RESEARCH

2005 Childcare and Early Years Providers Survey
Sessional Day Care Providers

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BMRB Social Research

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education and skills
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Research Report RR762

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No 762

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ISBN 1 84478 750 8

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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 sessional providers (facilities that provide day care for children under 8 for less than a continuous period of four hours a day) and is based on interviews with the senior manager at 1,007 sessional providers sampled from the Ofsted database.

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

1.2 Characteristics of provision

The total number of sessional providers has decreased from 11,892 in 2003 to 9,966 in 2005, continuing the trend seen since 2001. During the same time, there has been an increase in the number of full day care providers, so it is possible that some of the sessional providers now provide full day care (care for more than 4 hours per day).

Settings are not evenly distributed across England – the South East accounts for a fifth (21 per cent) of all settings, while the West Midlands accounts for just nine per cent. The rate of decline has also varied, with the West Midlands seeing the greatest percentage decrease in numbers since 2003 (22 per cent), and London and the South East the smallest percentage decrease (12 per cent).

Six in ten sessional providers are managed by some form of voluntary or community group and a third are managed by private sector organisations.

Nine in ten sessional providers have been operating for five years or more. Those set up on a for-profit basis were more likely to be relatively new (30 per cent had been in operation for less than 5 years).

Four-fifths of sessional providers had either covered their costs or made a profit in the last financial year. Three-quarters of sessional providers were set up on a not-for-profit basis.

1.3 Places and children

The total number of Ofsted registered places available in sessional providers is 265,400. This is a decrease of 59,900 places since 2003, which is due to the decrease in the number of providers. Those providers still operating as sessional providers are offering the same number of places, on average, as they did in 2003 (26.6 places and 27.4 places respectively).

The total number of children attending sessional care in 2005 was 390,000. This is 79,000 fewer children than attended in 2003. Again, this decrease is in line with the decline in the number of providers. Those providers still operating as sessional providers have, on average, the same number of children attending (39.5) as in 2003 (39.6).

Nearly all (95 per cent) of the children attending are pre-school children aged 2-4 years old. Children of black or minority ethnic origin made up 10 per cent of all children attending. Five per cent of all children enrolled were defined by the providers as having special educational needs.

At the time of the survey, there were 29,800 vacant places in sessional providers – an average of three places per provider. Vacancies were more common in less densely populated areas, in smaller providers and in the West Midlands. London based settings were least likely to have vacancies.

1.4 Characteristics of staff

The overall number of paid staff working in sessional settings was 59,800, a decrease of 9,800 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 sessional day care settings – in total, 17,300, made up of 11,950 volunteers and 5,350 students on placement.

The average hours worked by paid childcare staff had increased slightly since 2003 to 18 hours a week, with nine in ten of the sessional workforce working part time (less than 30 hours a week).

Pay levels for childcare staff have increased across all grades of staff. The average hourly pay is £6.20, an increase of 15 per cent since 2003. Senior managers earned, on average, £7.50 an hour (this is also a 15 per cent increase compared to 2003). (In the same time period the average hourly pay for all employees in the UK increased by 10 per cent).

1.5 Training

Over eight in ten senior managers felt that the amount of training received by their staff was about right, but around one in seven (13 per cent) thought they had received too little.

The proportion of sessional providers with a training plan has increased since 2003 to 61 per cent. Two-fifths have a specific training budget. Funding for training most commonly came from the Local Authority or Sure Start.

1.6 Qualifications of staff

The overall trend is that since 2003 a larger proportion of all types of sessional childcare staff have higher level qualifications. Three-quarters have some kind of qualification relevant to working with children or young people (up from 65 per cent in 2003), and nearly all of these have a least a Level 2 qualification. Over half of the childcare staff have at least a Level 3 qualification.

Almost nine in ten senior managers have at least a Level 3 qualification, up nine percentage points from 2003. Nearly one in ten (8 per cent) have a Level 6 qualification or above. Three quarters of supervisory staff have at least a Level 3 qualification; while two fifths of other childcare staff have a least a Level 2 qualification.

A quarter of childcare staff are currently working towards a relevant qualification, and most providers were supportive of this (allowing time off or funding such training).

1.7 Recruitment and retention

Overall, 11,700 childcare staff were recruited in the last year. The recruitment rate was 21 per cent, which was almost identical to 2003.

Less than half of the providers had lost at least one member of staff in the last year, which was a slight decrease on 2003. The turnover rate in 2005 was 12 per cent, similar to 2003 (14 per cent). Employment growth in 2005 was nine per cent, again similar to 2003 (eight per cent). Many of those who left took other jobs in the childcare and early years sector (40 per cent).

Word of mouth and adverts in the local press were, as in 2003, the most commonly used recruitment methods. The most notable changes since 2003 were the growth in the use of the internet (up from two per cent to 19 per cent) and use of the national press (up from one per cent to 15 per cent).

Three in ten sessional providers who had tried to recruit in the last year had had a fair amount or a great deal of difficulty. Around one in seven (13 per cent) providers were actively trying to recruit at the time of the survey, and had vacancies for around 1,700 [1]staff in total.

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[1] Estimate weighted to provide figure across all sessional providers in England.

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 74 per cent of total expenditure (on average). The overall average expenditure for sessional providers was £34,700 a year. (This is a very rough figure, based on sometimes small numbers of providers).

Nearly all sessional providers spent money on insurance and on toys and books etc for the children. Very few paid business rates or spent any money on transport.

In terms of income, sessional providers relied heavily on Local Authorities. On average, 58 per cent of their income came from this source, while 35 per cent came from fees and eight per cent from other sources such as fund-raising or Sure Start. Average income per year was around £26,600. (This is a very rough figure, based on sometimes small numbers of providers).

Three in ten sessional providers had made a profit or surplus in the last financial year, and 49 per cent had covered their costs. These figures were similar to 2003 (with perhaps a slight upward trend in the proportion making a profit), but there had been an increase in the number of providers reporting operating at a loss (15 per cent in 2005 compared with 11 per cent in 2003).

Two fifths of the loss-making providers said that the loss was due to a one off circumstance and was unlikely to be repeated. A small proportion of all providers (three per cent) felt that they could not keep operating at a loss for more than another 12 months before they would have to close.

1.9 Conclusions

The provision of sessional day care is in decline. Fewer providers are registered to provide this type of care, and fewer children are making use of it. This is most likely to be due to a shift towards full day care provision, with sessional providers shifting into the full day care sector and providing care for more than four hours per day.

Those providers that are still operating as sessional providers have a similar number of children per setting as in 2003, and there is a slight upward trend in the proportion making a profit. The vast majority of sessional providers are managing to break even or make money. However, there is also a slight increase in those operating at a loss.

Staff working in sessional providers are better qualified than they were two years ago, and settings now have a greater proportion of supervisory staff than in 2003.

2 Introduction

2.1 The Ten Year Strategy for childcare

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

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

The Government's vision is to ensure that every child gets the best start in life, and to give parents more choice about how to balance work and family life. By 2010, all 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 2003. The 2005 Childcare and Early Years' Providers' Survey is a modified version of the 2003 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 for 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 1007 interviews conducted with senior managers[2] of sessional day care providers, or in small number of cases, an alternative senior member of staff.

Other surveys were conducted with 1,171 senior managers of full day care providers, 1,039 senior managers of out of school provision and 1,132 childminders.

The sample for each provider type was stratified by Ofsted region[3] 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 included core questions to be asked of all respondents and the second section consisted 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.

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

Interviews were conducted by telephone using CATI (Computer Assisted Telephone Interviewing) by The Operation Centre's[4] fully trained telephone interviewers in Hull. Interviews were carried out between 28th June 2005 and 2nd September 2005.

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[2] 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.

[3] Ofsted divides England into eight regions: East of England, East Midlands, London, North East, Yorkshire & Humberside, North West England, South East England, South West England, West Midlands.

[4] 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:

- Full day care providers
- Out of school providers
- 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 sessional 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, some caution must be applied, especially with regard to the 2001 findings, as different data sources were used to weight and gross the data. In 2001, data from the Children's Day Care Facilities Survey (March 2001) were used for weighting and grossing purposes. Both the 2003 and 2005 surveys used Ofsted data for weighting and grossing (which is a more reliable source).

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

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.

