six per cent were open for 9-10 hours and two per cent were open for 11 hours or more. Again, there were few differences by area.

As with term time, most holiday clubs (86 per cent) were open for five days during the holidays. The average amount of time they were open was 4.9 days per week.

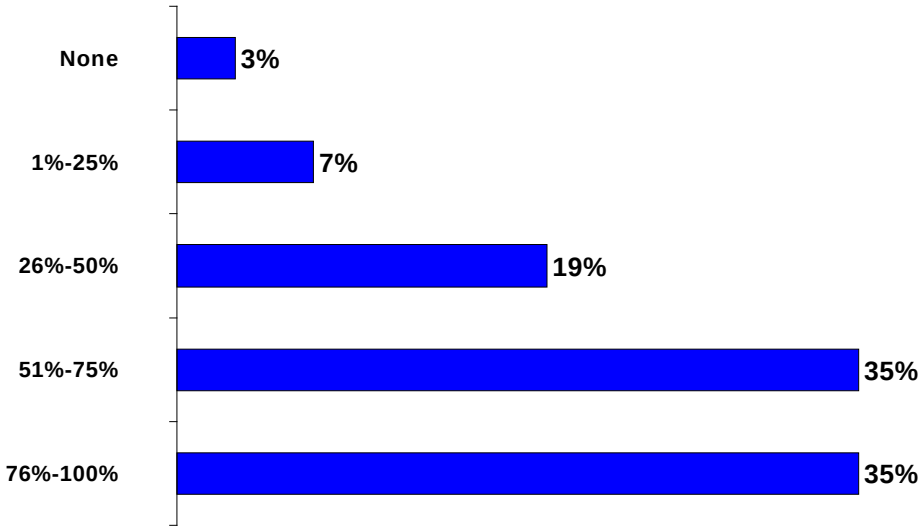
A third (31 per cent) of holiday clubs said that they were open during all holidays (including half term). This rose to 36 per cent if half term was not included. A fifth (22 per cent) were only open during the summer holidays.

4.10 Breaking even

Providers were asked what proportion of places they needed to be taken up in order for them to break even. On average, providers needed 65 per cent of places to be taken up in order to break even. Of those able to answer, a third (35 per cent) said they needed 76 to 100 per cent of places to be taken up, 35 per cent said they required 51 to 75 per cent, 19 per cent said 26 to 50 per cent, seven per cent said one to twenty five per cent and three per cent said none. A third (32 per cent) of out of school providers could not answer this question.

There was no difference in the proportion of places that after school and holiday clubs needed to fill in order to break even.

Chart 4.2 Proportion of places that need to be filled to break even



Base: All module A able to answer (unweighted 361, weighted and grossed 2,993)

As discussed in greater detail in chapter 9, 64 per cent of out of school providers had either made a profit or covered their costs in their last financial year.

4.11 Expansion

Four in ten providers (38 per cent) said they could expand in their current premises, while six in ten (60 per cent) said they could not. Holiday clubs were more likely to be able to expand in their current premises (53 per cent compared with 34 per cent of after school clubs).

One fifth (18 per cent) of providers said they had expanded in the last 12 months (similar proportions of after school and holiday clubs had expanded). A further 16 per cent said that they planned to expand in the next 12 months. Again, there was no significant difference in the likelihood of after school clubs and holiday clubs expanding.

Table 4.4 Potential for expansion (increasing number of places)		
	Total 2005	
Unweighted base	**526**	
	%	**No.**
Able to expand in current premises	**38%**	**3,350**
Not able to expand in current premises	**60%**	**5,250**
Have expanded in last 12 months	**18%**	**1,550**
Have not expanded, but plan to expand in next 12 months	**16%**	**1,400**
Have not expanded and have no plans to	**62%**	**5,450**
Base: All module A (unweighted 494, weighted and grossed 4,374)		

Providers who had not expanded in the last 12 months and didn't plan to expand in the next 12 months were asked to give reasons as to why they don't intend to expand. The reasons are detailed in the table below. The most common reason given was *'Would need larger premises'* (31 per cent), followed by *'Already at maximum capacity'* (28 per cent). A fifth said that there was *'No sufficient demand for extra places'* (22 per cent). Other reasons were mentioned by ten per cent or less.

Table 4.5 Reasons for not planning to expand in the next 12 months	
	Total 2005 **%**
Would need larger premises	**31%**
Already at maximum capacity	**28%**
No sufficient demand for extra places	**22%**
Too costly to expand	**10%**
Difficulties recruiting suitable staff	**9%**
No need to expand/ don't wish to expand	**6%**
Not enough staff	**4%**
Regulations	**4%**
Premises not suitable	**2%**
Too much competition from other providers	**2%**
Closing/sold	**1%**
Other answers	**4%**
Don't know	**2%**
Base: All out of school care providers (Module A) that have not expanded in the last 12 months and have no plans to expand (unweighted 328, weighted and grossed 2,721)	

5 Characteristics of Staff

This chapter looks at the number of paid and unpaid staff working within the registered out of school sector. It also 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.

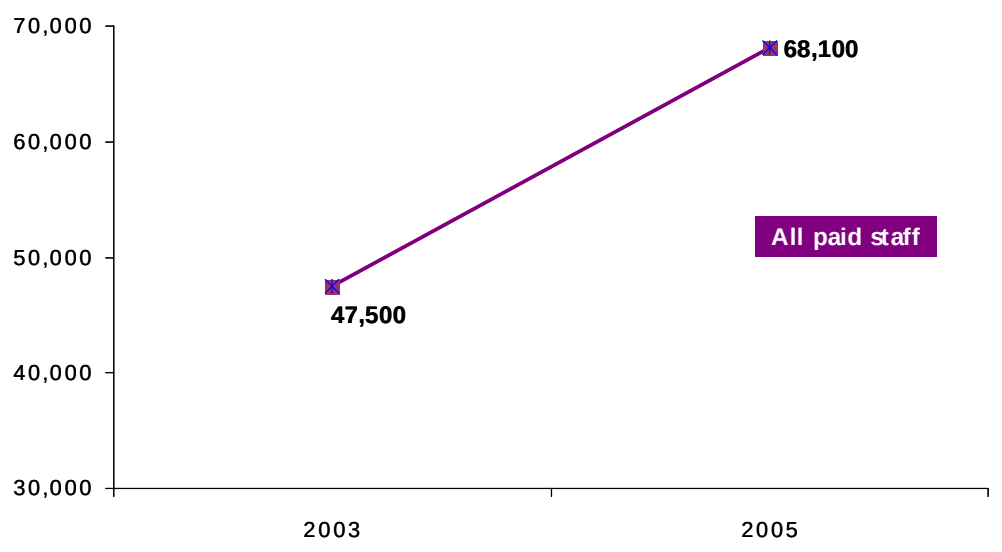
5.1 Number of staff

5.1.1 Paid staff

In 2005 there were 68,100 paid staff working within registered out of school care settings in England. In 2003 there were 47,500 paid staff[6]; by 2005 this had increased by 20,600, representing a 43 per cent increase. This is more than might be expected given the growth in the number of out of school settings (which has increased by 18 per cent). However, the comparisons with 2003 should be treated with caution as discussed in the introduction.

The average number of staff per setting is 7.9; in 2003 this figure was 6.5. This calculates at a ratio of one member of paid staff per 4.6 places in 2005, compared with one member of staff to six places in 2003.

Chart 5.1 Number of paid staff working in out of school care providers



Base 2005: All out of school care providers (unweighted 1,039, weighted and grossed 8,609)
Base 2003: All out of school care providers (unweighted 850, weighted and grossed 4,534) and holiday club providers (unweighted 850, weighted and grossed 2,781) combined

[6] This figure is derived by calculating the total number of staff working within out of school and holiday club providers in 2003. As discussed in Chapter 3, this is not a perfect comparison.

In 2005 there were 8,200 senior managers, 35,000 supervisory staff and 25,000 other paid childcare staff[7]. Overall the number of paid staff has increased by 43 per cent; however the rate of increase varied considerably across the different staff grades. The number of senior managers increased by 12 per cent, the number of supervisory staff increased by 79 per cent and the number of other paid childcare staff increased by 21 per cent.

Table 5.1 Number of paid staff

	Total 2005		Total 2003		*Change from 2003 to 2005*	
	%	**No.**	%	No.	*%*	*No.*
Numbers by type of staff						
All paid staff		**68,100**		47,500	*+43%*	*+20,600*
Senior Managers	**12%**	**8,200**	15%	7,300	*+12%*	*+900*
Supervisory staff	**51%**	**35,000**	41%	19,500	*+79%*	*+15,500*
Other paid childcare staff	**37%**	**25,000**	44%	20,700	*+21%*	*+4,300*
Average number of staff per setting						
All paid staff	**7.9**		6.5		*+1.4*	
Senior Managers	**1.0**		1.0		*+-0*	
Supervisory staff	**4**		2.7		*+1.3*	
Other paid childcare staff	**2.9**		2.8		*+0.1*	

Base 2005: All out of school care providers (unweighted 1,039, weighted and grossed 8,609)

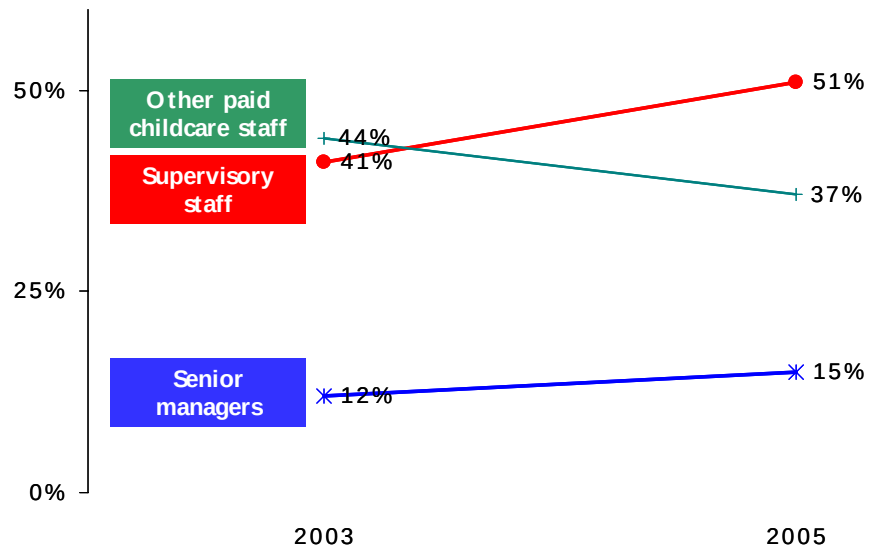
Base 2003: All out of school care providers (unweighted 850, weighted and grossed 4,534) and holiday club providers (unweighted 850, weighted and grossed 2,781) combined

The 2005 out of school figures show an increasingly professional workforce working in the sector. There has been a shift from other paid childcare staff to supervisory staff. In 2003, supervisory staff made up 41 per cent of the paid workforce and other paid childcare staff made up 44 per cent. In 2005 the proportion of supervisory staff had increased to 51 per cent and other childcare staff had decreased to 37 per cent. The

[7] The total number of paid staff is different to the sum of the numbers of individual staff types due to the rounding of figures.

growth in numbers of supervisory staff has been substantial – with the workforce size at this level almost doubling in the last two years.

