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Early years financial incentives evaluation

Technical report

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Summary of acronyms

Acronym	Term
CATI	Computer-Assisted Telephone Interviewing
DfE	Department for Education
ECS	Eligibility Checking Service
EY	Early Years
IDACI	Income Deprivation Affecting Children Index (Measures the proportion of children aged 0-15 living in income-deprived households within a specific area)
LA	Local Authority
LE	London Economics
NVQ	National Vocational Qualification
SCEYP	Survey of Childcare and Early Years Providers

Introduction

The Department for Education (DfE) commissioned IFF Research and London Economics (LE) to evaluate the Early Years Financial Incentive Pilot (the pilot) which launched in April 2024.

This research comprised of three main elements, which are covered in turn by this technical report:

- Primary quantitative research (provider and applicant surveys) conducted by IFF Research
- Primary qualitative research conducted by IFF Research
- Secondary impact analysis conducted by London Economics

Research aims

The primary aim of the pilot was to determine whether the use of Financial Incentives (FIs) increased the number of (eligible) recruits successfully employed in early years settings. This evaluation was designed to assess the extent to which this aim was achieved. The research questions were structured around two areas: process and impact.

The process evaluation was led by IFF and sought to answer the following research questions:

- To what extent was the scheme implemented as intended?
- What factors do applicants take into account when applying for the vacancies?
- How do providers choose to use incentives and why?
- How successful were the funding mechanisms for delivering funding via local authorities (LAs)?
- How effective were the targeting mechanisms to determine eligible providers in LAs?
- How effective was the eligibility criteria for incentives in targeting the most appropriate potential practitioners?
- Was the scheme more or less effective for certain types of providers?
- What was the experience of providers and practitioners who applied for the scheme?

- Did the incentives create any unintended spillover effects on neighbouring LAs?

The impact evaluation was led by LE and addressed the following questions:

To what extent does the policy lead to:

- An increase in the numbers of early years staff recruited by providers?
- An increase in the number and different types of applicants to advertised posts?
- A reduction in the length of time it takes to fill a vacancy?
- Greater retention of early years staff?
- An increase in the number of places available to children?
- An increase in the take up of early years entitlements?

IFF research surveys: sampling

Provider survey

The sample for the provider survey was initially provided to IFF Research by DfE, who conducted fieldwork for the first wave. An early decision was made not to include childminders in the provider survey, due to low coverage in the available sample and low engagement in this group. The 'in-scope' sample was defined as all school-based and group-based early years providers in the 40 evaluation areas (shown in Annex A). For the purpose of this report, these will be referred to as 'in-scope providers'.

Ahead of the second wave, the sample provided by DfE was further supplemented by records from the publicly available Get Information About Schools (GIAS database)¹ which allowed for more comprehensive coverage of school-based providers.

Prior to survey fieldwork, the sample was cleaned to remove duplicate settings, correct formatting, lookup missing variable information (where possible) and correct any inconsistencies. This ensured accuracy and reliability for robust fieldwork monitoring and analysis.

To ensure accuracy of sample information, respondents were asked during the survey to confirm their setting's postcode and name.

At each wave of the survey, all eligible providers were invited to participate, regardless of whether they had taken part in a previous wave or not. Those who opted out of the research, or closed during the course of the evaluation, were not invited to future waves of the survey.

¹ [Get Information about Schools - GOV.UK](https://getinformationabouteverything.org/)

Table 1: Starting sample for each wave of provider survey fieldwork

Survey Wave	Starting sample
Wave 1	4,998
Wave 2	6,030
Wave 3	6,001
Wave 4	5,997

Applicant survey

In the absence of an existing database of applicants to early years roles, respondents for the applicant survey were reached through two routes.

The first approach was through early years providers themselves. Settings were provided with suggested text and emailed a survey invite to any recent job applicants, both successful and unsuccessful. This request from IFF Research was made by email to the in-scope providers (using the generic email on sample), and the request was also repeated to the respondents at the end of the provider surveys.

The second approach was an open link which was promoted through various routes including DfE-hosted websites and a national vacancies website.

Several screening questions at the start of the survey were used to determine respondent eligibility. Eligible respondents were defined as those who had applied to a role in one of the 40 evaluation areas since April 2024 meeting the following criteria:

- A permanent position (not including apprenticeships)
- A role working directly with children at least 70% of the time
- In an early years setting (not including reception year in a primary school)

Respondents were screened out of the survey if they did not meet all of the listed eligibility criteria. This meant that all respondents were applying for a role which would be in scope for an incentive if the scheme were rolled out nationally (e.g. permanent position, 70% of time working directly with children under the age of 5). However, not all respondents were themselves eligible (some were previously employed in the early years sector), and not all providers offered the incentive.

IFF research surveys: questionnaire development

Provider surveys

The first wave of the survey was designed by DfE and the questionnaire is shown in Annex B. Subsequent waves of the survey were designed in collaboration between IFF Research, LE and DfE. The design of subsequent surveys aimed to replicate the wording for wave 1 as far as possible to allow for comparison of responses across survey waves. At each wave the questionnaire was updated to update the 'time period reference'. Note, the 'time period reference' always precedes the start of fieldwork each wave. For example, a respondent taking part in Wave 4 which ran April to May 2025, would be asked to reflect on capacity, recruitment and retention in the months preceding (February to end of March 2025).