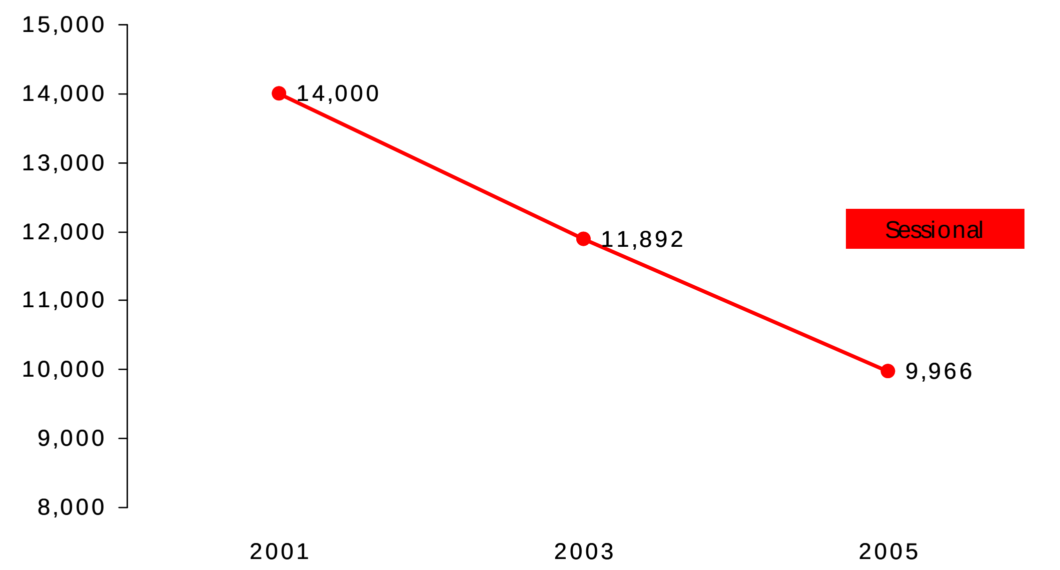
3 Characteristics of Provision

This chapter discusses the characteristics of sessional day 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 sessional childcare providers was 9,966[5]. This represents a continued decrease from 2001 when there were 14,000 providers and 2003 when there were 11,892.

Chart 3.1 Number of sessional providers in operation



Base: Ofsted figures 2001, March 2003, March 2005

The number of sessional day care providers is not evenly distributed across England. The South East alone accounts for the largest proportion of providers, with one fifth (21 per cent) of the total number, while the West Midlands had the smallest proportion with just nine per cent (See table 3.1).

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[5] This figure is based upon the March 2005 Ofsted figures for the total number of sessional day care providers registered, less the percentage that can be considered ineligible based on the fieldwork outcomes from the BMRB 2005 survey – 2.29 per cent. Providers were classified ineligible if they said that they did not offer sessional provision, or if the setting had closed down or was no longer in business.

The rate of decline also varied across the regions. The highest percentage decrease was seen in West Midlands at 22 per cent and the lowest was London and the South East at 12 per cent (See table 3.1).

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.*
Region						
East Midlands	**10%**	**958**	9%	1,100	*-13%*	*-142*
East of England	**15%**	**1,533**	15%	1,800	*-15%*	*-267*
London	**11%**	**1,054**	10%	1,200	*-12%*	*-146*
NE & Yorkshire & Humberside	**11%**	**1,054**	11%	1,300	*-19%*	*-246*
North West	**11%**	**1,054**	11%	1,300	*-19%*	*-246*
South East	**21%**	**2,108**	20%	2,400	*-12%*	*-292*
South West	**13%**	**1,342**	14%	1,700	*-21%*	*-358*
West Midlands	**9%**	**862**	9%	1,100	*-22%*	*-238*

Base 2005: All sessional day care providers (unweighted 1,007, weighted and grossed 9966)

Base 2003: All sessional day care providers (unweighted 850, weighted and grossed 11,892)

Base 2001: All sessional day care providers (unweighted 868, weighted and grossed 14,000)

Over two thirds (69 per cent) of providers were located in areas of high density. Low density areas accounted for 19 per cent and medium density areas just 13 per cent. A fifth (19 per cent) of all providers were based in the 30 per cent most deprived areas.

3.2 Ownership

Providers were owned by a number of different groups. The majority (60 per cent) were managed by some form of voluntary or community group, although the proportion had decreased since 2003 when the percentage was 68 per cent. Just under a third of providers (30 per cent) were owned by private sector organisations.

Table 3.2 Ownership of provision

	Total 2005		Total 2003		*Change from 2003 to 2005*	Total 2001	
	%	**No.**	%	No.		%	No.
Voluntary sector (inc. church, charity, committee)	**60%**	**5,800**	68%	8,100	*-8*	55%	7,700
Private sector (owner/manager or part of group chain)	**30%**	**2,900**	26%	3,100	*+4*	28%	3,900
Local Authority	**7%**	**700**	4%	500	*+3*	4%	500
School/college	**2%**	**200**	2%	200	*0*	4%	590
Other	**3%**	**300**	4%	500	*+1*	14%	1,900

Base 2005: All sessional day care providers (Module A) (unweighted 494, weighted and grossed 4,891)

Base 2003: All sessional day care providers (unweighted 850, weighted and grossed 11,892)

As with 2003, in the most deprived areas, local authorities were more likely to own or manage the setting, compared with the least deprived areas (17 per cent and four percent respectively). This may be a result of local authorities attempting to compensate for gaps in provision.

Table 3.3 Ownership of provision by level of deprivation

	Total 2005		**30 % most deprived areas**		**70% least deprived areas**	
Unweighted base	**494**		96		398	
	%	**No.**	%	No.	%	No.
Voluntary sector (inc. church, charity, committee)	**60%**	**5,800**	51%	1,000	62%	4900
Private sector (owner/manager or part of group chain)	**30%**	**2,900**	27%	500	31%	2400
Local Authority	**7%**	**700**	17%	300	4%	300
School/college	**2%**	**200**	3%	60	1%	100
Other	**3%**	**300**	4%	80	3%	300

Base: All sessional day care providers (Module A) (unweighted 494, weighted and grossed 4,891), 30 per cent most deprived areas (unweighted 96, weighted and grossed 957), 70 per cent least deprived areas (unweighted 398, weighted and grossed 3,934)

3.3 How long operating

The overwhelming majority (87 per cent) of sessional day care providers have been operating for five years or more. This figure is slightly lower than in 2002 and 2003, when the proportion was 91 per cent.

Providers located in the most deprived areas were more likely to have been operating for less than five years. Twenty two per cent of providers in the 30 per cent most deprived areas had been operating for less than five years, compared with just 11 per cent in the 70 per cent least deprived areas and 13 per cent overall.

Organisations set up on a for-profit basis were also more likely to have been operating for less than five years. Nearly a third (30 per cent) of for-profit providers had been operating for less than five years, compared with 11 per cent of not-for-profit or charitable organisations.

3.4 Written business plan

Nearly half of all sessional day care providers (47 per cent) reported that they had a written business plan, an increase from 2003 when the figure was 40 per cent. Perhaps unsurprisingly, for-profit providers were more likely to have a written business plan than not-for-profit /charity providers (63 per cent compared with 42 per cent respectively).

Table 3.4 Whether provider has a written business plan

	Total 2005		Total 2003		*Change from 2003 to 2005*	**Not-for-profit 2005**		**For-profit 2005**	
	%	**No.**	%	No.		%	No.	%	No.
Yes	**47%**	**4,600**	40%	4,700	*+7*	42%	3,100	63%	1,500
No	**44%**	**4,300**	52%	6,100	*-8*	47%	3,400	35%	800
Don't know	**9%**	**900**	9%	1,000	*0*	11%	800	2%	40

Base 2005: All sessional day care providers (Module A) (491), Non-profit making organisations (Module A) (unweighted 370, weighted and grossed 3,661), Profit-making organisations (Module A) (unweighted 119, weighted and grossed 1181)

Base 2003: All sessional day care providers (unweighted 850, weighted and grossed 11,892)

Of those who said they had a plan in place, 86 per cent said it had been updated in the last two years, a similar figure to 2003. Overall this represents 40 per cent of sessional day care providers that have a written business plan that had been updated in the last two years, compared with 34 per cent in 2003.

4 Places and Children

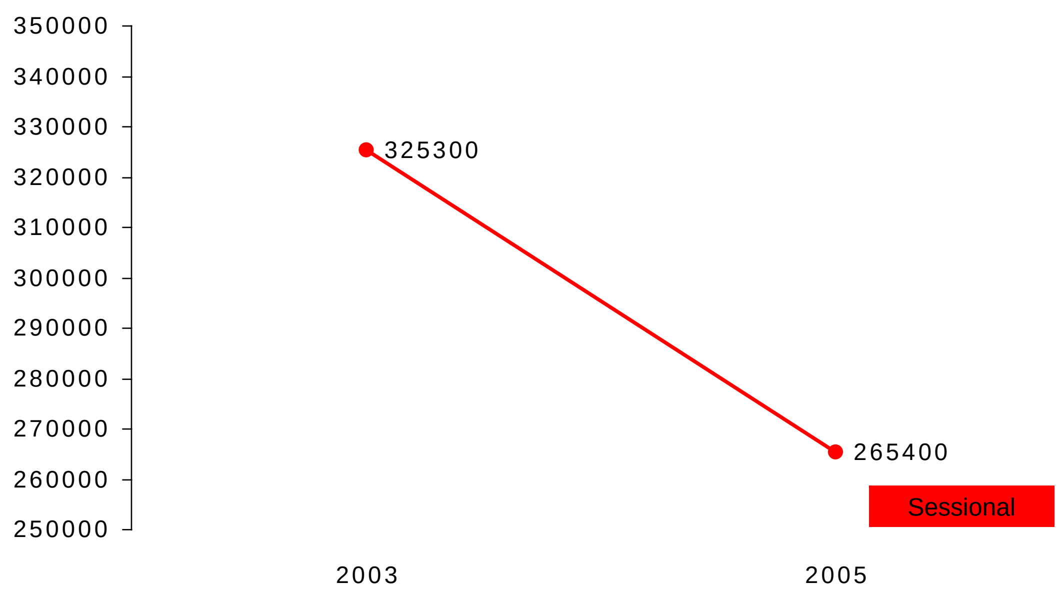
This chapter discusses the number of Ofsted registered places available and the number of children attending sessional day care providers. It also provides data on the demographic make-up of the children attending in terms of age and ethnicity and special educational needs; the number of vacant places; opening hours and days and whether there is potential for expansion.