Chart 5.2 Proportion of grades of staff



Base 2005: All out of school care providers (unweighted 1,039, weighted and grossed 8,609)

Base 2003: All out of school care providers (unweighted 850, weighted and grossed 4,534) and holiday club providers (unweighted 850, weighted and grossed 2,781) combined

5.1.2 Unpaid staff

There was a total of 11,450 unpaid staff working within registered out of school providers, 5,100 students on placements and 6,350 volunteers. This shows an increase in unpaid workers from 2003 when there were 8,600.

This is due to both an increase in the number of unpaid students on placement, which has increased from 3,500 in 2003 to 5,100 in 2005 (an increase of 1,600) and an increase in the number of volunteers from 5,100 to 6,350 in 2003 (an increase of 1,250).

The average number of unpaid staff per setting was 1.3, a similar figure to 2003 when the ratio was 1.2.

In total there were 78,900[8] paid and unpaid staff working within out of school providers. In 2003 there were 56,100, representing a 41 per cent increase. Overall there has been an increase in the average number of staff per setting. In 2005 the figure had increased to 9.2 from 7.7 in 2003.

The ratio of staff per place has improved from one member of staff per 5.1 places in 2003 to one member of staff to 3.9 places in 2005.

Table 5.2 Number of unpaid staff

	2005	2003	*Change from 2003 to 2005*	
Numbers by type of staff			*%*	*No.*
All paid staff and unpaid staff	**78,900**	56,100	*+41%*	*+22,800*
Unpaid staff				
Volunteers	**6,350**	5,100	*+25%*	*+1,250*
Students on placements	**5,100**	3,500	*+55%*	*+1,600*
Total unpaid staff	**11,450**	8,600	*+33%*	*+2,850*

Base 2005: All out of school care providers (unweighted 1,039, weighted and grossed 8,609)

Base 2003: All out of school care providers (unweighted 850, weighted and grossed 4,534) and holiday club providers (unweighted 850, weighted and grossed 2,781) combined

5.2 Agency staff

About one in ten (12 per cent) providers had used agency, freelance or supply staff in the last 12 months. Providers located in the 30 per cent most deprived areas were more likely to have used agency staff than the 70 per cent least deprived – 18 per cent compared with 9 per cent respectively. London (22 per cent) was also more likely to have used agency staff.

5.3 Age

Senior managers tend to be older than supervisory and other paid childcare staff. A fifth (21 per cent) were aged 50 or over, compared with just ten per cent of supervisory staff and nine per cent of other paid childcare staff. Other paid childcare staff was the youngest group with a fifth (21 per cent) aged 16-19, compared with four per cent of supervisory staff and less than one per cent of senior managers.

[8] This number does not match the sum of the individual staff types because of the scaling up and rounding or figures.

Table 5.3 Age of paid staff								
	Overall 2005		Senior Manager		Supervisory staff		Other paid childcare staff	
	%	**No.**	%	No.	%	No.	%	No.
16-19	**9%**	**8,200**	*	50	4%	1,400	21%	5,250
20-24	**20%**	**14,800**	6%	500	23%	8,050	25%	6,250
25-39	**35%**	**23,750**	37%	3,000	40%	14,000	27%	6,750
40-49	**22%**	**14,300**	35%	2,850	22%	7,700	15%	3,750
50+	**12%**	**7,500**	21%	1,750	10%	3,500	9%	2,250

Base: All senior managers (unweighted 987, weighted and grossed 8,181), All supervisory staff (unweighted 2,364, weighted and grossed 19,595), All other paid childcare staff (unweighted 1,690, weighted and grossed 14,022), All paid staff 2005 (unweighted 5,041, weighted and grossed 41,798)

5.4 Gender

Men made up 13 per cent of the registered out of school childcare workforce, around 8,850 staff. Overall, two fifths (42 per cent) of providers employed at least one man. Providers based in London (61 per cent) and holiday clubs (63 per cent) were more likely to employ at least one man, compared to the average (42 per cent). Larger providers were more likely to employ at least one man – of the settings with 16 or more staff, 74 per cent employ male staff compared with 28 per cent of providers with one to five staff.

5.5 Disability

Paid members of staff with a disability represented just two per cent of the total out of school workforce – 1,200 people. One in ten providers (11 per cent) employed at least one member of staff who has a disability.

Profit making organisations were less likely to employ at least one member of staff with a disability than non-profit making organisations – six per cent compared with 14 per cent respectively.

According to the 2005 Labour Force Survey (LFS), about ten per cent of the working population (and 11 per cent of the female working population) have a disability.

5.6 Ethnicity

One in ten (12 per cent) people working in the registered out of school childcare sector were from a black or minority ethnic group, around 8,300 people.

A third of providers (32 per cent) employed at least one member of staff from a black or minority ethnic group.

On average, settings based in London had a higher proportion of staff from a black or minority ethnic group (40 per cent), as did those based in the 30 per cent most deprived areas (21 per cent), compared to the overall average of 12 per cent.

On average providers based in low and medium population density areas had a lower proportion of staff from black or minority ethnic groups (two and three per cent respectively).

If we compare the 2005 out of school figures with the UK average we can see that a higher proportion of people from black or minority ethnic (BME) group work within out of school care settings (12 per cent) compared with the average for UK working population (eight per cent). In London, the difference is greater still. In London the average proportion of the working population that are from a black or minority ethnic (BME) group is 29 per cent, while the proportion working within out of school providers in 2005 was 40 per cent.

Table 5.4 Number of male staff, staff from a black or minority ethnic group and number of staff with a disability

	Total 2005		UK average
	%	**No.**	%
Proportion of male staff	**13%**	**8,850**	NA
Proportion of staff from a black or minority ethnic group	**12%**	**8,300**	8%
Proportion of staff with a disability	**2%**	**1,200**	10%

Base 2005: All staff in out of school providers (unweighted 7,699, weighted and grossed 77,100)

5.7 Working hours

The majority (63 per cent) of out of school paid staff work part time (less than 30 hours a week).

The average number of hours worked for all staff was 23 hours a week.

Senior managers work the longest, on average 29 hours a week, with around half (53 per cent) working full time (30 hours or more a week).

Supervisory staff worked on average 23 hours a week with 35 per cent working full time (30 hours or more a week).

Other paid childcare staff worked the shortest number of hours. On average they work for 18 hours a week and a fifth (22 per cent) work full time (30 hours a week or more).

To put these figures into context we can compare them with the UK averages[9]. In July to September 2005, the average number of hours worked for the working population was 32.1 hours and 26.5 hours for females.

Table 5.5 Average number of hours worked a week

	Average hours
All staff	23
Senior manager	29
Supervisory staff	23
Other paid childcare staff	18
UK: All staff	32.1
UK: Females	26.5

Base: All senior managers (unweighted 987, weighted and grossed 8,181), All supervisory staff (unweighted 2,364, weighted and grossed 19,595), All other paid childcare staff (unweighted 1,690, weighted and grossed 14,022), All paid staff 2005 (unweighted 5,041, weighted and grossed 41,798)

5.8 Pay levels

The average hourly pay for all staff working in the registered out of school childcare sector was £6.70.

The average hourly pay for senior managers was £9.00.

The average hourly pay for supervisory staff was £6.80.

The average hourly pay for other paid childcare staff was £5.70.

[9] Labour Force Survey: Actual Hours Worked (SA) July to September 2005

The average hourly pay was higher for all staff grades in London, senior managers earned £11.30 an hour, supervisory staff earned £8.50 an hour and other paid staff earned £6.90 an hour.

The figures are considerably lower than the UK average. In summer 2005[10], the average hourly wage for the UK was £10.63 and £9.43 for females, and £8.06 for part-time workers.

Table 5.6 Average pay for all out of school care staff

	Overall		Senior manager		Supervisory staff		Other paid childcare staff	
	%	**No.**	**%**	No.	%	No.	%	No.
Less than £4	**1%**	**700**	*	50	0	0	2%	500
£4-5.50	**28%**	**19,050**	3%	200	21%	7,350	50%	12,500
£5.51-7.50	**38%**	**25,900**	23%	1,650	47%	16,450	32%	8,000
£7.51-10	**14%**	**9,550**	30%	2,100	16%	5,600	4%	1,000
£10.01-15	**4%**	**2,700**	12%	850	4%	1,400	1%	250
£15 or more	**1%**	**700**	3%	250	*	100	*	50
Refused	**3%**	**2,050**	4%	300	3%	1,050	3%	750
Don't know	**11%**	**7,500**	25%	1,750	8%	2,800	7%	1,750
Mean	**6.70**		**9.00**		**6.80**		**5.70**	
Median	7.00		8.00		7.00		6.00	

Base: All senior Managers (unweighted 987, weighted and grossed 8,181), All supervisory staff (unweighted 2,364, weighted and grossed 19,595), All other paid childcare staff (unweighted 1,690, weighted and grossed 14,022), All paid staff 2005 (unweighted 5,041, weighted and grossed 41,798)

5.9 Other work

Two-fifths (38 per cent) of paid staff working within registered out of school care providers, around 25,750 staff, did other paid work in addition to working for the provider sampled in the 2005 survey.