The reference period for each wave is shown in the table below.

Table 2. 'Time period reference' for each wave of provider survey

Survey Wave	Time period covered by the survey
Wave 1 (baseline)	April 2023 to end of March 2024 (FY 2023/24)
Wave 2	April 2024 to end of September 2024
Wave 3	October 2024 to end of January 2025
Wave 4	February 2025 to end of March 2025

The third wave of the survey ran as a 'mini survey'. To minimise burden on providers this survey was much shorter, asking only the questions around capacity, length of recruitment campaigns, number of applicants to advertised roles and number of new starters and leavers.

The final (fourth) wave of the survey included several new questions to investigate:

- Whether settings who had, or planned to, offer the incentive made (or planned to make) changes to the salary or wages they offer for the eligible roles.
- How many instalments they felt the incentive should be paid in (and at what time point).

- When considering applicants for a role working directly with children, whether they had a preference for a recent graduate with a relevant degree or a candidate with fewer qualifications but more experience.

Applicant survey

The applicant survey was designed in collaboration with IFF Research, LE and DfE. The main survey questions remained unchanged through fieldwork, however some changes to the questionnaire and screener were required when the survey became an open link to collect some basic information on the setting they applied to, and to incorporate checks and controls for potential 'bot' responses.

IFF research surveys: fieldwork approach

Fieldwork overview

The provider surveys ran at 4 timepoints between July 2024 and May 2025. These were predominantly online surveys, however at waves 2 and 4, Computer-Assisted-Telephone-Interviewing (CATI) fieldwork also took place to increase response rate.

Fieldwork for the applicant survey ran between November 2024 and April 2025 and all surveys were completed online.

Fieldwork dates and completion mode for all surveys are shown in Table 3 below.

Table 3. Overview of survey fieldwork dates and mode

	Fieldwork dates	Mode
Wave 1	July to August 2024	Online
Wave 2	October to November 2024	Online / CATI
Wave 3 (“mini wave”)	February 2025	Online
Wave 4	April to May 2025	Online / CATI
Applicant survey	November 2024 to April 2025	Online

Number of responses and sampling error

The applicant survey achieved a total of 111 responses. The provider surveys achieved between 334 and 850 responses each wave. Based on this achieved number of responses, Table 4 below shows the standard error (how much the survey result is likely to differ from the true value in the whole population) based on the 'worst case scenario' of a survey finding of 50% at the 95% confidence level.

Table 4. Achieved number of responses and sampling error

Survey	Number of responses	Maximum standard error
Wave 1	850	+/- 3.4 percentage points (ppts)
Wave 2	653	+/- 3.8 ppts
Wave 3 ("mini wave")	334	+/- 5.4 ppts
Wave 4	580	+/- 4.1 ppts
Applicant survey	111	+/- 9.3 ppts

Data confidentiality and reassurances

Reassurances were provided to respondents prior to the survey, including confirmation that data would be reported in a way that would not allow them or their organisation to be identifiable. All online invitations included contact details for individuals working on the project at IFF Research, where respondents could direct any queries, get support completing the survey, or verify the authenticity of the research.

If after the first contact by phone the respondent or gatekeeper wanted more information about the survey, a reassurance email was sent. A copy of the reassurance email used during the CATI fieldwork for the provider survey can be found in Appendix C.

Response rate

The overall response rate for the provider survey ranged from 17% in wave 1 to 6% in wave 3. The response rate is calculated as 'in-scope achieved interviews' as a proportion of all providers invited at each wave.

As data is not available on the number of in-scope job applicants, it is not possible to calculate a response rate for the applicant survey.

IFF research surveys: analysis

Coding

All surveys contained partial open-ended questions: these questions offer respondents the opportunity to say 'other' and provide a response that is not covered by the pre-defined list of options they are presented with. These responses were coded by IFF Research's in-house coding team and incorporated into the final data files.

The research team then carried out checks on both the code frame and quality assurance checks on the coding by the coding team.

Weighting

As there was no population data available on the total number of in-scope job applicants in the evaluation areas, weighting was not applied to the applicant survey data.

Weighting was applied to each wave of the provider survey to make it representative of school-based providers (SBPs) and group-based providers (GBPs) in the 20 treatment and 20 control local authorities selected for the evaluation. This defines the in-scope population for the provider surveys as outlined in the sampling chapter.

Weighting was applied in two stages. At the first stage Random Iterative Method (RIM)² weights were applied to ensure data is representative within treatment and control groups by:

- Provider type: school-based-provider (SBP) or group-based provider (GBP). This population data came from the starting sample of all in-scope providers.
- Income Deprivation Affecting Children Index (IDACI) quintile: Population data for this came from SCEYP population counts for the 40 local authorities in the evaluation due to incomplete postcode coverage on the EYFI starting sample.
- Size: Defined as registered number of early years/nursery pupils (for SBPs only – replicating approach on SCEYP survey). Population data for this came from School Census data available on gov.uk which gave the most comprehensive coverage.