4.1 Number of places

Providers register with Ofsted as sessional providers if they offer places to children under 8 for a session which is less than a continuous period of 4 hours in any day. Although such providers can offer two such sessions per day, there must be a break between sessions where no children are in the care of the provider.

The estimated total number of registered Ofsted places in the sessional day care sector is 265,400. There has been a marked decrease from 2003 when the figure was 325,300[6].

Chart 4.1 Number of registered places in sessional providers



Base 2005: All sessional day care providers (unweighted 1,007, weighted and grossed 9966)
Base 2003: All sessional day care providers (unweighted 850, weighted and grossed 11,892)

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[6] The question from 2001 is not comparable, and so comparisons with 2001 can not be made.

The average number of places per setting in 2005 was 26.6, which is similar to the figure in 2003 (27.4). Most sessional providers offered between 20 and 29 places (56 per cent), and one in five sessional providers (19 per cent) offered fewer than 20 places. A few sessional providers (five per cent) were quite large, offering 50 or more places. Not surprisingly, larger sessional providers were more common in high density areas (seven per cent offered 50 or more places compared to two per cent in less densely populated areas).

4.2 Types of care offered

In addition to offering play group and pre-school places, a minority of sessional day care providers said that they offer other types of childcare places[7]. The most common were private nursery school places (15 per cent), day nursery places (eight per cent), out of school club and holiday club places (both seven per cent).

Table 4.1 Description of organisation

	Total 2005	
	%	**No.**
Play group or pre-school	**93%**	**9,300**
Private nursery school	**15%**	**1,450**
Day nursery	**8%**	**800**
Out of school club e.g. after school or breakfast club	**7%**	**700**
Holiday club	**7%**	**700**
Extended day playgroup	**5%**	**500**
Early excellence centre	**3%**	**250**
Children's centre	**2%**	**200**
Combined nursery centre	**2%**	**150**
Other answer	**3%**	**300**

Base: All sessional day care providers (unweighted 1,007, weighted and grossed 9,966)

[7] No definitions were provided for each type of childcare. Providers were read out each in turn and asked if that described their organisation. It seems that some providers misunderstood the term "Children's Centres" as the numbers describing themselves as this was too high given that there were only around 400 or so designated Children's Centres in existence at the time of the survey.

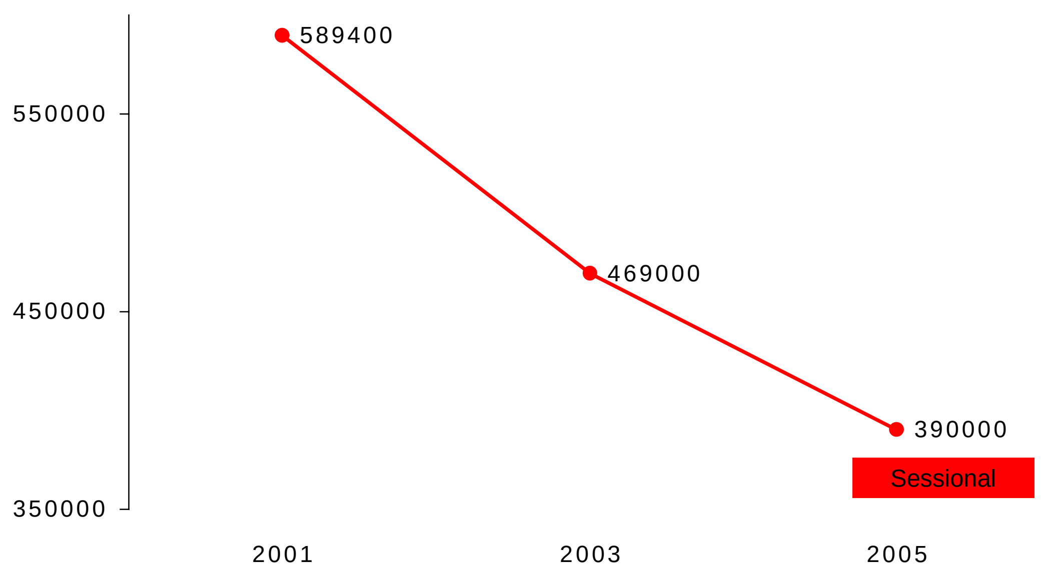
4.3 Number of children attending

The total number of children attending sessional day care across all providers was 390,000. This represents a continued decline in numbers from 589,400 children in 2001 and 469,000 in 2003.

This decrease in numbers since 2003 (17 per cent) matches the decrease in the number of sessional day care providers operating (16 per cent). The average number of children attending per provider has remained the same since 2003 (39.45 and 39.61).

These figures indicate that fewer parents are leaving children in sessional childcare places (which is probably linked to the increase in full day care provision), but the providers offering this type of care are still operating at a similar level (in terms of enrolments) as they were in 2003.

Chart 4.2 Number of children attending sessional day care providers 2001- 2005

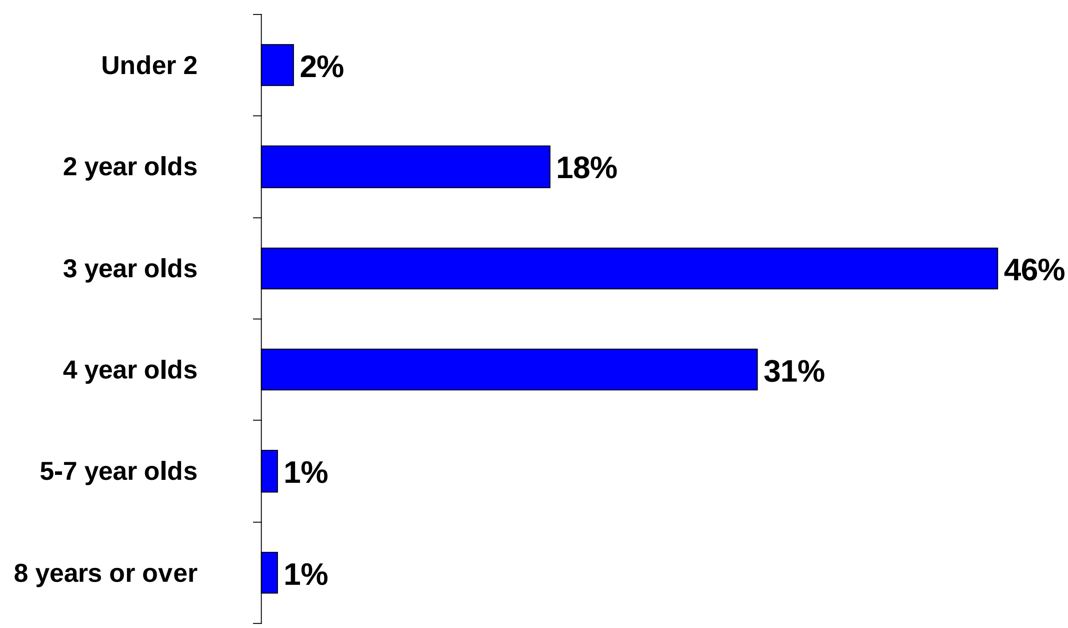


Base 2005: All sessional day care providers (unweighted 1,007, weighted and grossed 9,966)
Base 2003: All sessional day care providers (unweighted 850, weighted and grossed 11,892)
Base 2001: All sessional day care providers (unweighted 868, weighted and grossed 14,000)

4.4 Ages

The overwhelming majority of children (95 per cent) attending sessional day care places were aged two to four. Only two per cent were aged under two years old, one per cent were aged five to seven and another one per cent were aged eight or over.

Chart 4.3 Proportions of enrolled children by age group



Base: All children (unweighted 38,234 in 1007 providers; weighted and grossed 373,400 in 9,966 providers)

The number of 0-7 year olds attending sessional day care settings was 368,200. This accounts for 99 per cent of the total number of children attending (excluding those for whom ages were not provided). The average number of 0-7 years old attending per setting is 36.9. In 2003 the average was 39.3. This compares with an average number of places per setting of 26.63.

Three per cent of sessional day care providers reported having eight year olds and over attending their setting. Providers based in the 30 per cent most deprived were more likely to have eight year olds and over attending than those in less deprived areas (six per cent compared with two per cent).

4.5 Black or minority ethnic groups (BME)

Overall, children of black or minority ethnic (BME) origin made up ten per cent of the children attending sessional day care providers.

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

In terms of the proportion of children of BME origin within providers, a third of providers (35 per cent) had no children of BME origin and a quarter (27 per cent) had less than five per cent, while a fifth (22 per cent) of providers had 11 per cent or more.

As would be expected, there is a higher concentration of children of BME origin in London (33 per cent of children, on average, compared with the overall figure of ten per cent). The average was also higher in the 30 per cent most deprived areas (24 per cent) than the 70 per cent least deprived (seven per cent). This difference fits with the higher concentration of children of BME origin in London and other urban areas, where many of the 30 per cent most deprived areas are located.