For those providers who had more than one person doing other paid work, on average 69 per cent did other work within the education or childcare sector.

[10] Labour Force Survey 2005

6 Training

This chapter looks at views on the amount of training received by childcare staff, training plans, training budgets and the amount spent on training for out of school providers.

6.1 Views of current level of training

Three-quarters of senior managers said that they thought the amount of training their staff had received in the last year was about right. Two per cent believed they had received too much training and a substantial minority (20 per cent) felt that their staff had received an insufficient amount of training in the last year. Views were similar among managers of after school clubs and holiday clubs.

These figures were very similar to those reported for out of school clubs in 2003

Table 6.1 Views of current level of training

	Total 2005		Total 2003		*Change from 2003 to 2005*
	%	**No.**	%	No.	
Too little	**20%**	**1,700**	23%	1,000	*-3*
About right	**75%**	**6,400**	73%	3,300	*+2*
Too much	**2%**	**200**	2%	100	*0*

Base 2005: All out of school care providers (Module B) (unweighted 513, weighted and grossed 4,235)

Base 2003: Out of school clubs (unweighted 850, weighted and grossed 4,534)

6.2 Training plans and budgets

About two-thirds (64 per cent) of all registered out of school providers have a written training plan; this was very similar to the 2003 results for out of school clubs (62 per cent). Larger settings with 11 or more staff were more likely to have a training plan (75 per cent) compared to smaller settings with less than 11 staff (62 per cent). The sample size for larger settings (as defined here) is relatively small (below 100) so the results need to be interpreted with some caution. Providers with a lower proportion of Level 3 qualified staff were less likely (61 per cent) to have a training plan than out of school providers with a high level of qualified staff (70 per cent). [11]

[11] A *low proportion of staff with at least a level 3 qualification* was defined as below 50% and a *high proportion of staff with at least a level 3 qualification* was defined as above 50%.

Half (50 per cent) of all registered out of school providers had a training budget. The proportion of out of school providers that had a training budget had gone up slightly from 43 per cent in 2003 to 50 per cent in this year's survey. (The results from the 2003 and 2005 survey are not entirely comparable as we have discussed in the introduction to this report, so this finding is only indicative).

Table 6.2 Written Training Plan and specific training budget

	Total 2005		Total 2003		*Change from 2003 to 2005*
	%	**No.**	%	No.	
Have training plan	**64%**	**5,400**	62%	2,800	*+2*
Don't have training plan	**34%**	**2,900**	36%	1,600	*-2*
Don't know	**2%**	**100**	2%	100	*0*
Have a training budget	**50%**	**4,200**	43%	2,000	*+7*
Don't have training budget	**47%**	**3,900**	53%	2,400	*-6*
Don't know	**4%**	**300**	4%	200	*0*

Base 2005: All out of school care providers (Module B) (unweighted 513, weighted and grossed 4,235)

Base 2003: Out of school clubs (unweighted 850, weighted and grossed 4,534)

6.3 Funding

The main source of funding for training was Government funding (combining Local Authority funding and Sure Start funding)[12]. The vast majority (76 per cent) of providers received some form of Government funding.

Fifteen per cent received funding from the Learning and Skills Council. Providers also received funding from many other sources such as Jobcentre Plus and the local community. However, only a very small number of providers received any such funding.

After school clubs were more likely to get money from Government sources than were holiday clubs (79 per cent compared with 64 per cent).

[12] This was a new question added in 2005 questionnaire and hence there is no trend data. The actual amount spent in training was not asked in the 2005 survey.

Table 6.3 Funding sources for training				
	2005 All		After school clubs	Holiday clubs
	%	**No.**	%	%
Government sources (EYDPC/Sure Start)	**76%**	**6,500**	79%	64%
Learning & Skills Council	**15%**	**1,250**	15%	13%
Jobcentre Plus	**3%**	**250**	3%	1%
Local community	**2%**	**150**	2%	2%
No answer	**19%**	**1,650**	17%	30%
Other	**6%**	**500**	6%	5%
Don't know	**2%**	**200**	2%	5%
Base: All out of school providers (Module B) (unweighted 513, weighted and grossed 4,235); All after school clubs (Module B) (unweighted 412, weighted and grossed 3,391); All holiday clubs (Module B) (unweighted 98, weighted and grossed 819)				

6.4 Training Provision and Type of Training Provided

Almost all (95 per cent) registered out of school providers said they help staff to receive other types of training (i.e. training that is not directly related to a specific childcare qualification). The most common types of training provided were: first aid (75 per cent), child protection (46 per cent), food hygiene (40 per cent) and childcare training (38 per cent).

Table 6.4 Type of training provided

	2005 All		After school clubs	Holiday clubs
	%	No.	%	%
First Aid	75%	6,050	76%	69%
Child protection	46%	3,750	47%	42%
Food hygiene	40%	3,250	44%	26%
Childcare training	38%	3,050	39%	31%
Health and safety training	37%	3,000	36%	41%
SENCO/Special needs training	14%	1,150	15%	13%
Management/ business skills	11%	850	12%	7%
Behaviour management	10%	800	10%	8%
Equal opportunities	5%	450	6%	4%
Early years training	5%	400	5%	3%
Other answer	12%	1,000	11%	19%

Base: Out of school providers who provide training (module B) (unweighted 488, weighted and grossed 4,024); after school (unweighted 392, weighted and grossed 3,222); holiday club (unweighted 93, weighted and grossed 777)

Only answers of 5% or more have been included in this table.

7 Qualifications of Staff

This section looks at the relevant qualifications held by paid childcare staff working in registered out of school care settings. The questionnaire was designed to only pick up qualifications that were relevant to working with young people and children. This chapter covers current qualifications held and qualifications that staff are working towards, qualifications required when recruiting senior managers, the proportion of senior manager that were NVQ assessors and whether providers offer time off and or financial help for those working towards a childcare qualification.

7.1 Definitions of Qualifications Levels

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. Qualified Teacher Status)
- 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 hold[13].

There have been changes to the way that the levels are defined since the previous survey in 2002/3. Current Levels 4, 5 and 6 (as defined above) were previously all part of Level 4. Current Levels 7 and 8 were previously part of Level 5. Further information can be found in the Technical appendices to this report.

[13] In the previous surveys, respondents were asked for the actual name and level of the qualification. In the 2005 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.

7.2 Current qualifications held

Among all paid childcare staff, almost three-quarters (73 per cent) had some kind of qualification (Levels 1 to 8) relevant to working with children or young people and 22 per cent had no relevant qualifications at all. Half (51 per cent) of paid staff had at least a Level 3 qualification and seven in ten (70 per cent) had at least a Level 2 qualification.

Focusing on the 2005 after school clubs enables some comparisons to be made with the previous survey (2003). Seventy one per cent of all paid staff working at after school clubs[14] held at least a Level 2 qualification. This had increased by 17 percentage points from the previous survey (54 per cent). The proportion of all staff working at after school clubs that held at least a Level 3 qualification had also increased from the previous survey from 37 per cent to 51 per cent.

Twenty two per cent of all paid childcare staff working at after school clubs had no relevant qualification in 2005, a decrease from 37 per cent in 2003.

Table 7.1 Level of qualification held by all paid staff

	2005	
	%	No.
Level 1	**3%**	**2,050**
Level 2	**19%**	**12,950**
Level 3	**41%**	**27,900**
Level 4/5	**4%**	**2,700**
Level 6	**5%**	**3,400**
Level 7/8	**1%**	**700**
Other	**3%**	**2,050**
Don't know	**2%**	**1,350**
No qualification	**22%**	**15,000**
At least Level 2	***70%***	***47,650***
At least Level 3	***51 %***	***34,750***

Base: All senior managers (unweighted 987, weighted and grossed 8,181), All supervisory staff (unweighted 2,364, weighted and grossed 19,595), All other paid childcare staff (unweighted 1,690, weighted and grossed 14,022), All paid staff 2005 (unweighted 5,041, weighted and grossed 41,798)

[14] Providers who said they provided after school care were asked to focus on this element of their childcare provision when responding to the survey.

7.2.1 Senior Managers

The National Daycare Standards (2003) for under 8s day care and childminding specify that the manager should have at least a Level 3 qualification appropriate to the post. (Where this cannot be achieved immediately, providers can agree with Ofsted on an action plan detailing how the provider will meet this requirement along with an approved timescale.)

Around eight in ten (82 per cent) senior managers held at least a Level 3 qualification.

Thirteen per cent of senior managers held a Level six or above qualification

One in ten (eight per cent) had no relevant qualification.

Table 7.2 Highest qualification level held by Senior manager

	2005	
	%	**No.**
Level 1	*	*
Level 2	**5%**	**350**
Level 3	**56%**	**4,550**
Level 4/5	**13%**	**1,100**
Level 6	**10%**	**800**
Level 7/8	**3%**	**250**
Other	**4%**	**300**
Don't know	**1%**	**100**
No qualification	**8%**	**700**
At least Level 2	***86%***	***7,050***
At least Level 3	***82%***	***6,650***

Base: All senior managers (unweighted 987, weighted and grossed 8,181),

7.2.2 Supervisory staff

Nine in ten (89%) supervisory staff that had at least a Level 2 qualification and around seven in ten (68%) had at least a Level 3 qualification. Just five per cent of supervisors had no relevant qualifications.

Table 7.3 Highest qualification level held by supervisory staff

	2005	
	%	**No.**
Level 1	**1%**	**350**
Level 2	**21%**	**7,350**
Level 3	**59%**	**20,650**
Level 4 & 5	**3%**	**1,050**
Level 6	**5%**	**1,750**
Level 7 &8	*****	**50**
Other	**3%**	**1,050**
DK/No answer	**2%**	**700**
No qualification	**5%**	**1,750**
At least Level 2	***89%***	***31,150***
At least Level 3	***68%***	***23,800***

Base: All supervisory staff (unweighted 2,364, weighted and grossed 19,595)

7.2.3 Other paid childcare staff

Just over half (53 per cent) of all other paid childcare staff held no relevant childcare qualifications. A third (35 per cent) held at least a Level two qualification and ten per cent held at least a Level three qualification. One per cent of other paid childcare staff held a Level six or above qualification.