An overall weight was then applied to adjust for the number of providers in treatment compared with control groups.

Tables 5 and 6 below show the population counts used for weighting targets.

² A standard method for weighting data by several variables using an iterative algorithm.

Table 5. Estimated in-scope provider population

	Treatment areas	Control areas
Provider Type: SBP	1,576	1,446
Provider Type: GBP	2,068	1,698
IDACI: Most deprived (quintile 1)	1,388	1,321
IDACI: Deprived	709	736
IDACI: Average/Unknown	565	446
IDACI: Less deprived	508	371
IDACI: Least deprived (quintile 5)	474	270

Table 6. Estimated SBP population data by size

	Treatment areas	Control areas
Zero	271	135
Lowest quintile (1 to 19)	257	242
Second lowest (20-27)	298	269
Middle (28 to 36)	249	235
Second highest (37 to 50)	263	294
Highest (51+)	231	245

In order to ensure that no individual respondents to the survey were over- or under-represented, a cap was applied to the provider survey weighting, with a minimum value of 0.3 and a maximum value of 3. Figures in the main report and the supporting data tables use the capped weighting, however the uncapped weight is provided in the supporting .csv data set if required for future analysis.

Any weighting of survey data produces a design effect as a result of adjusting the dataset to be representative of the underlying population. Therefore, the sample errors shown in Table 4 are approximations only.

IFF research: qualitative fieldwork and analysis

The qualitative research involved online depth interviews, focus groups and roundtable discussions. This fieldwork was conducted with a range of audiences involved in the pilot, from treatment and control areas. Fieldwork took place between September 2024 and July 2025. This included:

- Focus groups with managers at early years providers
- Qualitative depth interviews with multiple audiences, including:
 - New recruits to eligible early years roles who started their position since April 2024
 - Unsuccessful applicants to eligible early years roles
 - Existing early years practitioners, who had been working in early years prior to April 2024
 - Early years training providers
 - LA leads who were involved in the organisation and administration of the pilot
- Roundtable discussion with representatives from LAs involved in the pilot

The numbers of interviews and focus groups achieved per audience, as well as initial target numbers, can be found in Table 7.

Sampling and recruitment

New recruits were largely recruited from the online applicants' survey, where they were asked if they would be open to taking part in further qualitative research. Early years providers were recruited via the providers survey.

Due to a small recontact sample resulting from the applicants' survey, additional recruitment methods were used to engage applicants for the qualitative research. Early years providers who participated in focus groups were also asked if they could share the invitation to take part in the research with any new recruits or existing practitioners at their provision. The research was also promoted to applicants and new recruits through social media, including posts on relevant Facebook and LinkedIn pages.

Representatives from LAs were invited by DfE to participate in the research. LA representatives were interviewed twice, once during the pilot and once after the pilot had concluded. Specific individuals spoken to varied between the first and second interview, largely based on availability and staff turnover.

Training providers were also initially contacted by emails from both IFF Research and DfE and then followed by calls from the IFF recruitment team.

Eligibility of prospective participants was then confirmed using a telephone screener.

Fieldwork

All interviews were carried out by members of the IFF research team, trained in qualitative interviewing. Qualitative interviews lasted around 45 minutes and focus groups lasted around 1 hour and 15 minutes. Roundtable discussions with LAs lasted 2 hours.

Qualitative fieldwork by audience and treatment/control area

Qualitative depth interviews

Table 7: Qualitative interviews (targets and achieved)

	Treatment: Interviews completed	Treatment: Target	Control: Interviews completed	Control: Target
New Recruits	4	24	6	6
Unsuccessful Applicants	1	6	2	6
LA Lead	6	6	3	3
Existing Staff	9	12	17	18
Total	20	48	28	33

An additional **6 interviews were conducted with training providers**, who were not grouped by area as some operated within multiple regions.

Table 8: Focus Groups with early years providers

	Number of Participants	Groups completed	Target
Treatment LAs	19	6	6
Control LAs	12	3	3
Total	31	9	9

*Minimum of 3 people per group

Table 9: Roundtables with LA representatives

	Number of Participants	Groups completed	Target
Treatment LAs	14	2	1
Control LAs	4	2	1
Total	14	2	2

*Target of 8 people per group

Incentives

To thank participants for their time (and to encourage participation), new recruits, unsuccessful applicants and existing early years practitioners were offered a £35 incentive. Early years providers and training providers were offered a £50 incentive. LA representatives who took part in a qualitative depth interview were not offered an incentive, due to the research forming part of their role. However, a £50 incentive for LA leads who took part in the roundtable discussions was introduced to encourage uptake.

These incentives were offered in the form of amazon vouchers, PayPal payments or charity donations.

Topic guides

All topic guides were developed in collaboration with DfE. The topic guides varied by audience types and if participants were from a treatment or control area, to ensure that all questions were relevant.