Table 4.2 Proportion of children of black or minority ethnic origin

	Total 2005		30% most deprived areas		70% least deprived areas	
Unweighted base	**1007**		191		816	
	%	**No.**	%	No.	%	No.
None	**35%**	**3,500**	16%	300	40%	3,200
1- 5%	**27%**	**2,700**	20%	400	28%	2,300
6-10%	**14%**	**1,400**	15%	300	14%	1,100
11% or more	**22%**	**2,200**	46%	900	17%	1,400
Don't know	**1%**	**100**	3%	50	1%	100
Mean (inc. zeros)	**10%**		24%		7%	

Base: All sessional providers (unweighted 1,007, weighted and grossed 9,966)

4.6 Special educational needs (SEN)

Overall children that had special educational needs (SEN) made up five per cent of the total number of children attending sessional day care providers.

Two-fifths (41 per cent) of providers had no children with special education needs, a third (33 per cent) had between 1 and 5 per cent and one in ten (11 per cent) had 11 per cent or more of their children with SEN.

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 much higher than the proportion in sessional care – but sessional providers will be relying on their own judgement, as many pre-school children will not have been formally assessed, and even if they have been, the managers of sessional providers may not have access to this information.

4.7 Vacancies

At the time the survey was conducted there were 29,800 vacant sessional places in England. Nearly half (46 per cent) of the providers had no vacant places, a third (33 per cent) had one to five vacant places and 18 per cent had six or more. On average, there were three vacant places per provider.

Areas of high population density were less likely to have vacancies - 54 per cent in high density areas had no vacancies, compared with 31 per cent in medium population density areas and 29 per cent in low population density areas.

Table 4.3 Number of vacant places on an average day

	Total	**Low density**	**Medium density**	**High density**
Unweighted base	**1,007** **%**	**192** **%**	**128** **%**	**687** **%**
None	46	29	31	54
1-5	33	39	46	29
6-10	13	24	13	10
11-20	3	5	4	3
21-30	1	1	1	1
31 or more	*	-	-	*
Don't know	3	2	5	3
Mean	3.08	4.26	3.36	2.71
TOTAL NUMBER	**29,800**	**7,900**	**4,000**	**17,900**

Base: All sessional day care providers (unweighted 1,007, weighted and grossed 9,966)

There were some differences by region in terms of vacancies. Providers in London were most likely to have no vacancies (54 per cent) and on average each London based setting had just 2 vacant places on an average day. Providers in the West

Midlands were most likely to have vacancies (37 per cent had none), and on average each provider had 5 vacant places on an average day.

There were some differences by the size of the provider. The providers with the highest number of children enrolled were less likely to have vacancies than the ones with fewer children enrolled (61 per cent of providers with 50 or more children had no vacancies compared with 24 per cent of providers with fewer than 20 children).

4.8 Term time care

As expected, practically all (99.6 per cent) sessional day care providers were open in term time. On average, they are open for 4.4 hours a day in term time. Larger providers tended to be open longer than smaller providers. Providers with 50 or more children enrolled were on average open for 5.7 hours a day compared with 3.5 hours for settings with just one to nineteen children enrolled. There is a similar increase in average number of hours open by the number of staff employed by a provider.

Table 4.4 Number of hours open during a term time day

	Total	**1 to 19 children**	**20 to 29 children**	**30 to 39 children**	**40 to 49 children**	**50 or more children**
Unweighted base	**1007**	**161**	**227**	**221**	**156**	**236**
	%	**%**	**%**	**%**	**%**	**%**
1-2	29	41	35	37	22	11
3-4	32	38	48	34	30	11
5-6	24	8	8	14	28	57
7-8	2	2	1	3	2	4
9-10	3	2	*	2	3	7
11 or more	3	2	2	3	3	3
Don't know	7	7	5	7	11	6
Mean	**4.4**	**3.5**	**3.6**	**4.2**	**4.6**	**5.7**

Base: All sessional day care providers (unweighted 1,007, weighted and grossed 9,966)

The majority of providers (73 per cent) open in a term time were open for five days a week. Clearly this will mostly be the standard Monday to Friday week. One in ten providers (12 per cent) were open for four to four and half days.

4.9 Holiday time care

Eight per cent of providers (800 sessional providers) were open during the school holidays. Providers open during the school holidays tended to be open for a greater number of hours than in term time. The average number of hours open was seven (compared with four hours in term time).

Sessional providers in the 30 per cent most deprived areas were more likely to be open during the school holidays as well as term time than those in less deprived areas (18 per cent compared with six per cent). Providers set up on a for-profit basis were also more likely to be open in the holidays then those set up on a not-for-profit basis (17 per cent compared with seven per cent).

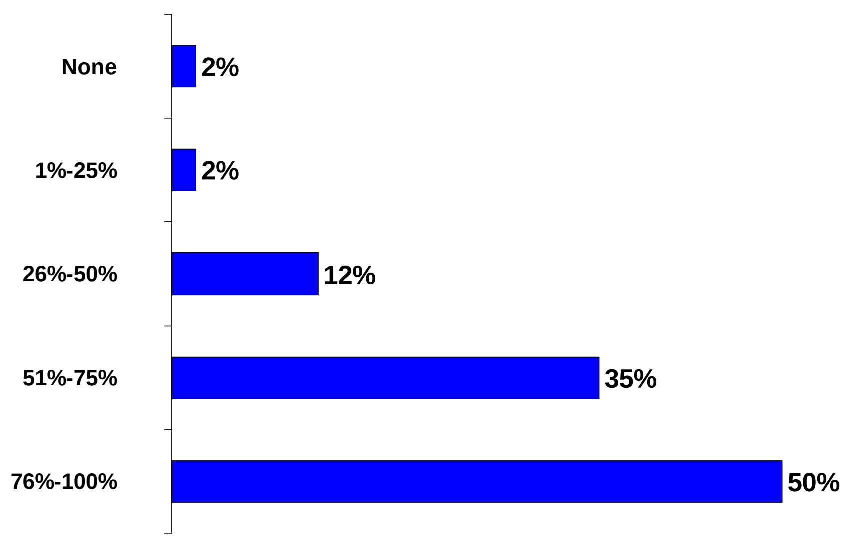
As with term time care, three quarters (77 per cent) of providers offered care for the standard five days a week.

The number of providers interviewed offering care during school holidays is too small (82 providers) to allow any more detailed analysis.

4.10 Breaking even

Providers were asked how many of their places needed to be taken up in order for them to break even. The average proportion reported was 74 per cent of places. A third (32 per cent) of sessional providers were unable to provide this figure.

Chart 4.4 Proportion of places that need to be filled to break even



Base: All sessional day care provider (Module A) able to answer (unweighted 336; weighted and grossed 3,329)

As discussed in greater detail in chapter nine, 79 per cent of sessional providers had either made a profit or covered their costs in their last financial year.

4.11 Expansion

Four fifths (79 per cent) of sessional day care providers said they could not expand in their current premises. Sixteen per cent of providers reported that they had expanded in the last 12 months. Of those providers who hadn't expanded in the last 12 months, 13 per cent said they planned to in the next 12 months (11 per cent of all providers).

Table 4.5 Potential for expansion (increasing number of places)

	Total 2005	
Unweighted base	**494**	
	%	**No.**
Able to expand in current premises	**20%**	**1,900**
Not able to expand in current premises	**79%**	**7,800**
Have expanded in last 12 months	**16%**	**1,600**
Have not expanded, but plan to expand in next 12 months	**11%**	**1,100**
Have not expanded and have no plans to	**69%**	**6,800**

Base: All sessional day care (Module A) (unweighted 494; weighted and grossed 4,891)

Providers who had not expanded in the last 12 months and didn't plan to in the next 12 months were asked to give reasons as to why they didn't plan to expand. The most common reasons given were that they would need larger premises (45 per cent), they were already at their maximum capacity (41 per cent) and that there wasn't sufficient demand to for extra places (10 per cent).

Table 4.6 Reasons for not planning to expand in the next 12 months	
	Total 2005 **%**
Would need larger premises	45
Already at maximum capacity	41
No sufficient demand for extra places	10
Too costly to expand	6
No need to expand/don't wish to expand	5
Premises not suitable	5
Regulations	4
Difficulties recruiting staff	4
Too much competition from other providers	2
Closing down	2
Not enough staff	1
Other answers	2
Don't know	1
Base: All sessional day care providers (Module A) who had not expanded in the last 12 months and didn't plan to in the next 12 months (unweighted 342, weighted and grossed 3,388)	

5 Characteristics of Staff

This chapter looks at the number of paid and unpaid staff working within the sessional day care 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.