Table 7.4 Highest qualification level held by other paid childcare staff

	2005	
	%	**No.**
Level 1	**6%**	**1,500**
Level 2	**25%**	**6,250**
Level 3	**8%**	**2,000**
Level 4 & 5	**0%**	**50**
Level 6	**1%**	**250**
Level 7 & 8	*****	**50**
Other	**3%**	**750**
DK/No answer	**3%**	**750**
No qualification	**53%**	**13,250**
At least Level 2	***35%***	***8,750***
At least Level 3	***10%***	***2,500***

Base: All other paid childcare staff (unweighted 1,690, weighted and grossed 14,022)

7.3 Qualifications being worked towards

Among all paid childcare staff, 29 per cent were currently working towards some kind of qualification[15]. The proportion of all paid childcare staff that were not working towards a qualification was 66 per cent.

Level 3 was the most common qualification being worked towards amongst all paid childcare staff (15 per cent) followed by Level 2 (six per cent).

Fifteen per cent of after school club supervisory staff were working towards a Level 3 qualification compared to eight per cent of holiday club supervisory staff. Similarly, 16 per cent of other childcare staff working at after school clubs were studying towards a Level 2 qualification compared to eight per cent of other staff working at holiday clubs.

[15] Measured in this survey as levels 1 to 8

Looking at 2005 after school clubs alone, 66 per cent of all staff were not studying towards a qualification. If we compare this figure with the 2003 out of school figures, there has been an increase of five percentage points from 61 per cent. The most common qualification level being worked towards by all staff working for after school clubs was Level 3 (15 per cent), as was the case in the previous survey (19 per cent).

Twenty eight per cent of all paid staff working at after school clubs were working towards at least a Level 2 qualification, which was six percentage points greater than those working towards at least a Level 3 qualification (22 per cent).

7.3.1 Type of staff

The table below shows that other paid staff were most commonly working towards a qualification. This is consistent with the earlier result that other paid staff are the least likely to already hold a qualification. The most common qualification that other paid staff were working towards was a Level 3 qualification (18 per cent) closely followed by Level 2 (14 per cent).

Senior managers who were studying for a qualification were more likely to be working towards a Level 4 or higher qualification than supervisory or other paid staff.

Table 7.5 Qualifications worked towards by type of childcare staff

	All staff		Senior managers		Supervisory staff		Other paid childcare staff	
	%	**No.**	%	No.	%	No.	%	No.
Level 1	**1%**	**700**	0%	0	*	50	2%	500
Level 2	**6%**	**4,100**	*	*	3%	1,050	14%	3,500
Level 3	**15%**	**10,200**	12%	1,000	14%	4,900	18%	4,500
Level 4 and 5	**4%**	**2,700**	9%	750	4%	1,400	1%	250
Level 6 and above	**3%**	**2,050**	5%	400	3%	1,050	2%	500
Don't know	**3%**	**2,050**	2%	150	4%	1,400	3%	750
Not studying for relevant qualification	**66%**	**44,950**	70%	5,750	70%	24,500	58%	14,500

Base: All senior managers (Module B) (unweighted 482, weighted and grossed 3,983), All supervisory staff (Module B) (unweighted 1,175, weighted and grossed 9,703), All other paid childcare staff (Module B) (unweighted 845, weighted and grossed 6,970), All paid staff 2005 (Module B) (unweighted 2,502, weighted and grossed 20,656)

7.4 Incentives provided for staff working towards a childcare qualification

Three quarters (76 per cent) of providers with staff working towards a qualification allowed staff time off to work towards qualifications and three quarters (76 per cent) paid at least part of the costs associated with the training.

7.5 Qualifications required of senior managers

Senior managers were asked if they were required to have any qualifications relevant to working with children or young people when they were appointed to their job. Seventy per cent of senior managers said they *were* required to hold a relevant qualification. Senior managers working for after school clubs were more likely (72 per cent) to say this than those working within holiday clubs (61 per cent).

If we compare the 2005 after school group with the 2003 out of school providers there has been an increase in the proportion of senior managers required to hold a relevant qualification when they were appointed – 72 per cent compared with 60 per cent in 2003.

7.6 Qualifications required of senior managers

Of those providers where senior managers weren't required to hold a relevant qualification, half (49 per cent) were required to work towards a qualification when appointed.

7.7 NVQ Assessors

In 2005, 12 per cent of senior managers were 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 in the sector.

Thirteen per cent of after school club senior managers were NVQ assessors which was similar to the proportion from the previous survey (15 per cent).

8 Recruitment and Retention

This chapter outlines the staffing issues for registered out of school providers. This is split into two sections:

- **Recruitment:** levels of recruitment, recruitment methods, current vacancies and difficulties in recruiting
- **Staff retention:** length of service, staff turnover and where leavers went

8.1 Levels of recruitment

In total, registered out of school providers recruited around 26,800 childcare staff in the last 12 months. This gave a recruitment rate of 51 per cent. The recruitment rate is calculated by dividing the total number of paid childcare staff recruited by the total number currently employed less the difference between those recruited and those leaving their current employment.[16]

8.1.1 Senior Managers

Just over one in ten (11 per cent) senior managers had been recruited in the past 12 months; around 950 people.

8.1.2 Supervisory staff

Just over half (52 per cent) of all out of school providers had recruited at least one supervisor in the last year. An average of 1.54 supervisors per setting were recruited and if the data is grossed up this is equivalent to around 12,400 supervisors.

8.1.3 Other paid childcare staff

Almost two-thirds (63 per cent) of the out of school providers had recruited at least one other paid childcare staff, an average of 2.34 per organisation. This means that around a total of 13,450 other childcare staff were recruited within the last 12 months.

8.2 Length of Service

The average length of service for all paid staff was three years and eleven months. The average length of service was higher for senior managers at six years and four months, than supervisory staff at four years and other paid staff at two years and six months.

[16] Please note that the recruitment rate includes ‘churn within the sector’ as well as staff being recruited to the sector.

8.3 Annual staff losses

Half (51 per cent) of all registered out of school providers had lost at least one member of staff. Overall, an average of 1.31 staff had left per organisation and grossed up this means that around 10,900 staff had left in the last 12 months. Overall, 47 per cent of the out of school providers had lost no staff at all in the past 12 months.

Table 8.1 Numbers of staff leaving in previous 12 months

	2005	
	%	No.
None	**47%**	**4,000**
1-2	**38%**	**3,200**
3-4	**8%**	**650**
5+	**5%**	**400**
Any staff leaving	**51%**	**4,300**
Average number of staff leaving per setting	**1.31**	
Total number of staff leaving	**10,900**	

Base: All out of school care providers (Module B) (unweighted 513, weighted and grossed 4,235)

8.4 Staff turnover

Looking at the total number of employees being recruited and the number leaving the sector enables us to express the turnover for the sector and the rate of employment growth.

The turnover rate for 2005 was 21 per cent.[17]

The employment growth rate in 2005 was 30 per cent.[18]

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[17] The turnover rate is calculated by dividing the total number leaving their employment by the total number currently employed, less the difference between those recruited and those leaving their current employment. It should be noted therefore that this turnover rate includes the 'churn within sector' as well as staff leaving the sector.

[18] This is calculated by dividing the net change in staff by the total currently employed less the difference between those recruited and those leaving their current employment. It should be noted therefore that this employment growth includes the 'churn within sector' as well as staff leaving the sector.

8.5 Destination of staff who left

About two-fifths (39 per cent) of all staff who left obtained jobs within the childcare and early years education sector. A further 28 per cent were employed outside the childcare sector and about one in ten (nine per cent) were still looking for a job. Understandably, not all respondents knew what had happened to staff who had left their employment hence almost one quarter were unable to answer the question.

Table 8.2 Destination of staff who left within the past 12 months

	2005	
	%	**No.**
Other jobs in the childcare and early years education sector	**39%**	**4,250**
Job outside the childcare and early education sector	**28%**	**3,050**
Unemployed	**9%**	**1,100**
Don't know	**24%**	**2,600**

Base: All out of school care providers (Module B) that had staff leave in the past 12 months (unweighted 261, weighted and grossed 2,157)

Of those who left to take up work outside the childcare and early years' sector, a third (34 per cent) continued to work in jobs that involved working with children.

8.6 Reasons for staff leaving

Given that the Government has promised to expand the number of childcare places and improve the quality of care it is important to minimize the number of staff exiting the childcare and early years' education sector. All out of school providers who have had staff leaving the past 12 months were asked about the reason for staff leaving (i.e. the reason as perceived by the provider). The top three reasons were: not liking the hours they were working (23 per cent) (in particular those working in after school providers), to improve career/training opportunities (17 per cent) and to improve their pay (15 per cent). There were also other reasons mentioned such as people leaving because they had moved or leaving to look after their own children.

Table 8.3 Reasons for staff leaving		
	2005	
	%	**No.**
They did not like the hours they had to work	**23%**	**2,000**
To get better training/career development opportunities	**17%**	**1,450**
To improve their pay	**15%**	**1,300**
Moved	**10%**	**850**
Maternity/looking after children	**9%**	**750**
They were asked to leave/did not have contract renewed	**8%**	**700**
Career change	**8%**	**700**
Went into education	**6%**	**500**
Personal reasons	**6%**	**500**
Other reasons	**25%**	**550**
Don't know	**3%**	**250**
Base: All out of school care providers (Module B) that had staff leave in the past 12 months (unweighted 261, weighted and grossed 2,157) *Only answers of 5% or more have been included in this table, answers given by less than five per cent have been merged into other.*		

8.7 Recruitment Methods

The two most common ways of recruiting staff were word of mouth, (81 per cent), and adverts in the local press (70 per cent). Other popular recruitment methods were spontaneous applications/CVs sent in (53 per cent) and job centre/new deal schemes (52 per cent).