Topic guides used for interviews with **new recruits, unsuccessful applicants and existing staff** followed a similar structure, though time spent on each section varied. This included:

- **Introduction and reassurances**— including reassurances about confidentiality.
- **Interest, motivation and perceived benefits of working in early years** – reasons and considerations when choosing to pursue a career in early years. Existing staff were also asked about how they felt about their current role.
- **Application process** (new recruits and unsuccessful applicants) – reasons for applying to the role and if they applied for any other roles. Participants in treatment areas were also asked if their role was advertised with a financial incentive.
- **Knowledge of and views on financial incentives** – thoughts on the concept and effectiveness of financial incentives to address recruitment challenges, as well as their thoughts on the amount and timing of incentives.
- **Receiving the incentive** (new recruits from treatment areas) – how they found the process of receiving the incentive.
- **Impact** – the actual or anticipated impact of financial incentives including impacts on practitioners' decision-making, morale and recruitment and retention of early years staff more broadly.
- **Future intentions** – whether they planned to continue working / applying for roles in early years and what factors would influence this decision.

Focus groups with early years providers also varied by treatment and control areas. For those in treatment area, there was also some variation based on if they were engaged or unengaged with the pilot.

- **Introduction and reassurances**— including reassurances about confidentiality.
- **Demand for childcare places** (control) – current and recent changes in demand, how this has been impacted by the childcare expansion and what actions they have taken as a result.
- **Recruitment** – how they go about recruiting new staff, what challenges they have experienced when recruiting, what they look for in new candidates (i.e. qualifications, experience, soft skills) and the quality of applications received.
- **Retention** (control) – challenges around staff retention and any steps they have taken to address them (i.e. offering additional benefits, flexible working).
- **Support** (control) – what external support would help them to address recruitment and retention challenges.

- **Thoughts / Learning about the pilot** – levels of awareness of the pilot, initial thoughts on the pilot and the quality of initial communications and guidance.
- **Exploring pilot concepts** (control and unengaged providers) – their thoughts on the targeting of the pilot and eligibility criteria, the timing and value of incentives and how effective they felt it would be.
- **Experiences implementing the pilot** (engaged providers) – how they felt the pilot rollout worked in their setting, what processes they followed, how they advertised incentives, how effective these were and anything that worked more or less well.
- **Experience of applying for incentives for early years practitioners** (engaged providers) – how they found the process of applying for incentives, any challenges and ways that these were addressed and what support they needed from the LA.
- **Impacts of the pilot** (actual and potential) – impacts on providers, the quality and quantity of applications received and any other unexpected outcomes of the pilot. For control groups, this also included if any of their applicants to recent early years roles has accepted an incentivised role in another LA.
- **Lessons learnt** (engaged) – overall thoughts on the pilot, how effective they felt it would be in addressing recruitment and retention challenges and what they felt could be improved about future rollouts.

Interviews with **training providers** focused on the early years skills pipeline and included:

- Trainees' interest in early years training and training provision
- Supporting trainees in their next steps
- Provision and staff recruitment and retention in the early years sector
- Thoughts on financial incentives

Interviews with training providers in treatment areas also included:

- Thoughts on the pilot
- Organisation and student knowledge of the pilot
- Known or perceived impact of the pilot
- Lessons learned

Roundtable discussions with LA representatives took place after mainstage fieldwork had concluded. The topic guides were designed to facilitate open discussion, incorporating evidence-based ideas and concepts about which attendees can have a free conversation. The aim of these roundtables was to produce observations and suggestions to inform future policy development. These groups were structured as follows:

- **Introduction and reassurances** – including reassurances about confidentiality.
- **Experiences implementing and delivering the pilot** – reflecting on their experience of the pilot and sharing key insight from the evaluation to inform the discussion.
- **Impacts on recruitment** - reflecting on the targeting of the pilot, factors impacting provider uptake and considering factors that may have undermined the impacts of the pilot, also incorporating key insight from the evaluation.
- **Alternatives to incentive design** – considering points of intervention around training, recruitment and retention, to prioritise areas of external support.
- **Policy design exercise** – attendees were given a fictional budget of £200,000 and were asked to develop a strategy to increase the capacity of the early years workforce. They were asked to consider who interventions would target, how it would be advertised and administered, what impact they feel this would have and why they feel this would be effective.

Analysis framework

Each interview was summarised in an Excel analysis framework. The analysis framework was structured around the topic guide content, with each row corresponding to a participant. All framework entries were reviewed by the Research Manager to ensure level of detail and quality of the summaries, as well as to maintain anonymity.

Impact evaluation econometric methodology

Although the pilot primarily targeted staff recruitment, it had the potential to impact a variety of outcomes (see also Annex 5 of the main report). As a result, the impact evaluation used multiple data sources to measure the pilot's effect on different outcome measures, including the number of applications per vacancy, to childcare capacity at early years settings. Summary information about the data sources used in the impact evaluation can be found in Appendix B: Summary of key data sources, while further information is available in the main report in the 'Key data sources' section of the Impact Evaluation.