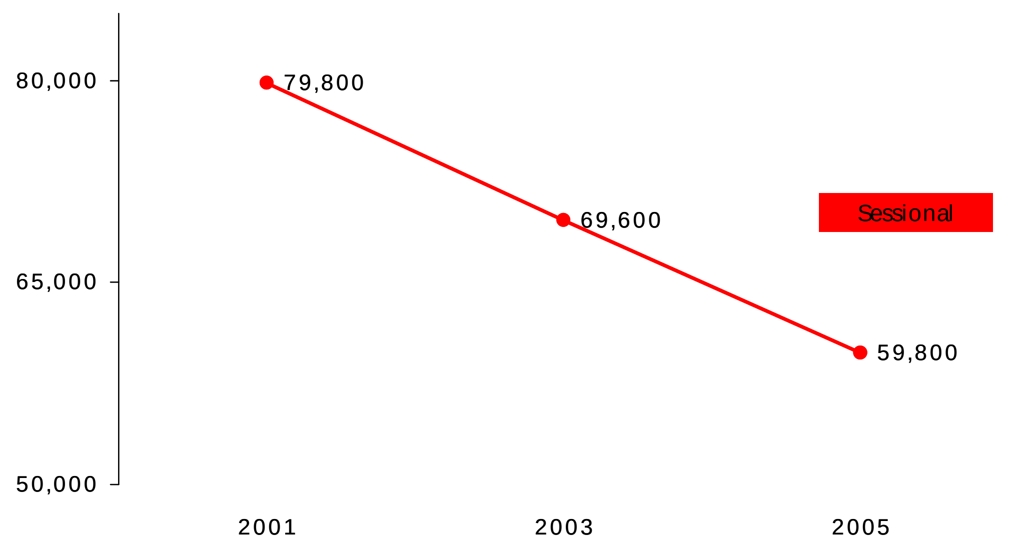
5.1 Number of staff

5.1.1 Paid staff

In 2005 there were 59,800 paid staff working within sessional day care settings. This is made up of 9,000 senior managers, 28,800 supervisory staff and 22,000 other paid childcare staff.

These figures represent a continued decrease in the number of people working within sessional day care settings. In 2001 there were 79,800 paid staff and in 69,600 in 2003 (See chart 5.1).

Chart 5.1 Number of paid staff working in sessional day care settings



Base 2005: All sessional day care providers (unweighted 1,007, weighted and grossed 9966)
Base 2003: All sessional day care providers (unweighted 850, weighted and grossed 11,892)
Base 2001: All sessional day care providers (unweighted 868, weighted and grossed 14,000)

The number of sessional day care providers is decreasing at a faster rate than the number of staff working within the sector. The number of providers has decreased by 16 per cent since 2003, while the number of paid staff has decreased by 14 per cent. This means there has been an increase in the number of paid staff per setting. This is a pattern that has continued over at least the last four years. In 2001 there were 5.7 staff per setting, in 2003 there were 5.9, while in 2005 there were 6 paid staff per setting.

As discussed earlier (Chapter 4.1), in general the average size of providers has remained the same. Therefore, the greater number of staff per setting means that there is now a greater ratio of staff per child. If the number of places is divided by the number of paid staff we can see that there has been a decrease, albeit slight, from 1 member of paid staff to 4.8 places in 2003 to 1 member of paid staff to 4.3 places in 2005.

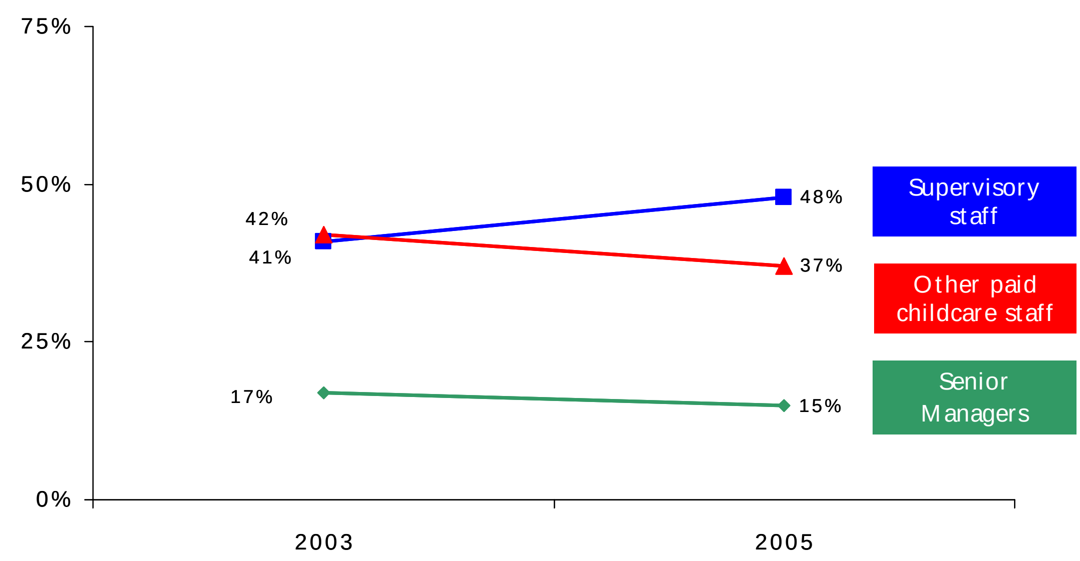
Table 5.1 Number of paid staff

	Total 2005		Total 2003		*Change from 2003 to 2005*		Total 2001	
	%	**No.**	%	No.	*%*	*No.*	%	No.
Numbers by grade of staff								
All paid staff		**59,800**		69,600	*-14%*	*-9,800*		79,800
Senior Managers	**15%**	**9,000**	17%	11,900	*-24%*	*-2,900*	13%	14,400
Supervisory staff	**46%**	**28,800**	41%	28,200	*+2%*	*+600*	NA	NA
Other paid childcare staff	**37%**	**22,000**	42%	29,500	*-25%*	*-7,500*	NA	NA
Average number of staff								
All paid staff	**6**		5.9		*+0.1*		5.7	
Senior Managers	**0.9**		1		*-0.1*		1	
Supervisory staff	**2.9**		2.4		*+0.5*		NA	
Other paid childcare staff	**2.2**		2.5		*-0.3*		NA	

Base 2005: All paid staff in sessional providers (unweighted 6,043, weighted and grossed 59,800)
Base 2003: All staff in sessional providers (unweighted 6,319, weighted and grossed 90,840)
Base 2001: All staff in sessional day care providers (unweighted NA; weighted and grossed 11,687)

The 2005 figures indicate that the workforce working within sessional day care is becoming more professional. Compared with the 2003 figures the number of senior managers and other paid staff has decreased by about a quarter, while the number of supervisory staff has remained the same. In 2003, supervisory staff made up 41 per cent of the overall paid childcare staff, while in 2005 the proportion had increased to nearly half at 48 per cent. In 2003 there was an average of 2.4 supervisory staff per setting, while in 2005 there were 2.9. In all, the balance of qualified staff and unqualified staff is shifting towards qualified staff.

Chart 5.2 Proportion of grades of staff



Base 2005: All sessional day care providers (unweighted 1,007, weighted and grossed 9,966)
Base 2003: All sessional day care providers (unweighted 850, weighted and grossed 11,892)

5.1.2 Unpaid staff

As well as paid childcare staff there are a large number of unpaid staff working within sessional day care settings. In total, there were 11,950 volunteers and 5,350 students on placements, 17,300 altogether. This is a total of 77,100 paid and unpaid childcare staff working in sessional day care settings. This represents a decrease of 13,700 and a percentage decrease of 15 per cent since 2003.

Table 5.2 Number of unpaid staff						
	2005	2003	*Change from 2003 to 2005*		2001	*Change from 2001 to 2005*
Numbers by type of staff			*%*	*No.*		*%*
All paid staff and unpaid staff	**77,100**	90,800	*-15%*	*-13,700*	109,500	*-30%*
Unpaid staff						
Volunteers	**11,950**	15,200	*-21%*	*- 3,250*	23,200	*-48%*
Students on placements	**5,350**	6,100	*-11%*	*- 750*	6,400	*-16%*
Total unpaid staff	**17,300**	21,300	*-18%*	*- 4,000*	29,700	*-42%*

Base 2005: All staff in sessional providers (unweighted 7,699, weighted and grossed 77,100)
Base 2003: All staff in sessional providers (unweighted 6,319, weighted and grossed 90,840)
Base 2001: All staff in sessional day care providers (unweighted NA, weighted and grossed 11,687)

5.2 Agency staff

Similarly to previous years only a small percentage (8 per cent) of sessional day care settings had used agency staff in the last 12 months. Providers in the 30 per cent most deprived areas are more likely to use agency staff (16 per cent) than those within the 70 per cent least deprived areas (6 per cent). This difference is most likely due to the fact that a number of these areas will be located in London, where providers find it harder to recruit new staff (see section 8.6) and therefore may make more use of agency staff.

5.3 Age

The average age of the sessional day care workforce has increased slightly. As the proportion of staff falling within the 16-19, 20-24 and 25-39 age brackets has fallen, the 40-49 and 50 or over groups have increased.

Table 5.3 Age of paid staff

	Total 2005		Total 2003		*Change from 2003 to 2005*
	%	**No.**	%	No.	
16-19	**1%**	**600**	2%	1,100	*-1*
20-24	**4%**	**2,400**	5%	3,300	*-1*
25-39	**39%**	**23,300**	47%	32,200	*-8*
40-49	**37%**	**22,150**	33%	23,100	*+4*
50 years and over	**17%**	**10,150**	13%	9,000	*+4*

Base 2005: All paid childcare staff (unweighted 4,776, weighted and grossed 59,800)
Base 2003: All paid childcare staff (unweighted 4,812, weighted and grossed 69,625)

Senior managers tend to be older than supervisory staff and other paid childcare staff. A third (32 per cent) of senior managers were aged 50 or over, compared with 16 per cent of supervisory staff and 12 per cent of other paid childcare staff.