Table 8.4 Methods of recruitment		
	2005	
	%	**No.**
Word of mouth	**81%**	**6,950**
Adverts in the local press	**70%**	**6,050**
Ad hoc CVs/applications sent to you	**53%**	**4,550**
Jobcentre/New Deal Scheme	**52%**	**4,500**
Through parents of child catered for	**49%**	**4,200**
Colleges	**46%**	**3,950**
LEA/Loc authority/Council jobs bulletin	**46%**	**3,950**
Internet	**33%**	**2,850**
Open days	**22%**	**1,900**
National press	**21%**	**1,800**
Recruitment fairs	**15%**	**1,300**
Public notice boards	**5%**	**450**
Other	**3%**	**250**
Base: All out of school care providers (Module B) (unweighted 513, weighted and grossed 4,235) *Only answers of 5% or more have been included in this table.*		

8.8 Recruitment Difficulties

Just over four in ten (43 per cent) out of school providers that had tried to hire staff within the past 12 months said that they had a fair amount or a great deal of difficulty recruiting. A further 19 per cent said they had not experienced much difficulty and the remaining 39 per cent claimed that they had *not* experienced any difficulties in recruiting staff. If we compare the results for after school clubs with the 2003 data for out of school clubs the data indicates that it has become slightly easier to recruit staff. In 2003 about 53 per cent of out of school providers that had tried to hire staff within the past 12 months mentioned that they had a fair amount or a great deal of difficulty recruiting, compared with 43 per cent of after school clubs in 2005.

Table 8.5 Extent to which provider has experienced any difficulties in recruiting staff in the past 12 months						
	2005		2005 After school clubs		2003 Out of school care	
	%	**No.**	%	No.	%	No.
Not at all	**39%**	**2,600**	38%	2,000	37%	1,200
Not very much	**19%**	**1,250**	20%	1,050	7%	250
A fair amount	**20%**	**1,350**	19%	1,000	21%	800
A great deal	**23%**	**1,500**	24%	1,250	32%	1,400

Base 2005: All out of school care providers (Module B) who had tried to recruit within the past 12 months (unweighted 405, weighted and grossed 3,406)

Base After school 2005: All after school clubs (Module B) who had tried to recruit within the past 12 months (unweighted 321, weighted and grossed 2,710)

Base 2003: All out of school providers (unweighted 850, weighted and grossed 4,534)

8.8.1 Types of staff that provider had difficulty recruiting

Overall, out of school providers experienced difficulties with recruiting all grades of staff. The greatest difficulty was finding supervisory staff and other paid staff, almost eight in ten (79 per cent) of out of school providers said they had problems recruiting supervisors and 46 per cent reported difficulties in recruiting other paid staff. About a fifth of the providers also had difficulties finding support staff for children with special needs (21 per cent), supply staff (20 per cent) and senior managers (18 per cent). The sample size is too low to allow for any further sub-group analysis.

Table 8.6 Types of staff that providers have had difficulty in recruiting		
	2005	
	%	No.
Senior Manager	18%	550
Supervisory staff	79%	2,250
Other paid staff	46%	1,300
SEN Support staff	21%	600
Supply staff	20%	600

Base 2005: All out of school care providers (Module B) that had any difficulties in recruiting staff within the past 12 months (unweighted 172, weighted and grossed 1,428)

8.8.2 Difficulties encountered

The most common difficulty encountered by registered out of school care providers when attempting to recruit staff was the lack of qualified applicants (36 per cent). Other difficulties included candidates wanting different hours to those offered (31 per cent) and too few applicants with the right experience (30 per cent). Given that out of school providers only operate outside of school hours it is perhaps not surprising that one of the main difficulties that they face when recruiting staff is that the applicant wants different hours to those offered.

It is not possible to make a direct comparison with the 2003 survey but it appears to be a significantly smaller proportion saying that there is a general lack of applicants around (too few applicants with the right experience) in this year's survey. About four in ten (42 per cent) of all out of school clubs mentioned this in 2003 compared to 31 per cent of after school clubs in the 2005 survey.

Table 8.7 Difficulties encountered when attempting to recruit staff in the last 12 months

	2005	
	%	No.
No qualified applicants	**36%**	**1,000**
Candidates wanting different hours	**31%**	**900**
Too few applicants with the right experience	**30%**	**850**
Too few applicants	**27%**	**800**
Provider couldn't afford wages	**12%**	**350**
Quality of staff	**8%**	**200**
Location	**3%**	**100**
Other answer	**9%**	**250**

Base 2005: All out of school care providers (Module B) that had any difficulties in recruiting staff within the past 12 months (unweighted 172, weighted and grossed 1,428)

8.9 Current job vacancies

Overall, about one quarter (23 per cent) of all registered out of school providers were actively trying to recruit childcare staff. Providers in the South East were slightly more likely to be actively recruiting (31 per cent). This result is based on a sample below 100 and needs to be treated with caution.

The first column in the table below shows the proportion of vacancies amongst the three different grades of staff and the second columns shows the grossed up total number of vacancies that the providers are recruiting for.

Table 8.8 Number of vacancies provider are actively recruiting for by type of staff		
	2005	
	%	**No.**
Senior managers	**6%**	**500**
Supervisory staff	**5%**	**1,800**
Other childcare staff	**8%**	**1,900**
Base: All out of school care providers (Module B), which are actively trying to recruit staff (unweighted 115, weighted and grossed 960)		

8.10 Length of time it takes to fill job vacancies

Respondents were asked to provide an estimate of how long it would take to fill any vacancy that they currently had. Only providers who actually had a vacancy for a particular type of staff were asked this question therefore the sample sizes are very small (all below 100) and the results must be interpreted with caution. Generally speaking the data indicates that between half and 60 per cent of all vacancies would be filled within two months and about eight in ten all of vacancies for supervisory and other paid staff would be filled within six months.

Table 8.9 Length of time provider thinks it will take to fill vacancies			
	Senior Managers	Supervisory Staff	Other paid staff
	%	%	%
0-2 months	50%	55%	60%
3-6 months	13%	24%	25%
More than 6 months	28%	16%	12%
Don't know	9%	5%	3%
Base: All out of school care providers (Module B) that have a vacancy for a senior manager (unweighted 22; weighted and grossed 186); supervisory staff (unweighted 71, weighted and grossed 597); other paid staff (unweighted 63, weighted and grossed 522)			

Providers who were not currently looking for staff were asked how long it took to fill vacancies on average. Three quarters (75 per cent) estimated that it would take less than two months to fill a vacancy, 12 per cent said it would take between 3-6 months and only two per cent believed it would take longer than 6 months.

9 Income and Expenditure

9.1 Introduction

This chapter looks at the expenditure incurred by registered out of school providers, and their income. Expenditure and outgoings are broken down into various categories, which are addressed in turn. A summary chart (Chart 9.1) brings together all of these categories and shows total expenditure. Income is also broken down into a few categories.

This chapter also covers the profitability of registered out of school providers, and for loss-making providers investigates how sustainable these losses are. Finally, the senior manager's knowledge of tax credits is assessed.

9.2 Expenditure and outgoings

9.2.1 Costs of premises

Most of the registered out of school providers (64 per cent) rented their premises, and 21 per cent owned the premises they use. A significant minority (12 per cent) occupied them in some other way (e.g. using premises owned by another public organisation, or through some rent free arrangement). Three per cent were unable to say whether they owned or rented the premises.

A third (31 per cent) of registered out of school providers were unable to say how much their premises cost. This was more likely to be the case among out of school providers set up on a for-profit basis than those set up as charitable or not-for-profit organisations (36 per cent compared to 26 per cent).

Of those providing a figure, 34 per cent registered out of school providers did not pay any costs for the use of their premises. This was more common for out of school providers operating in the 30 per cent most deprived areas (45 per cent of those providing a cost did not pay anything towards their premises compared to 27 per cent of providers in less deprived areas). Out of school providers set up on a not-for-profit basis who provided a cost were more likely to have free use of premises (41 per cent) than for-profit providers (20 per cent).

Holiday clubs were very likely to have free use of premises, and nearly half of those providing a figure (48 per cent) did not pay anything for use of their premises. (Please note that the base for holiday clubs answering these cost questions is small – 109 – so findings need to be treated with caution). Three in ten (30 per cent) of after school clubs had cost-free use of their premises.

Overall, excluding those paying nothing for their premises, the average annual cost for premises was £6,550, and the median cost was £3,500. Mean and median costs for premises were highest in London (£8,500 and £6,000 respectively) and the South East (£11,300 and £5,200). Providers set up as profit making organisations tended to pay more for their premises than non-profit making organisations (an average cost of £7,500 compared with £5,750).

9.2.2 Insurance costs

One third (36 per cent) of registered out of school providers were unable to say how much they paid for insurance. Of those who could provide a figure, eight per cent paid nothing.

The average amount spent by those who did pay for insurance was £1,100 per year, and the median amount was £250. Insurance costs appeared to be higher in the 30 per cent most deprived areas (£1,900 compared to £650 in less deprived areas). There was little difference between the costs paid by after school clubs and holiday clubs.

9.2.3 Cost of toys, books and other items for children

A fifth (21 per cent) of registered out of school providers could not say how much they spent on toys, books and other such items for children.

Of those providing a cost, only three per cent said that they spent nothing on toys or books. Around three-fifths (59 per cent) of those providing a cost said that they paid less than £1,000 a year, but at the other extreme, eight per cent were paying over £4,000 a year. The average amount spent per year was £1,550 and the median amount was £1000. There were few differences by type of provider (profit making or not-for-profit; holiday club or after school club) or by area.

9.2.4 Cost of business rates

A third (37 per cent) of the registered out of school providers did not know if they paid business rates or did not know how much. Of those providing a cost, the vast majority (85 per cent) did not pay anything. This was slightly more common among those set up on a non-profit making basis (90 per cent of those able to say did not pay business rates compared to 80 per cent of other organisations). Four per cent of out of school providers paid over £4,000 a year on business rates.

Of those paying business rates, the average annual amount paid was £3,600, and the median amount was £1,800. Non-profit making organisations tended to pay less than organisations set up on a profit making basis (a median of £1000 compared to £3000).

9.2.5 Cost of food

Fifteen per cent of registered out of school providers were not able to say how much they spent on food.

Of those able to provide a cost, 16 per cent said that they did not spend anything on food. The majority (62 per cent) spent between £1-50 a week

The average spend per week for those who did buy food, and who provided a figure was £70. The median spend was £25.

This means that, on average, those providers open all year round (52 weeks a year) pay £3,600 a year on food. For providers open in term time only (39 weeks) this translates into £2,730. For providers open in the school holidays only (12 weeks), this translates into £840 a year.

Holiday clubs were less likely to provide food than after school clubs. Of those providing a figure, 49 per cent of holiday clubs spent nothing on food, compared with 10 per cent of after school clubs.