The primary approach uses a difference-in-differences specification and exploits the assignment of treatment (EYFI funding) that is random across Local Authorities (LAs). The difference-in-differences specification described below is flexible and can be applied to a range of outcomes, data sources, and unit of observation (e.g., provider, applicant). A key advantage of the difference-in-differences specification is that it controls for broader time trends affecting both the treatment and control LAs, as well as for any residual pre-treatment differences between them that may not have been fully addressed by the randomisation strategy. This may be a problem when randomisation is done on small samples (i.e. only 40 LAs), and thus baseline imbalances can occur.³

The **econometric methodology** used in the impact evaluation sought to measure:

- The extent to which differences between treatment and control LAs can be attributed to **natural random variation** or are instead **statistically significant**.
- The extent to which statistically significant differences can be **attributed to the pilot's financial incentives and not to some other factor**.

To achieve the first aim, the methodology compares observed differences in average outcomes (e.g., average number of weeks to fill a vacancy) between treatment and control LAs to an estimate of variation in the outcome (standard error). The ratio between these estimates indicates whether the differences are statistically significant.

To achieve the second aim, the methodology also controls for the potential impact of other important factors, such as socioeconomic indicators. Although the methodology is adapted throughout the report depending on the data source, in most cases, a difference-in-differences specification is used to model outcomes for applicant, provider, or LA i at time t :

³ To identify LAs, DfE used two criteria: the 25 most deprived LAs based on IDACI (Group 1), and the 25 LAs with lowest sufficiency of places per PTE (part-time equivalents) rank (Group 2). These LAs were then randomly assigned between Groups 1 and 2, with a reserve list created to accommodate for withdrawals.

$$y_{it} = \alpha + \beta_1 Treatment_{it} + \beta_2 Post_t + \beta_3 Treatment_{it} \times Post_t + X_i \beta + \epsilon_{it}$$

- y_{it} is **the outcome of interest** for i (the applicant or provider) at time t and LA i , such as the number of weeks to fill a vacancy;
- $Treatment$ is an indicator variable that takes a value of one if i is in a treatment LA and zero if in a control LA;
- $Post_t$ is an indicator variable that takes a value of one if the time of the observation (t) is after the start of the pilot and zero otherwise;
- The interaction $TreatmentLA_i \times Post_t$ takes a value of one if i is **both** in a treatment LA and the time t is after the start of the pilot (and zero otherwise);
- X is a selection of LA-level control variables, including:
 - socioeconomic factors (unemployment, overall economic activity, and median pay, as well as female economic activity and female weekly working hours, since staff in childcare is predominantly female) which control for labour market factors that are correlated with the number of potential applicants;
 - factors that could affect demand for childcare (the share of the population below the age of 6, the cost of childcare, and childcare accessibility, defined by places per 100 children under the age of 7) as this would capture demand for childcare staff;
 - population and population density since these likely affect both demand for childcare and supply of childminders (population, working population, and whether the LA is classified as mainly rural, mainly urban, or urban with significant rural areas);
 - the share of the working population working in childcare or education as an indicator for the supply of potential childcare staff; and
 - expenditure spent on schools managed by LAs (both at overall LA level and per pupil), as an indicator of how well-funded the education and childcare sector is.
- ϵ_{it} is the error term.

Unless otherwise specified, standard errors have been **clustered at the Local Authority level**, as it is at this level that treatment and control groups are assigned. Statistical significance is indicated either by presenting **p-values** (the likelihood of an outcome arising through random variation) or through the indication of whether estimates are statistically significant at the 10 percent, 5 percent or 1 percent level.

Estimating the causal impact of the pilot

A key advantage of the difference-in-differences specification (and the key reason why it was used in the evaluation) is that it controls for both **pre-existing differences** between treatment and control LAs (β_1) and **broader trends that impact both treatment and control LAs** (β_2). The specification also **controls for other socioeconomic factors** through the inclusion of control variables. These are included to estimate the causal impact of the pilot, rather than the impact of other factors.

The **coefficient of interest** of the impact evaluation analysis is β_3 , which represents **how much the difference between treatment and control LAs changed from before the start of the pilot to after the start of the pilot**. Once pre-existing differences, broader trends, and control variables are taken into account, this coefficient of interest can be interpreted as the impact of the pilot on outcome y . For example, if the outcome is the number of weeks to fill a vacancy and β_3 is -2, the coefficient of interest suggests that the pilot reduced the time taken to fill vacancies by 2 weeks.

It is important to note that the coefficient of interest estimates the **average impact** of the pilot on applicants/providers/LAs in the treatment LAs (**some of them will have engaged with the pilot and others will not**), and **not just those applicants or providers who have received or used the financial incentives**.

Using this coefficient of interest β_3 to estimate the impact of the pilot requires **assumptions** about similarities between treatment and control LAs. A key assumption is that the trend in the outcome for treatment LAs in the absence of the pilot would have been similar to the trends observed for the control LAs (**parallel trends assumption**). The statistical significance of the difference in trends between treatment and control LAs before the start of the pilot is estimated using data sources where possible.

As discussed in Annex 2 of the main report (Figure 39), differences between treatment and control LAs are tested across a **range of observable characteristics**, concluding that they are sufficiently similar for the control LAs to be a **good counterfactual for the treatment LAs**. This suggests that trends in outcomes after the start of the pilot seen in control LAs are likely to be a good indication of what trends in treatment LAs would have been in the absence of the pilot.