Table 5.4 Age of paid staff by grade

	Senior Managers		**Supervisory Staff**		**Other paid childcare staff**	
Unweighted Base:	911		2,198		1,667	
	%	No.	%	No.	%	No.
16-19	0%	0	1%	300	3%	650
20-24	1%	100	5%	1,450	6%	1,300
25-39	26%	2,350	36%	10,350	49%	10,800
40-49	40%	3,600	41%	11,800	29%	6,400
50 years and over	32%	2,900	16%	4,600	12%	2,650

Base: All paid staff (4,776), Senior managers (unweighted 911, weighted and grossed 9,016), Supervisory staff (unweighted 2,198, weighted and grossed 28,800), Other paid childcare staff (unweighted 1,667, weighted and grossed 22,000)

5.4 Gender

There has been a significant increase in the number of men working within the sessional day care sector. In 2003, men made up just 0.3 per cent of the total workforce, around 200 people. In 2005 the number had increased to 900, representing around one and half per cent of the workforce.

The settings based in the 70 per cent least deprived areas in the country were more likely to have no male staff (95 per cent) compared with the 30 per cent most deprived areas (89 per cent).

5.5 Disability

There has also been a significant increase in the number of staff with a disability working within sessional day care settings. In 2003 there were only 600 members of paid staff with a disability, about one per cent of the entire paid workforce. In 2005 the number had increased to 1,700 people, representing nearly 3 per cent of the workforce.

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

The number of people of black or minority ethnic (BME) origin working in sessional day care provision has increased. In 2003 there were 2,600 staff from a black or minority ethnic group, three per cent of the total staff. In 2005, the number had increased to 3,850, six per cent of the total sessional care staff. This increase is despite the overall decrease in numbers working with the sessional day care sector.

One fifth (19 per cent) of providers now report that they have at least one person of BME origin working at their setting. In 2003, the equivalent figure was just 11 per cent.

According to the 2005 Labour Force Survey, nine per cent of the UK working population are from a black or minority ethnic group. Thus, there is a lower than average proportion working in sessional care settings. This may be linked to the fact that children from black or minority ethnic group appear less likely to attend sessional day care settings than might be expected (see Chapter 3).

Providers based in London are much more likely to employ a person from a black or minority ethnic group than anywhere else in the country. In London a quarter of all paid sessional day care staff were from a black or minority ethnic group, compared with the six per cent overall. London alone accounted for 41 per cent of all staff from a black or minority ethnic group.

Table 5.5 Number of male staff, staff from a black or minority ethnic group and number of staff with a disability					
	Total 2005		Total 2003		*Change from 2003 to 2005*
	%	**No.**	%	No.	
Proportion of male staff	**1.5%**	**900**	0.3%	200	*+350%*
Proportion of staff with a disability	**3%**	**1,700**	1%	600	*+183%*
Proportion of staff from a black or minority ethnic group	**6%**	**3,850**	4%	2,600	*+48%*

Base 2005: All staff in sessional providers (unweighted 6,043, weighted and grossed 59,800)

Base 2003: All staff in sessional providers (unweighted 6,319, weighted and grossed 90,840)

5.7 Working hours

As in previous years the overwhelming majority of the paid workforce are part-time. Nine in ten workers (88 per cent) work less than 30 hours a week. Just one in ten (11 per cent) work full time (30 hours or more).

The average number of hours worked per week by all paid childcare staff was 18 hours, an increase from 17 hours from 2003.

Consistent with previous years, senior managers worked the longest hours with an average week of 23 hours. A quarter (26 per cent) worked full time. This is an increase from 2003 when the average working week for a senior manager was 20 hours a week and just under one in five (18 per cent) worked full time.

Supervisory staff on average worked an 18 hour week and just one in ten (ten per cent) worked full time. These figures are consistent with 2003 when the average working week was 17 hours and ten per cent worked full time.

Other paid childcare staff tended to work the least number of hours with an average week of 13 hours and just four per cent working full time.

To put these figures in context we can compare them with the UK averages[8]. 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. The UK average for part-time staff was 15.6 hours (15.7 hours for females). Compared to the overall average for all staff, sessional day care staff work much shorter hours, however compared to the average for part-time staff, they work slightly longer hours.

Table 5.6 Average number of hours worked a week

	Average hours
All staff	18
Senior manager	23
Supervisory staff	18
Other paid childcare staff	13
UK: All staff	32.1
UK: Females	26.5
UK: Part time	15.6
UK: Part time female	15.7

Base: All paid staff (4,776), Senior managers (unweighted 911, weighted and grossed 9,016), Supervisory staff (unweighted 2,198, weighted and grossed 21,756), Other paid childcare staff (unweighted 1,667, weighted and grossed 16,442)

5.8 Pay levels

Pay levels for childcare staff have increased across the different staff groups. The average hourly rate of pay is now £6.20; in 2003 the equivalent figure was £5.40. This represents a 15 per cent increase.

The average hourly pay for senior managers is now £7.50 compared with £6.50 in 2003. This represents an increase of 15 per cent.

Supervisory staff pay has increased at a similar rate. In 2003 the average was £5.60, while in 2005 it was £6.30 (a 13 per cent increase).

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

Other paid childcare staff saw a similar increase. Their average hourly pay increased from £4.80 in 2003 to £5.50 in 2005 (a 15 per cent increase).

The hourly pay is considerably lower than the UK average. In summer 2005[9], the average hourly wage for full time staff was £10.63; and £9.43 for females and £8.06 for part time staff. As in 2003, these figures show that average childcare wages are below the UK average. For the UK, since 2003 the average hourly wage has increased ten per cent from £9.66 to £10.63. Overall for sessional day care staff, the average has increased 15 per cent from £5.40 to £6.20. This shows that childcare wages are increasing at a higher rate than the average.

Table 5.7 Average hourly pay

	2005 Average pay	2003 Average pay	*Change from 2003 to 2005*	
	£	£	*%*	*£*
All staff	**6.20**	5.40	*+15%*	*+£0.80*
Senior manager	**7.50**	6.50	*+15%*	*£1.00*
Supervisory staff	**6.30**	5.60	*+13%*	*+£0.70*
Other paid childcare staff	**5.50**	4.80	*+15%*	*+£0.70*
UK: All staff	**10.63**	9.66	*+10%*	*+£0.97*

Base 2005: All paid staff (4,776), All senior managers (unweighted 911, weighted and grossed 9,016), Supervisory staff (unweighted 2,198, weighted and grossed 21,756), Other paid childcare staff (unweighted 1,667, weighted and grossed 16,442)

Base 2003: All paid staff (unweighted 4,812, weighted and grossed 69,625)

Rates of pay varied across the regions. For senior managers the average rate of pay was highest in London at £8.40 and lowest in the North West at £7.20.

Senior managers working in for-profit organisations also, on average, tended to earn more than those working in not-for-profit organisations, £8.30 compared with £7.20 respectively.

[9] Labour Force Survey 2005

Senior managers working in the 30 per cent most deprived areas were also more likely to earn more than those working in the 70 per cent least deprived areas, £8.10 compared with £7.40 respectively.

These patterns of pay were replicated amongst supervisory and other paid childcare staff.

There were also differences in pay by qualification level. As the table below shows, average hourly pay increased as qualification level increased. Of course, as senior staff tend to be both more highly paid and more highly qualified, this is not surprising. However, even within each type of staff those with higher qualifications had higher average earnings.

Table 5.8 Average hourly pay by qualification level

	All staff	Senior manager	Supervisory staff	Other staff
		565	2200	1652
Level 2	**£5.80**	£7.60*	£5.90	£5.50
Level 3	**£6.60**	£7.30	£6.40	£5.70
Level 6	**£8.60**	£9.20	£8.60	£6.10*

Base 2005: All providing salary information (unweighted 4,417; weighted and grossed 44,253)

*Caution: small base less than 50

5.9 Other work

A fifth (20 per cent) of the paid sessional day care workforce, around 11,700 people, do other work in addition to working for the provider sampled as part of the 2005 survey.

For those providers who had more than one person doing other paid work, on average just over half (58 per cent) of those people did other work within the childcare sector. Eight per cent said that none of their staff who did other paid work worked in the education or childcare sector.

6 Training

This chapter looks at views on the amount of training received by childcare staff, training plans, how providers fund training and the type of training provided.

6.1 Views of current level of training

The majority (84 per cent) of senior managers said that they thought the amount of training received by their staff in the last year was sufficient; 13 per cent thought it was too little and two per cent thought they had received too much training. These results were very similar to the 2003 survey where 83% of senior managers said they were happy with the amount of training received.

Table 6.1 Views of current level of training

	Total 2005		Total 2003		*Change from 2003 to 2005*
	%	**No.**	%	No.	
Too little	**13%**	**1,300**	14%	1,600	*-1*
About right	**84%**	**8,500**	83%	9,900	*+1*
Too much	**2%**	**200**	2%	300	*0*

Base 2005: All sessional day care providers (Module B) (unweighted 513, weighted and grossed 5,075)

Base 2003: All sessional day care providers (unweighted 850, weighted and grossed 11,892)

6.2 Training plans and budgets

The proportion of sessional day care providers that have a written training plan had risen from 53 per cent in 2003 to 61 per cent in 2005. Smaller settings (1-9 children enrolled) were least likely to have a training plan (50 per cent) while the largest (50 + children enrolled) were more likely to (65 per cent). There was no difference between providers in more or less deprived areas.