9.2.6 Cost of other consumables

Providers were asked how much they spent on other consumables (such as nappies, stationery, paint etc). Twenty three per cent were unable to provide a figure. Of those who could provide a figure, 21 per cent per cent said that they did not pay for any other consumables, and 51 per cent spent £1-25 a week.

The average spend per week for those who did buy such consumables, and who provided a figure was £40. The median spend was £13.

This means that, on average those providers open all year round (52 weeks a year) pay £2,100 a year on consumables. For providers open in term time only (39 weeks) this translates into £1,550. For providers open in the school holidays only (12 weeks), this translates into £480 a year.

There was little difference in the amount spent by after school clubs and holiday clubs.

9.2.7 Cost of professional fees

Three in ten (28 per cent) registered out of school providers were unable to provide a figure for how much they spent on professional fees (such as accountants or lawyers).

Of those providing a figure, half (49 per cent) paid nothing while 14 per cent paid over £1,000 a year. Among those paying professional fees (for example to accountants or lawyers), the average annual cost was £900 and the median annual cost was £500.

Out of school providers set up to make a profit were more likely to pay professional fees than charitable organisations (40 per cent of those providing a figure spent nothing on professional fees compared to 55 per cent of not-for-profit organisations).

Holiday clubs were less likely to spend money on professional fees than after school clubs. For those providing a figure, 64 per cent of after school clubs spent nothing, compared with 45 per cent of after school clubs.

9.2.8 Cost of transport

Thirteen per cent of registered out of school providers were unable to provide a figure for the amount spent on transport. Of those providing a figure most (64 per cent) did not pay anything for transport. Median spend for those that did have transport costs was £1,500 per year and the mean cost was £2,700.

There was little difference between holiday clubs and after school clubs in terms of their spend on transport.

9.2.9 Other costs

Eight per cent of registered out of school providers could not provide a figure for what they spent on other costs. Of those providing a figure, 71 per cent of providers did not pay for any other costs, while six per cent spent £5,000 or more. Of those who did have other costs, the mean annual spend was £5,650. The median spend was £800.

The sorts of costs included as “other costs” are (in order of proportion mentioning them) maintenance (e.g. repairs, cleaning, decorating); utilities (e.g. heating, gas, lighting, phone bills); costs associated with staff (e.g. recruitment, expenses, uniforms); training; registration fees (covering Ofsted costs); advertising and general publicity; general administration (e.g. photocopying); finance costs (e.g. bank charges, tax, loans,` subscriptions etc); trips and outings for the children.

9.2.10 Staff costs

Staff numbers and their average levels of pay were covered in Chapter Five. This information can be used to produce a rough estimate of the average amount that out of school care providers will need to spend on staff costs. Costs are provided on a weekly basis, as out of school providers can be open for relatively short periods of time. Holiday providers who are only open in the summer will only pay staff costs for 6-8 weeks. Out of school providers which provide after school care across all three terms and holiday care in all holidays will pay staff costs for 52 weeks a year.

On average, an out of school provider will pay £1,181 per week in salaries[19]. On top of this, the provider will have to pay Employer's National Insurance, which amounts to 11 per cent of the gross salaries – which will be an extra £130 a week. Thus, salary costs (without any additional benefits that might be provided) are, on average, £1,311 per week.

Thus, an annual cost for an out of school provider offering childcare for the whole year will be around £68,172. The annual cost for a holiday provider open just in the summer would be around £9,177.

9.2.11 All expenditure

In this table, for food, consumables and staff costs (which would only be provided when the provision is operating) we have provided a full annual cost that would be accrued if the provision was open all year round (i.e. for 52 weeks a year).

Table 9.1 Annual expenditure for out of school providers

	Base	% paying nothing	Av. Amount (exc. zeros)	Median Amount (exc. zeros)
Cost of premises	366	34%	£6,550	£3,500
Insurance	336	8%	£1,100	£250
Toys, books etc	413	3%	£1,550	£1,000
Business rates	330	85%	£3,600	£1,800
Food	450	16%	£3,600	£1,300
Other consumables	404	22%	£2,100	£700
Professional fees	378	49%	£900	£500
Transport	456	64%	£2,700	£1,500
Other costs	483	71%	£5,650	£800
Staff	1,039	-	£68,172	
TOTAL AVERAGE (inc. zeros)	**£83,300**			

Base: All out of school providers (Module A) (unweighted 526, weighted and grossed 4,374)

[19] This is based on average hourly pay and weekly hours as discussed in Chapter 5. On average, a setting will employ 0.95 senior managers; 4 supervisory staff and 2.9 other paid staff.

9.3 Income

9.3.1 Fees charged

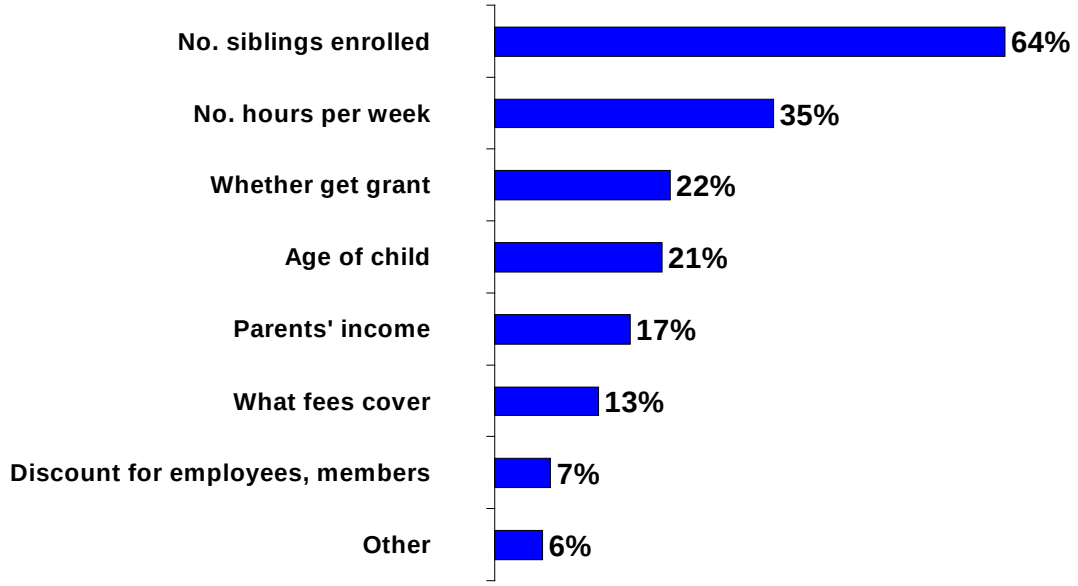
Most of the after school clubs (68 per cent) charge parents on a per half day or session basis. One quarter (24 per cent) charge per hour; 23 per cent charge per day and 19 per cent charge per week. A small proportion (three per cent) charge on a monthly basis, and very few (just one per cent) charge on a termly basis.

Holiday clubs are most likely to charge per day (54 per cent) or per session (52 per cent). A quarter (26 per cent) charge on a weekly basis and 14 per cent charge on a hourly basis.

In most registered out of school providers (60 per cent) the fees do not vary from child to child. Two thirds (67 per cent) of holiday clubs have the same fees for all children, while 57 per cent of after school clubs charge the same for all children. Charging the same for all children is more common in out of school providers set up on a not-for-profit basis (64 per cent charge the same for all children, compared to 52 per cent of for-profit out of school providers).

In the out of school providers where the fees do vary, the most common reasons for variation are the number of siblings enrolled, the number of hours per week the child does, whether the parents get the Local Authority nursery education grant and the age of the child.

Chart 9.1 Reasons why fees vary



Base: All out of school providers (Module A) where fees vary (unweighted 210, weighted and grossed 1,738)

Two-fifths (37 per cent) of registered out of school providers were unable to provide a figure for their income from fees in a given period (providers were able to give information on any period of time that they wanted). As was the case with the cost data, out of school providers set up on a for-profit basis were less likely to be able to provide this information than those set up as not-for-profit organisations (44 per cent of the former were unable to provide a figure compared to 32 per cent of the latter).

Of those providing a figure, nine per cent of the registered out of school providers said that they did not receive any income from fees. Most of these (93 per cent) were after school clubs rather than holiday clubs. Most (75 per cent) were not-for-profit organisations, and they tended to be based in the 30 per cent most deprived areas (73 per cent).

Of those receiving some income from fees, the average amount per week was £1000 and the median amount was £513. The average amount received in fees per enrolled child per week was £29 (roughly £6 a day for an out of school provider open for five days a week).

There was a significant difference in the fee income generated by after school clubs and by holiday clubs. Holiday clubs generated far more income from fees than after school clubs, presumably because they care for children for more hours per day. On average, holiday clubs received £2100 per week in fees, compared to £800 a week for after school clubs. (After school and holiday clubs have, on average, similar numbers of children enrolled in a typical week, so the difference is not due to this).

Table 9.2 Income from fees per week

	Total	After school club	Holiday clubs
Unwtd base	332	271	59*
	%	%	%
No income	9%	10%	3%
£1-£500	45%	48%	30%
£501-£1,000	25%	27%	19%
£1,001-£2,000	11%	9%	24%
£2,000+	10%	6%	24%
MEAN INCOME	£1,000	£800	£2,100
MEDIAN INCOME	£513	£460	£1,000
(Don't know - % of all)	(37%)	(35%)	(46%)

Base: Out of school providers (Module A) (unweighted 526, weighted and grossed 4,374)

*Note small base – please treat results with caution

Most of the registered out of school providers (71 per cent) had raised their fees in the last two years (54 per cent had done so in the last year). Providers in the least deprived 70 per cent of areas were more likely to have raised fees in the last two years than those in the 30% most deprived areas (76 per cent compared to 62 per cent). There was no difference between out of school providers set up on a for-profit and a not-for-profit basis.

9.3.2 Income from Local Authority/Central Government

A quarter (23 per cent) of registered out of school providers could not say how much money they received from their Local Authority. Of those providing a figure, three-fifths (58 per cent) said they received no money from local authority/central government funding.

For those providers who did receive funding on average they received £23,900 a year.

Providers in the 30 per cent most deprived areas were less likely to say they didn't receive government funding than the 70 per cent least deprived areas (47 per cent and 63 per cent respectively). For those that did receive money there was no significant difference in the average amount received.