Event study specification

An alternative **event study specification** is used for some data sources (SCEYP, ECS validated codes data, early years Census). The difference-in-differences specification estimates the average impact of the pilot after its start. In contrast, the event study specification estimates how the **impact of the pilot may differ across different time periods after its start** (e.g., each term). The pilot may have had a lagged impact on

some outcomes (e.g., childcare capacity) compared to other outcomes (e.g., recruitment).

In addition, an event study specification can also **test for similarity in trends between treatment and control groups before the start of the pilot**, which can indicate how plausible the parallel trends assumption is likely to be.

For example, for SCEYP the analysis is based on 2022 to 2024, thus there are 2 observations prior to treatment and one post-treatment. However, since the policy roll-out began in March 2024 and the post-treatment data was collected in May/June, only 3 months of post-treatment data are captured. As a result, it might be difficult to detect any significant effects of the intervention within this limited timeframe.

Using an event-study design, we compare the pre-treatment periods (2022 and 2023) with the post-treatment period (2024) and control for the observable characteristics discussed above to account for any existing differences between the treatment and control group that could potentially influence the effects of the financial incentive. An event study design allows to see whether there are different effects within each of the pre- or post-treatment periods (i.e., differentiating between 2022 and 2023), whereas a difference-in-differences (DiD) design only compares the average outcome across the pre-treatment period (where 2022 and 2023 would be pooled together) with the average outcome across the post-treatment period.

Appendix A: List of LAs in the pilot

Treatment	Control
Birmingham	Barnsley
Blackpool	Dudley
Cumberland	Durham
Darlington	Hackney
Doncaster	Hartlepool
Halton	Leicester
Islington	Liverpool
Kingston upon Hull, City of	Manchester
Knowsley	North Tyneside
Middlesbrough	Nottingham
Newcastle upon Tyne	Rochdale
North East Lincolnshire	South Tyneside
Northumberland	Southwark
Salford	St Helens
Sandwell	Stoke-on-Trent
Sefton	Sunderland
Staffordshire	Torbay
Walsall	Tower Hamlets
Wirral	Wakefield
Wolverhampton	Westmorland and Furness

Appendix B: Provider survey questions (wave 1)

ASK ALL

Q1. Please select the local authority (LA) in which your provision is based.

If you operate more than one provision across the 40 LAs in this list, we are requesting a separate survey response from each setting, ideally completed by the relevant setting leader or manager for each.

SINGLE CODE

WRITE IN (DROP DOWN LIST)

ASK IF PROVIDER NAME GIVEN ON SAMPLE

Q2. Is the name of your setting <PROVIDERNAME FROM SAMPLE>?

SINGLE CODE.

Yes	1
No. Setting name is: (WRITE IN)	2

ASK IF RECIPIENTFIRSTNAME NOT ON SAMPLE

Q3. What is the name of your setting?

WRITE IN

The next few questions ask about staff and capacity in your setting in March 2024. Please provide your best estimations of figures relating to this time, it is fine if you do not know the exact number.

ASK ALL

- A3. In MARCH 2024, what was the maximum capacity of your setting given your actual staffing levels? An estimate is fine if you do not know the exact number.

By capacity, we mean the maximum number of EY children that your setting can provide care for at any one time, within the physical space available.

WRITE IN

Don't know

ASK ALL

- A4. And again in MARCH 2024, what would have been the maximum capacity of your setting assuming you had the necessary number of staff? An estimate is fine if you do not know the exact number.

By capacity, we mean the maximum number of EY children that your setting can provide care for at any one time, within the physical space available.

WRITE IN

Don't know

The next few questions ask about any recruitment your setting has done in the Financial Year 2023/2024 (FY 23/24), i.e. between April 2023 and March 2024. Please answer the following questions in relation to recruitment campaigns run during this period only. Again, we are interested only in staff who work directly with children.

ASK ALL

- B1. Thinking about recruitment campaigns you have run in the Financial Year 23/24, on average, typically how long has it taken you to fill a vacant post? By this we mean from the time a post becomes vacant to the first day of someone starting in the role.?**

Please answer in number of weeks. An estimate is fine if you do not know the exact number.

WRITE IN
Don't know
N/A - We were unable to fill most of our vacancies
N/A - We didn't have/advertise any vacancies in that time period

ASK IF ADVERTISED VACANCIES IN FY 23/24 (Q5#3)

- B2 On average, roughly how many applications have you received for each of your vacancies in FY 23/24? An estimate is fine if you do not know the exact number.**

WRITE IN
Don't know

ASK IF NUMBER OF APPLICATIONS IS GREATER THAN ZERO OR DK (Q6>0 OR DK)

B3. On average, roughly what proportion of the applicants would you say possessed suitable skills and/or qualifications for the role?

i.e. approximately what proportion were shortlisted and/or invited to interview?

SINGLE CODE.