Just over four in ten (44 per cent) of sessional day care providers had a training budget. This figure is very similar to the result from the 2003 survey (43 per cent). Providers in the 30 per cent most deprived areas were more likely to have a specific training budget than those in less deprived areas (56 per cent compared with 42 per cent)

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Table 6.2 Written Training Plan and specific training budget							
	Total 2005		Total 2003		*Change from 2003 to 2005*	30% most deprived areas	70% least deprived areas
	%	**No.**	%	No.		%	%
Have training plan	**61%**	**6,100**	53%	6,300	+8	65%	59%
Don't have training plan	**38%**	**3,900**	46%	5,400	-8	33%	39%
Don't know	**2%**	**200**	1%	100	+1	2%	1%
Have a training budget	**44%**	**4,500**	43%	5,100	+1	56%	42%
Don't have training budget	**53%**	**5,400**	56%	6,600	-3	40%	56%
Don't know	**3%**	**300**	2%	200	+1	4%	3%

Base 2005: All sessional day care providers (Module B) (unweighted 513, weighted and grossed 5,075)

Base 2003: All sessional day care providers (unweighted 850, weighted and grossed 11,892)

6.3 Funding

The main source of funding for training was Government funding (combining Local Authority funding and Sure Start funding)[10]. The vast majority (86 per cent) of providers received some form of Government funding.

Providers also received funding from many other sources such as the Learning and Skills Council, the Pre-School Learning Alliance, European funding and Jobcentre Plus. However, only a very small number of providers received any funding from these organisations.

[10] 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

	Total 2005	
	%	**No.**
Government sources (EYDPC/Sure Start)	**86%**	**8,800**
Learning & Skills Council	**7%**	**700**
Pre-school Learning Alliance	**4%**	**400**
Local community	**1%**	**100**
European funding	**1%**	**100**
Jobcentre Plus	**1%**	**100**
No answer	**11%**	**1,100**
Other	**4%**	**350**
Don’t know	**2%**	**200**
Base: All sessional day care providers (Module B) (unweighted 513, weighted and grossed 5,075)		

6.4 Training provision and type of training provided

Overall, 93 per cent of all sessional day care providers help staff to receive training that is not directly related to a specific childcare qualification. The four most common types of training provided by providers were: first aid training (65 per cent), childcare training including things like creative play (34 per cent), child protection (33 per cent) and SENCO/Special needs training (31 per cent).

Table 6.4 Type of training provided

	Total 2005	
	%	**No.**
First Aid	**65%**	**6,100**
Childcare training	**34%**	**3,250**
Child protection	**33%**	**3,150**
SENCO/Special needs training	**31%**	**2,900**
Health and safety training	**25%**	**2,350**
Food hygiene	**24%**	**2,300**
Early years training	**11%**	**1,050**
Management/business skills	**9%**	**850**
Behaviour management	**8%**	**800**
Training on the curriculum	**6%**	**600**
Local authority	**5%**	**500**
Equal opportunities	**5%**	**450**
Speech and language	**5%**	**450**

Base: All sessional day care providers (Module B) (unweighted 513, weighted and grossed 5,075)

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 sessional settings. The questionnaire was designed to pick up only qualifications that were relevant to working with young people and children. This chapter covers current qualifications held and qualifications that staff are working towards, qualifications required when recruiting senior managers, the proportion of senior managers 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[11].

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.

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[11] 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

The overall trend is for a larger proportion of all types of childcare staff to have higher level qualifications. Among all paid childcare staff, just over three-quarters (76 per cent) had some kind of qualification[12] relevant to working with children or young people and about one-fifth (19 per cent) had no relevant qualifications at all. This had increased from 65 per cent with a qualification in the previous survey. Similarly, the proportion of staff with no qualifications had decreased by 15 percentage points.

Over half (55 per cent) of all childcare staff had at least a Level 3 qualification and about three-quarters (73 per cent) had at least a Level 2 qualification. Just three per cent held a graduate level qualification (Level 6 or above). Levels and types of qualifications varied greatly among different types of staff.

Table 7.1 Level of qualification held by all paid staff[13]

	Total 2005		Total 2003		*Change from 2003 to 2005*
	%	**No.**	%	No.	
Level 1	**3%**	**1,800**	2%	1,200	*+1*
Level 2	**18%**	**10,750**	16%	11,300	*+2*
Level 3	**48%**	**28,700**	39%	27,400	*+9*
Level 4/5	**4%**	**2,400**	4%	2,900	*+4*
Level 6	**3%**	**1,800**			
Level 7/8	**1%**	**600**			
Other	**3%**	**1,800**	4%	2,500	*-1*
Don't know	**2%**	**1,200**	1%	500	*+1*
No qualification	**19%**	**11,350**	34%	23,700	*-15*
At least Level 2	**73%**	**43,650**	60%	41,700	*+13*
At least Level 3	**55%**	**32,900**	44%	30,300	*+11*

Base 2005: All paid childcare staff (unweighted 4,776; weighted and grossed 59,757)
Base 2003: All paid childcare staff (unweighted 4,977; weighted and grossed 69,623)

[12] Excluding overseas qualifications and qualifications that BMRB was unable to code into a level category.

[13] In 2003 the National Qualifications Framework only went up to Level 5. However, it is possible to compare 2003 Levels 4/5 and above with current Level 4/5, 6 and 7/8.

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7.2.1 Senior Managers

Nearly all senior managers (91 per cent) held some kind of childcare related qualification.

The National Daycare Standards for under 8s childcare (sessional care) states that the manager should have at least a Level 3 qualification appropriate to the post. There is some flexibility with regards to this requirement; an action plan process can be agreed and the qualification requirements can be met over time if it is difficult to achieve immediately.

There has been a steady trend towards a greater proportion of senior managers having at least a Level 3 qualification; the figure has increased from 67 per cent in 2001, 77 per cent in 2003 to almost nine in ten (86 per cent) senior managers in 2005.

Eight per cent of senior managers held at least a Level 6 qualification.

Table 7.2 Level of qualification held by senior managers

	2005		2003		*Change from 2003 to 2005*	2001	
	%	**No.**	%	No.		%	No.
Level 1	**1%**	**100**	2%	200	*-1*	NA	NA
Level 2	**3%**	**300**	8%	900	*-5*	16%	2,300
Level 3	**69%**	**6,200**	67%	7,900	*+2*	58%	8,100
Level 4/5	**10%**	**900**	10%	1,200	*+8*	9%	1,200
Level 6	**7%**	**650**					
Level 7/8	**1%**	**100**					
Other	**4%**	**300**	4%	500	*+/-0*	10%	1,400
No qualification	**4%**	**400**	9%	1,100	*-5*	7%	1,000
Don't know	**1%**	**100**	-	-	-	-	-
At least Level 2	***90%***	***8,100***	*85%*	*10,000*	*+5*	83%	*11,600*
At least Level 3	***86%***	***7,800***	*77%*	*9,100*	*+9*	67%	*9,300*

Base 2005: All senior managers where qualification information obtained (unweighted 911, weighted and grossed 9,016)

Base 2003: All senior managers (unweighted 850; weighted and grossed 9,964)

Base 2001 All senior managers (unweighted 850; weighted and grossed 7,800)

7.2.2 Supervisory staff

Again nearly all supervisory staff (93 per cent) had some kind of qualification, an increase from 84 per cent in 2003.

The proportion of supervisory staff who have at least a Level 3 qualification has increased from 62 per cent in 2003 to three-quarters (74 per cent) in the 2005 survey. The minimum national standard for staff in charge of day to day activities in sessional day care settings is a Level 3 qualification. Although there is still some way to go before this target is achieved, there appears to have been a significant decrease in the number of employed supervisors with no relevant qualifications; this figure has gone down from 15 per cent in 2003 to only three per cent in 2005.

Three per cent of supervisory staff held a Level 6 or above qualification.

Table 7.3 Level of qualification held by supervisory staff[14]

	Total 2005		Total 2003		*Change from 2003 to 2005*
	%	**No.**	%	No.	
Level 1	**2%**	**600**	1%	400	*+1*
Level 2	**17%**	**4,900**	17%	4,800	*+/-0*
Level 3	**67%**	**19,300**	57%	16,100	*+10*
Level 4/5	**3%**	**850**	5%	1,400	*+1*
Level 6	**3%**	**850**			
Level 7/8	***%**	**100**			
Other	**2%**	**600**	3%	900	*-1*
No qualification	**3%**	**850**	15%	4,300	*-12*
Don't know	**1%**	**300**	1%	500	*0*
At least Level 2	***90%***	***25,900***	*79%*	*22,300*	*+11*
At least Level 3	***74%***	***21,300***	*62%*	*17,500*	*+12*

Base 2005: All supervisory staff (unweighted 2,198, weighted and grossed 28,754)
Base 2003: All supervisory staff (unweighted 1,967; weighted and grossed 28,129)

7.2.3 Other staff

Nearly half (49 per cent) of other paid childcare staff held some kind of childcare qualification, an increase from 37 per cent in 2003.