After school clubs received more money, on average, from Local Authority or Central Government funding than did holiday clubs (£26,100 a year compared with £16,700).

9.3.3 Income from other sources

Over half (55 per cent) of registered out of school providers said that they had no other sources of income apart from the fees and local authority income already mentioned. A third (35 per cent) raised additional income through fundraising. Eleven per cent received money via Sure Start (those in the 30 per cent most deprived areas were slightly more likely to receive money from Sure Start). Five per cent mentioned a grant as another source of income, and four per cent mentioned specific funding from an organisation.

Non-profit making providers were far more likely to engage in fundraising than for-profit ones, and so were more likely to have another source of income (48 per cent undertook fundraising compared to 16 per cent of for-profit out of school providers; 72 per cent of for-profit providers had no other sources of income, compared to 43 per cent of non-profit making providers).

Fourteen per cent of those who did receive income from other sources were unable to say how much. Among those giving an amount, the mean amount received from other sources was £7,700 and the median amount was £1000 a year. This ranged from 12 per cent who received less than £500 to nine per cent who received over £5,000. Out of school providers in the 30% most deprived areas had higher levels of income from

other sources than those in less deprived areas. Not-for-profit out of school care providers had higher levels of other income than for-profit organisations.

There was little difference in the average amount received by holiday clubs and out of school clubs.

Table 9.3 Income from other sources per year

	Total	30% most deprived areas	70% least deprived areas	Not-for-profit	For-profit
Unwtd base	526 %	176 %	350 %	301 %	209 %
No income	55%	48%	59%	43%	72%
£1-500	12%	13%	12%	15%	8%
£501-£1,000	4%	4%	4%	5%	3%
£1,001 - £5,000	5%	5%	4%	8%	2%
£5,001+	9%	9%	7%	13%	4%
Don't know	14%	15%	14%	16%	11%
MEAN INCOME	£7,700	£9,400	£6,600	£8,300	£5,900
MEDIAN INCOME	£1,000	£1620	£1000	£1200	£780

Base: All out of school providers (Module A) (unweighted 526, weighted and grossed 4,374)

9.4 Profitability of out of school providers

Most (57 per cent) of the registered out of school providers are set up as charitable or not-for-profit organisations, which grosses up to 5,000 not-for-profit out of school services. One-fifth (40 per cent) are set up on a for-profit basis, and three per cent were not sure. Out of school providers in the 30 per cent most deprived areas were more likely to be operating on a not-for-profit basis than those in the less deprived areas (71 per cent compared with 50 per cent).

Not-for-profit organisations were asked about whether they made any surpluses or reserves in the last financial year, while the profit-making organisations were asked specifically about profits or losses.

Overall, a fifth (22 per cent) of out of school providers reported they had made a profit (profit-making organisations) or a surplus (non-profit making organisations/charities) in the last financial year. Two-fifths (42 per cent) were covering their costs. A quarter (26 per cent) of all registered out of school providers reported that they had operated at a loss. Ten per cent were unable to say.

Those based in the 30 per cent most deprived areas were less likely to be making a profit or surplus, and more likely just to be covering costs. There was no difference in the proportions actually making a loss.

Out of school providers set up as profit making organisations were more likely to be making a profit than not-for-profit providers (31 per cent compared with 17 per cent), while not-for-profit organisations were more likely to be covering their costs (50 per cent compared with 33 per cent). There was no difference in the proportions making a loss.

There was no difference in profitability between out of school providers providing after school care and those offering holiday care.

Comparing those that answered as after school clubs in 2005 with the out of school sample from 2003 suggests that the financial position of after school providers has got worse in the last two years. Compared to 2003, fewer after school providers are making a profit while more are making a loss. Similar proportions are covering their costs, or are unable to provide an answer. There was little difference between 2001 and 2003.

Table 9.4 Financial state of providers

	Total 2005	**After school 2005**	Out of school 2003	*Change from 2003 to 2005*	Out of school 2001
Unwtd base	**526**	**414**	850		850
	%	**%**	%		%
Made surplus or profit	**22%**	**23%**	29%	*-6*	29%
Covered costs	**42%**	**43%**	42%	*+1*	44%
Operated at a loss	**26%**	**24%**	19%	*+5*	21%
Don't know	**10%**	**10%**	10%	*0*	6%

Base: All out of school providers (Module A) (unweighted 526, weighted and grossed 4,374)

2003 out of school providers (unweighted 850, weighted and grossed 4,534)

2001 out of school providers (unweighted 850, weighted and grossed 4,900)

Those providers making a surplus or profit were asked how much they had made in the last financial year. Two fifths (37 per cent) were unable to provide this figure. The average profit made by those providing a figure was £8,200. Among those providing a figure, there was some variation. Fifty-three per cent had made £4,000 or less, while 11 per cent had made more than £16,000. There was little difference in the mean

surplus made by not-for-profit organisations that provided a figure and the mean profit of for-profit providers.

9.4.1 Providers operating at a loss

In total, 2,240 registered out of school providers operated at a loss in the most recent financial year for which they had information. Two-fifths (37 per cent) of these said that this loss was due to one-off circumstances and was unlikely to be repeated in future years. However, in total, around 800 out of school providers said that they had been operating at a loss for more than a year.

Those operating at a loss that was not due to a one-off circumstance were asked what they were doing to try to reduce losses. Most (64 per cent) were trying to take on more children and 54% per cent had raised fees for children. Two-fifths (42 per cent) were increasing their fund raising efforts, and a quarter (23 per cent) had cut the number of staff employed. Ten per cent were looking for alternative sources of funding.

A small proportion of providers (six per cent – equating to 550 out of school providers) felt that they could not keep operating at a loss for more than another 12 months before having to close. Four per cent felt that they could only keep going for less than 6 months.

9.5 Tax credits and childcare vouchers

9.5.1 Awareness of tax credit issues

In April 2005, there was an increase in the amount of childcare that could be claimed as part of the childcare element of the Working Tax Credit to £175 per week for one child. Half of the respondents (47 per cent) were aware of this increase, although 53 per cent were unaware of this change. Awareness did not seem to vary greatly by area or type of provider. Those that were aware of the change were asked if the change had led them to make any changes to the fees. Seven per cent said that it had affected their fees (three per cent of all out of school providers), with six per cent increasing their fees and one per cent reducing them.

Providers were asked whether they were aware of a further change, due to take place in April 2006, whereby the amount that can be claimed will rise from 70% to 80% of the limit. One fifth of respondents (20 per cent) said that they were aware of this, but most (80 per cent) were unaware of this change.

9.5.2 Fees paid by parent's employers

A third (35 per cent) of the registered out of school providers received fees for children from the parent's employer (for example, via childcare vouchers or direct payment).

This was more common for providers set up on a for-profit basis (42 per cent had children whose fees were paid by the parent's employers compared to 31 per cent of not-for-profit providers). It was also more common in providers based in the 70 per cent least deprived areas (39 per cent compared to 27 per cent). On average, in providers with children paid for by parental employers, four children were paid for in this way.

Providers receiving fees from the parent's employer were asked how much they received in this way for a typical week in term time. Many (45 per cent) did not know, but for those providing a figure, the average amount was £260 per week (although many (62 per cent of those providing a figure) said that they received less than £100 a week. The average weekly income from fees was £900 (including those saying they received nothing from fees). Thus, on average, providers who get any income from employers received 29 per cent of their fee income from the employers of parents.

10 Technical appendix

10.1 Design

The research was divided into two surveys, with a group provider questionnaire (i.e. sessional care, full day care and out of school care providers) and an individual setting questionnaire (i.e. childminders). While they were a similar format with similar questions, because childminders largely operate individually it was felt they required a separate questionnaire that was more tailored to their setting.

The questionnaires were developed by the research team at BMRB Social Research in consultation with representatives from the Department for Education and Skills (DfES). The surveys were largely based on previous surveys, with new questions relating to costs, and some extra questions on recruitment and retention added in. As part of the questionnaire development stage BMRB researchers carried out cognitive interviews with representatives from the four provider types, to test the new costs questions. The findings from these interviews helped shape the questionnaire format and question wording.

In order to reduce the time it took to complete the interview, it was decided the questionnaires would be divided into two sections. The first section would include core questions to be asked of all respondents and the second section would consist of one of two modules (module A or B). Module A asked questions on costs and income and module B asked questions on training and recruitment. Respondents were randomly split into two equal groups and assigned to module A or B, prior to the interview taking place. (The sample was stratified by region before this allocation took place to ensure that within each region equal numbers were asked module A or B).

Draft questionnaires were produced and tested in a pilot exercise.

10.1.1 Pilot

The group provider setting questionnaire was piloted on 14th June 2005. The childminder questionnaire was piloted on 5th and 6th July 2005. Computer assisted telephone interviews (CATI) were carried out by The Operations Centre[20] (TOC) telephone interviewers in Ealing.

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[20] 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. 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. The Operations

Following the pilot exercises a number of relatively minor changes were made, in order to shorten and simplify both questionnaires.

10.2 Sample design

The sample for the survey was obtained from Ofsted, who hold a register of all early years and childcare providers. Target sample sizes of 1,125 were set for all four setting types, and the issued sample size was based on ineligibility rates and response rates from the 2003 survey. Some reserve sample was also drawn for contingency.

Ofsted provided a stratified random sample for the four provider types who were active as at 13th June 2005 – sessional care, full day care, out of school care and childminders, using a sample specification produced by BMRB. The sample was stratified by Ofsted region, then 1 in n providers were selected to give: 2235 sessional providers, 2192 full day care providers, 2909 out of school providers and 2491 childminders.

10.2.1 Sessional

The sample provided by Ofsted was stratified by region and 1 in n providers were selected, with a random starting point, to draw a sample of 1925 sessional care providers. This sample was then randomly divided into two equal groups and assigned to module A or B.

10.2.2 Full day care

The sample provided by Ofsted was stratified by region and 1 in n providers were selected, with a random starting point, to draw a sample of 1925 full day care providers. This sample was then randomly divided into two equal groups and assigned to module A or B.