Less than 10%	1
Between 10% and up to 25%	2
Between 25% and up to 50%	3
Between 50% and up to 75%	4
Between 75% and up to 90%	5
Over 90%	6
Don't know	7

ASK IF NUMBER OF APPLICATIONS IS GREATER THAN ZERO OR DK (Q6>0 OR DK)

B4. And approximately how often would you say the vacancy was filled with an appropriate candidate?

i.e. how often were the recruitment campaigns successful?

SINGLE CODE.

Always	1
Usually – at least 75% of the time	2
Sometimes – about half the time	3
Rarely – less than 25% of the time	4
Never	5
Don't know	6

ASK IF NUMBER OF APPLICATIONS IS GREATER THAN ZERO AND VACANCIES FILLED WITH APPROPRIATE CANDIDATE (Q6>0 AND Q8≠5)

- B5. When you successfully filled a vacancy, roughly how often was the successful candidate already employed in the EY sector within the 6 months prior to starting their role with you?**

SINGLE CODE.

Always	1
Usually – at least 75% of the time	2
Sometimes – about half the time	3
Rarely – less than 25% of the time	4
Never	5
Don't know	6

ASK IF ADVERTISED VACANCIES IN FY 23/24 (Q5≠3)

- B6. How would you rate the overall ease or difficulty of recruiting appropriate staff to fill vacancies in your setting in FY 23/24?**

SINGLE CODE.

Very easy	1
Somewhat easy	2
Neutral	3
Somewhat difficult	4
Very difficult	5

ASK IF FOUND RECRUITING APPROPRIATE STAFF SOMEWHAT OR VERY DIFFICULT (Q10=4/5)

B7. What would you say are the main reasons that recruitment has been difficult? Please select all that apply.

MULTICODE.

Not enough interest in the roles	1
Not enough suitably qualified candidates	2
Not enough suitably experienced candidates	3
Better opportunities/career progression available elsewhere	4
Better pay available elsewhere	5
Better/more suitable hours available elsewhere	6
Less stressful jobs available elsewhere	7
More flexibility available in other types of jobs	8
Issues with commutability to work location	9
EY not seen as an attractive career	10
Other (SPECIFY):	11
Don't know	12
Refused	13

In this section we want to ask you a few questions to understand more about the retention of paid staff involved in the delivery of your provision, in the Financial Year 2023/2024 (FY 23/24).

Please only include people who work directly with the children. Do not include staff such as accountants, bookkeepers, cooks, cleaners, maintenance staff who do not work directly with the children.

ASK ALL

- C1. Excluding apprentices, roughly how many permanent paid childcare staff were involved in the delivery of your provision in MARCH 2024?**

An estimate is fine if you do not know the exact number.

WRITE IN
Don't know

ASK ALL

- C2. Excluding apprentices, roughly how many new permanent paid childcare staff joined your setting during FY 23/24?**

An estimate is fine if you do not know the exact number.

WRITE IN
Don't know

ASK ALL

- C3. And, excluding apprentices, roughly how many permanent paid childcare staff left your setting during FY 23/24?**

An estimate is fine if you do not know the exact number.

WRITE IN
Don't know

ASK IF ANY STAFF LEFT OR DK (Q13>0 OR DK)

C4. When permanent paid childcare staff have left your setting to take up a new role, roughly how often was their new role still within the EY sector?

SINGLE CODE.

Always	1
Usually – at least 75% of the time	2
Sometimes – about half the time	3
Rarely – less than 25% of the time	4
Never	5
N/A – they left paid employment altogether	6
Don't know	7

ASK ALL

C5. How would you rate the overall morale of staff at your setting in FY 23/24?

SINGLE CODE.

Very positive	1
Somewhat positive	2
Neutral	3
Somewhat negative	4
Very negative	5
Don't know	6

ASK ALL

C6. Generally speaking, prior to April 2024, how long would you say new joiners typically remain at your setting before moving on to another employer?

SINGLE CODE.

Less than 3 months	1
Over 3 months but less than 6 months	2
Over 6 months but less than 1 year	3
Over 1 year but less than 2 years	4
Over 2 years but less than 5 years	5
5 years or more	6
Refused	7

In this section we will ask you a few questions about the Early Years Financial Incentives (EYFI) pilot scheme which has recently launched in your local authority.

ASK ALL IN TREATMENT GROUP (LA GROUP=2)

- D1. Before this survey, were you aware of the Early Years Financial Incentives pilot that has recently launched in your local authority for some providers?**

This scheme will allow eligible new or returning workers to the EY sector to claim a £1000 tax free incentive 12 weeks after starting their role at an eligible provider.

SINGLE CODE.

Yes	1
No	2
Not sure	3

ASK IF AWARE OF EYFI PILOT (Q17=1)

- D2. Has your setting been invited to take part in this scheme?**

SINGLE CODE.

Yes	1
No	2
Not sure	3

ASK IF NOT AWARE OF EYFI PILOT OR NOT INVITED TO TAKE PART (Q17=2/3
OR Q18=2/3)

D3. If your setting was invited by your LA, how interested would you be in taking part in this scheme?

SINGLE CODE.