10.2.3 Out of school care

The sample provided by Ofsted was stratified by region and 1 in n providers were selected, with a random starting point, to draw a sample of 2550 out of school providers. This sample was then randomly divided into two equal groups and assigned to module A or B. There was no information available in advance as to whether these providers offered before or after school care or holiday care, or all of these. For the 2005 survey, providers were asked about their after school care, if they offered this. If they did not offer after school care, but did offer holiday care, then they were asked about holiday care. (Three providers did not offer after school care or holiday care and

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Centre continue to work to existing quality standards and BMRB continue to take responsibility for the quality of the work undertaken by their support services.

so were asked about before school care; a further three provided none of these, and so were asked about weekend care). This approach means that the after school sample is representative of all after school providers, but the holiday club sample is not representative of all holiday clubs.

Due to higher than expected non-contact and illegibility rates, another 271 providers were added to the sample.

A small number of duplicates were found across the different sample types (as providers can offer more than one type of childcare). As the numbers were small, duplicate providers were randomly allocated to one of the relevant sample types (and asked specifically about this type of care) and removed from the other samples.

10.2.4 Childminders

The sample provided by Ofsted was stratified by region and 1 in n providers were selected, with a random starting point, to draw a sample of 2040 childminders. Home childcarers were excluded from the sample. This sample was then randomly divided into two equal groups and assigned to module A or B.

Due to a higher than expected proportion of ineligible respondents, another 295 childminders was added to the sample.

10.3 Main survey

The survey was conducted using BMRB's Computer Assisted Telephone Interviewing (CATI), between 28th June 2005 and 2nd September 2005 for the group providers questionnaire and 18th July 2005 and 30th August 2005 for the individual setting questionnaire. Originally the group providers survey was due to finish earlier; however because of problems in contacting a number of providers, fieldwork was extended in order to boost the number of interviews achieved. The extension was successful and helped increase the response rate to a more acceptable level. Interviews were carried out by The Operation Centre's (TOC) fully trained telephone interviewers.

The senior manager[21] of each childcare provision and every childminder included in the issued sample were sent an advance letter informing them that BMRB would be contacting them and explaining what the research would cover. In addition to the letter, they were sent a datasheet[22] and a qualification list, which they were asked to complete prior to the interview. Different datasheets were sent depending on which module (costs or training) the provider had been randomly allocated to. If when the interviewer

[21] Letters were addressed to the 'Senior manager' as their name was not included in the sample provided by Ofsted.
[22] The datasheet included a number of detailed questions from the questionnaire that the respondent would need to look up in advance.

spoke to the respondent they said they had not received the advance documents, contact details were taken and duplicate documents were issued by post, fax or email. The interviewer then agreed a convenient time to call the respondent back.

In total 4349 interviews were carried out with childcare and early years providers in England – 1007 with sessional providers, 1171 with full day care providers, 1042[23] with out of school providers and 1132 with childminders. The average interview length was just under 20 minutes for the group provider interviews and just under 12 minutes for the childminder interviews.

10.4 Response rates

	Sessional care	Full day care	Out of school	Childminder	Overall
Issued sample	1925	1924	2801	2335	8985
Ineligible*	63	89	422	425	999
Eligible sample	1862	1835	2379	1910	7986
Bad number	186	87	266	185	724
Contactable sample	1676	1748	2113	1725	7262
Refusals	142	219	252	229	842
Non contact	527	358	819	364	2068
Achieved	1007	1171	1042	1132	4352
Response rate (on eligible sample)	54%	64%	44%	59%	54%
Response rate (on contactable sample)	60%	67%	49%	66%	60%

* Ineligible includes providers which have closed down; providers who said that they don't provide the relevant type of childcare and duplicates that were removed prior to issue.

[23] Although 1042 out of school providers were interviewed, due to an error on the questionnaire three of these followed erroneous routing and so have been excluded from the tables and reporting.

10.5 Weighting and grossing

The only information held for the population of all providers was the regional breakdown. The regional breakdown for the achieved sample was, in all cases, fairly close to the population breakdown, but we decided that it would still be worth applying weights to ensure that the sample matched the population.

The table below shows the achieved and population breakdowns (March 2005) by region. Weights were applied to ensure that the sample matched the population.

	Sessional		Full day care		Out of school	
Region	**Survey %**	**Popn %**	**Survey %**	**Popn %**	**Survey %**	**Popn %**
East Midlands	**10.13**	**9.62**	**7.17**	**7.50**	**6.83**	**7.37**
East of England	**15.99**	**15.38**	**9.05**	**9.17**	**10.11**	**9.47**
London	**10.03**	**10.58**	**13.07**	**15.00**	**12.90**	**14.74**
NE & Yorkshire & Humberside	**10.53**	**10.58**	**14.35**	**13.33**	**13.76**	**12.63**
North West	**10.53**	**10.58**	**13.49**	**13.33**	**19.25**	**17.89**
South East	**21.45**	**21.15**	**17.59**	**17.50**	**13.57**	**14.74**
South West	**13.21**	**13.46**	**12.72**	**11.67**	**11.07**	**10.53**
West Midlands	**8.14**	**8.65**	**12.55**	**12.50**	**12.51**	**12.63**

	Childminders	
Region	**Survey %**	**Popn %**
East Midlands	**9.45**	**11.97**
East of England	**13.69**	**8.26**
London	**13.87**	**16.24**
NE & Yorkshire & Humberside	**14.31**	**14.39**
North West	**10.95**	**11.68**
South East	**18.37**	**19.09**
South West	**10.07**	**9.26**
West Midlands	**9.28**	**9.12**

For the tables and reports, the weighted data was grossed up to the total number of active providers in England. The estimate of the number of active providers was achieved by taking the total number of providers of each type on the Ofsted database (as at March 2005), and taking away the proportion that the survey had found to be

ineligible (no longer in business, no longer providing that type of childcare). The proportion that were ineligible varied between the different provider types.

The table below shows how the grossing was carried out.

	On Ofsted database (March 2005)	Ineligible (%)	Total active providers
Sessional	10200	2.29	9966
Full day care	12100	2.39	11811
Out of school	9700	11.25	8609
Childminders	70200	17.86	57662

	Survey	Total	Multiplier
Sessional	1007	9966	9.8971
Full day care	1171	11811	10.0861
Out of school	1039	8609	8.2856
Childminders	1132	57662	50.9384

10.6 Actual and effective sample sizes

The weighting process has an impact on the effective sample sizes of the four providers. As the weights applied were small, the impact of weighting is limited. The actual and effective sample sizes are shown in the table below.

	Achieved sample	Effective sample
Sessional	1,007	1,006
Full day care	1,171	1,166
Out of school	1,039	1,032
Childminders	1,132	1,121

10.7 Data analysis

Calculating annual costs and fees

In order to make it as easy as possible to collect cost and income data, providers were able to provide a cost for the following time periods:

A week

a month

a four week period

a quarter

a year

In order to produce annual estimates, some assumptions had to be made.

For the following costs and income, we assumed that they would be paid across the whole year, and thus multiplied up to a full 52 week year:

- Rent
- Insurance (most provided an annual cost)
- Toys, books and other items for children
- Business rates
- Professional fees
- Transport
- Other costs
- Income from local authority/central government

However, for consumables (food and other consumables) and fees, the costs or income would only be relevant when the provider was open. There was no question asking how many weeks a year the provider was open (which will be added to the 2006 survey), but providers were asked if the were open during term time, the school holidays or both. For full day and sessional providers those open during both, we multiplied costs/fees up to a full 52 week year. For those only open in term time, we multiplied up to a 39 week year, and for those open just in the holidays, we multiplied up to a 12 week year.

As out of school providers are very varied as to how many weeks a year they open, we instead calculated weekly costs/fees based on 13 week years for holiday clubs and 39 week years for out of school clubs.

10.7.1 Pay data

When asking about hourly pay, if a respondent refused, they were asked to give a banded answer. The data in the reports combines the banded data with the non-banded data (by using the midpoint of bands). The level of refusal was low, so this made very little difference to overall estimates.

10.8 Edits

When collecting information on costs and income, and asking respondents to provide numbers that are keyed in by the interviewer, it is possible for miskeying to occur. On inspection, a small number of answers seemed either much too large or much to small. Therefore, we decided to implement rules whereby certain outliers would be removed from the data. Only very small numbers of answers were removed.

10.9 Survey materials

The questionnaire and advance letter are included in the overview report.

10.10 Changes to the National Qualification Framework since 2003

The three regulatory authorities (QCA, ACCAC and CCEA) revised the NQF as part of a review of regulatory arrangements. The revised criteria and NQF came into effect on 1 September 2004.

The main change is that the NQF now comprises nine levels (Entry Level to Level 8) rather than six. While Entry Level and Levels 1 to 3 have not changed, Levels 4 and 5 have been divided into more precise levels - Levels 4 to 8.

The recent changes to the NQF do not alter the number of qualifications available, but rather increases the number of levels against which qualifications are accredited.

The table below illustrates these changes.

<table>
<tr><th>Previous levels (Examples)</th><th>Current levels (Examples)</th></tr>
<tr><td rowspan="2">Level 5
Level 5 NVQ in Construction
Level 5 Diploma in Translation</td><td>Level 8
Specialist awards</td></tr>
<tr><td>Level 7
Level 7 Diploma in Translation</td></tr>
<tr><td rowspan="3">Level 4
Level 4 National Diploma in Professional Production Skills
Level 4 BTEC Higher National Diploma in 3D Design
Level 4 Certificate in Early Years Practice</td><td>Level 6
Qualified Teacher Status</td></tr>
<tr><td>Level 5
Level 5 Early Years Foundation Degree</td></tr>
<tr><td>Level 4
Level 4 Certificate in Early Years Practice</td></tr>
<tr><td colspan="2">Level 3
Level 3 Certificate in Small Animal Care; Level 3 NVQ in Aeronautical Engineering
A levels</td></tr>
<tr><td colspan="2">Level 2
Level 2 Diploma for Beauty Specialists; Level 2 NVQ in Agricultural Crop Production
GCSEs Grades A*-C</td></tr>
<tr><td colspan="2">Level 1
Level 1 Certificate in Motor Vehicle Studies; Level 1 NVQ in Bakery
GCSEs Grades D-G</td></tr>
<tr><td colspan="2">Entry Level
Entry Level Certificate in Adult Literacy</td></tr>
</table>

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