Very interested	1
Fairly interested	2
Slightly interested	3
Not at all interested	4
Not sure	5
N/A – my setting is not eligible	6

ASK IF SETTING INVITED TO TAKE PART (Q18=1)

D4. Are you currently taking part or planning to take part in this scheme?

SINGLE CODE.

Yes – currently taking part	1
Yes – planning to take part	2
No	3
Not sure	4

ASK ALL IN TREATMENT GROUP (LA GROUP=2)

- D5. To what extent do you think offering these financial incentives to new or returning staff is likely to be effective in improving: (a) recruitment, and (b) retention, for settings in your area?**

As a reminder, this scheme will allow eligible new or returning workers to the EY sector to claim a £1000 tax free incentive 12 weeks after starting their role at an eligible provider.

SINGLE CODE.

	Very likely	Likely	Neutral	Unlikely	Very unlikely	Don't know
_1 Staff recruitment	1	2	3	4	5	6
_2 Staff retention	1	2	3	4	5	6

ASK IF STAFF RECRUITMENT OR RETENTION UNLIKELY OR VERY UNLIKELY TO IMPROVE (Q21_1=4/5 OR Q21_2=4/5)

D5a. You indicated that you think the scheme is unlikely to be effective for improving <IF Q21_1=4/5: **staff recruitment**> <Q21_1=4/5 AND Q21_2=4/5: **and**> <Q21_2=4/5: **staff retention**>.

Why do you think this? Select all that apply.

MULTICODE.

Not enough vacancies currently	1
Concerns over potential impact on existing staff	2
Incentive amount is not high enough	3
Incentive is given out too soon into role	4
Incentive is given out too late into role	5
Not enough people who meet the eligibility criteria	6
Not enough interest from people who meet the eligibility criteria	7
Don't usually get applications from staff who are new to the sector	8
Don't usually get applications from staff who are returning to the sector	9
Concern non-eligible applicants will be discouraged from applying	10
Other (SPECIFY):	11
Don't know	12
Refused	13

Appendix C: Reassurance email

Subject line: Helping DfE understand your recruitment and retention issues

Reference number: [IFF ID]

Thank you for expressing interest in participating in this important piece of research for the Department for Education (DfE).

DfE has commissioned IFF Research to conduct a survey of EY settings like yours to understand your experiences with recruitment, retention and staffing trends in the workforce. This will help the Department to **better understand the difficulties EY settings are facing**, and will be instrumental in informing their response to them. This research will directly inform the rollout of **the financial incentive programme** for new recruits in EY, which is being trialled in some parts of England. **Please have your say by clicking the link below.**

You may have participated in DfE's first survey this July. **We would still like to hear from you** again as it's really important for us to understand how views and experiences change.

What do I need to do?

The survey should **only take approximately 10-15 minutes** to complete. There will be a free **prize draw of £500** which you can choose to enter at the end of the survey. To enter you will need to provide an email address so you can be contacted if your setting is a winner.

You can also access the survey online, using the link below:

Click here to take the survey: [PROVIDER NAME]

How will you protect my data?

IFF Research operates within the Code of Conduct of the Market Research Society, the Data Protection Act and General Data Protection Regulation (GDPR). This means that anything you tell IFF Research will be in the strictest confidence and will not be attributed to you personally.

More information about how your data can be used, can be found via our website: www.iffresearch.com/privacy-policy/. You can find out more about how DfE uses and stores your data on their website: [Privacy information: education providers' workforce, including teachers - GOV.UK](https://www.gov.uk/privacy-information/education-providers-workforce-including-teachers).

What if I have questions?

If you have any questions about this project or would like to opt-out of this research, please contact IFF Research by email at EYFevaluation@iffresearch.com or telephone on 0800 054 2377. If you would like to contact DfE directly, or for confirmation of the validity of this research, you can reach them at ey-recruitment.retention@education.gov.uk.

Thank you for your support in this research,

Sign off from IFF Research and DfE.

Appendix B: Summary of key data sources

	Type	Ad-hoc EYFI collection	Sample size*	Latest update
EYFI Provider survey	Survey of early years providers in treatment and control areas	Yes	330-850 providers	May 2025
Applicant survey	Survey of early years applicants in treatment and control areas	Yes	111 applicants	April 2025
Survey of Childcare and Early Years Providers (SCEYP)	Nationwide provider survey	No	3,989 providers	Apr-July 2024
SCEYP Pulse Survey	Subset of SCEYP providers with questions on specific topics	No	80-150 providers	December 2024
ECS (eligibility checking service) validated codes data	Data on the number of codes used by parents to claim funded childcare entitlement hours and validated by providers	No	40 LAs	Spring Term 2025
ONS job vacancies data	Job vacancy data web-scraped information from job boards and recruitment page	No	34 LAs**	April 2025
EY Census	Administrative information about early years providers	No	8,800 providers	January 2025
LA readiness survey	Survey of LAs on childcare sufficiency	No	40 LAs	Spring 2025

* Sample size in treatment and control LAs only.

** Data not available for Islington, Cumberland, Tower Hamlets, Hackney, Southwark, and Westmorland and Furness



Department
for Education

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