[14] Comparisons with 2001 are not possible, as the definitions of supervisory and other paid childcare staff had not been set at that point, and so qualification data is not available separately for these two groups of staff.

Two-fifths (40 per cent) of all other paid childcare staff have at least a Level 2 qualification. This is an increase of eight percentage points since the previous survey in 2003. This still falls short of the National Daycare Standards for sessional childcare which states that at least half of all other paid childcare staff should hold Level 2 qualifications. The proportion of other childcare staff with no relevant qualifications has decreased by 13 per cent from 62 per cent to 49 per cent. Other childcare staff working in the 30 per cent most deprived areas were more likely to have some kind of qualification, 53 per cent compared with 32 per cent in the 70 per cent least deprived areas.

One per cent of other paid staff held a Level 6 or above qualification.

Table 7.4 Level of qualification held by other paid childcare staff

	Total 2005		Total 2003		*Change from 2003 to 2005*
	%	**No.**	%	No.	
Level 1	**7%**	**1,550**	2%	500	+5
Level 2	**26%**	**5,700**	19%	5,600	+7
Level 3	**11%**	**2,400**	11%	3,400	+/-0
Level 4/5	**0%**	**100**	1%	300	-1
Level 6	**1%**	**220**	-	-	-
Level 7/8	**1%**	**220**	-	-	-
Other	**3%**	**650**	4%	1,100	-1
No qualification	**49%**	**10,800**	62%	18,300	-13
Don’t know	**2%**	**450**	1%	300	+1
At least Level 2	***40%***	***8,800***	*32%*	*9,300*	*+8*
At least Level 3	***13%***	***2,850***	*13%*	*3,700*	*+/-0*

Base 2005: All other paid childcare staff (unweighted 1,667, weighted and grossed 16,442)

Base 2003: All other paid childcare staff (unweighted 1,995, weighted and grossed 29,543)

7.3 Qualifications being worked towards

Among childcare staff as a whole, one-quarter (25 per cent) were currently studying towards a childcare related qualification. This is a slight decrease from 2003 results, when 29 per cent were working towards a qualification. One possible explanation is that as a greater proportion of the childcare staff now have a relevant qualification the pool of childcare staff that needs to study has decreased.

<table>
<tr><th colspan="9">Table 7.5 Qualifications worked towards by type of childcare staff</th></tr>
<tr><th></th><th colspan="2">All staff</th><th colspan="2">Senior Managers</th><th colspan="2">Supervisory staff</th><th colspan="2">Other paid staff</th></tr>
<tr><th></th><th>2005</th><th>2003</th><th>2005</th><th>2003</th><th>2005</th><th>2003</th><th>2005</th><th>2003</th></tr>
<tr><td>Level 1</td><td>0%</td><td>1%</td><td>0%</td><td>1%</td><td>0%</td><td>0%</td><td>1%</td><td>1%</td></tr>
<tr><td>Level 2</td><td>6%</td><td>8%</td><td>0%</td><td>2%</td><td>1%</td><td>4%</td><td>14%</td><td>14%</td></tr>
<tr><td>Level 3</td><td>14%</td><td>17%</td><td>5%</td><td>14%</td><td>14%</td><td>16%</td><td>18%</td><td>19%</td></tr>
<tr><td>Level 4 and 5</td><td>4%</td><td rowspan="2">2%</td><td>8%</td><td rowspan="2">5%</td><td>4%</td><td rowspan="2">2%</td><td>0%</td><td rowspan="2">1%</td></tr>
<tr><td>Level 6 and above</td><td>1%</td><td>4%</td><td>1%</td><td>1%</td></tr>
<tr><td>Not studying for relevant qualification</td><td>73%</td><td>71%</td><td>80%</td><td>77%</td><td>77%</td><td>76%</td><td>63%</td><td>63%</td></tr>
<tr><td colspan="9">Base: All senior managers (Module B) (unweighted 600; weighted and grossed 9016), All supervisory staff (Module B) (unweighted 1,653; weighted and grossed 28,754), All other paid staff (Module B) (unweighted 1,182; weighted and grossed 22006)</td></tr>
</table>

7.4 Qualifications required of senior managers

Seven in ten (69 per cent) senior managers were required to hold certain relevant qualifications when recruited. This is a slight increase from the previous survey (64 per cent). Senior managers working in the 30% most deprived areas were more likely (75 per cent) to have been required to hold a relevant qualification.

Of those senior managers who weren't required to hold a qualification when they started, 58 per cent were required to work towards a relevant qualification.

7.5 NVQ Assessors

The 2005 survey asked whether the senior manager was an NVQ assessor. 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.

In this year's survey, eight per cent of the senior managers were NVQ assessors, a similar figure to 2003 (seven per cent). Senior managers working for a sessional care provider in the 30 per cent most deprived areas were more likely (13 per cent) to be NVQ assessors as were those working for for-profit organisations (13 per cent).

Table 7.6 Proportion of Senior Managers who are NVQ Assessors					
	2005		*2003*	30% most deprived areas	70% least deprived areas
	%	**No.**	%	%	%
Yes	**8%**	**750**	12%	13%	7%
No	**92%**	**8,250**	*93%*	87%	93%

Base 2005: All senior managers (unweighted 911, weighted and grossed 9,016)

Base 2003: All senior managers (unweighted 868, weighted and grossed 14,000)

7.6 Incentives provided for staff working towards a childcare qualification

Eight in ten (80 per cent) of all sessional care providers employing childcare staff studying for a qualification allow them time off to work towards their qualification. A similar proportion (82 per cent) of the providers pay at least some of the costs associated with training for a childcare qualification.

8 Recruitment and Retention

This chapter outlines the staffing issues for sessional day care 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

Overall, 11,700 childcare staff were recruited last year; this is a drop from 2003 when 14,000 staff were recruited and 2001 when 19,000 staff were recruited.

The recruitment rate was 21 per cent which is almost identical to the 2003 survey results (22 per cent). The recruitment rate is calculated by dividing the total number of paid childcare staff by the total number currently employed plus those leaving their current employment minus those recruited.[15]

8.1.1 Senior Managers

About 750 senior managers were recruited in the past 12 months this is equivalent to a turnover of eight per cent. This is similar to the proportion in 2003 when 800 senior managers were recruited.

8.1.2 Supervisory staff

About one third (35 per cent) of all sessional day care providers had recruited at least one supervisor in the last year. An average of 0.55 supervisory staff were recruited per setting, approximately 5,400 supervisors, a similar number to 2003 (5,300).

8.1.3 Other paid childcare staff

Just under half (46 per cent) of the sessional day care providers had recruited at least one other paid childcare staff in the last year. This is similar to the 2003 results, (40 per cent). On average 0.74 other childcare staff were recruited per setting, approximately 5,550 staff.

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[15] Please note that the recruitment rate includes 'churn within the sector' as well as staff being recruited to the sector.

Although the proportion of different types of staff recruited are in line with the 2003 results, the absolute numbers of staff i.e. the grossed up totals have gone down. This can be explained by the decrease in overall number of sessional day care providers. (See chapter 3).

Table 8.1 Number of staff recruited			
	2005	2003	*Change from 2003 to 2005*
All paid staff	**11,700**	14,000	*-16%*
Senior managers	**750**	800	*-6%*
Supervisory staff	**5,400**	5,300	*+2%*
Other paid childcare staff	**5,550**	7,900	*-30%*
Senior managers average	**0.08**	0.07	*+0.01*
Supervisory staff average	**0.55**	0.44	*+0.11*
Other paid childcare staff average	**0.74**	0.67	*+0.07*
Base: All sessional day care providers (Module B) (unweighted 513, weighted and grossed 5,075)			

8.2 Length of Service

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

8.3 Annual staff losses

The number of providers who had at least one member of staff leave in the last 12 months decreased from 49 per cent in 2003 to 44 per cent in 2005. An average of 0.66 staff had left per organisation. This equates to approximately 6,700 staff leaving compared with 9,000 in 2003. While the number leaving in the last 12 months has fallen, the size of the industry has also decreased. However, the number leaving providers has fallen by 26 per cent, while the number of people working in the industry as a whole has fallen by only 14 per cent. Therefore there does appear to have been a *real* drop in the number of people leaving the sessional day care sector.

Of those staff who had left in the last 12 months, it was believed that two in five (40 per cent) went to other jobs in the early years or childcare sector (around 2,700 individuals), which is similar to 2003. A quarter (27 per cent) went to jobs outside the early years' and childcare sector (around 1,800 individuals). This is a slight increase since 2003, when 23 per cent left the childcare sector.

One in five (18 per cent) did not take up other employment (around 1,200 individuals). This is a sight decrease compared with 2003 when 22 per cent did not leave to go to another job.

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 12 per cent, a similar figure to 2003 (14 per cent).[16]

Overall, the employment growth was nine per cent, a similar figure to 2003 (eight per cent).[17]

8.5 Recruitment Methods

The three most popular methods of recruiting staff were word of mouth, (81 per cent), advertising in the local press (69 per cent) and through parents of a child catered for (66 per cent). This was similar to the results in 2003 where these methods were ranked as the top three – in the same order. The number of providers mentioning these ways of recruitment had all gone up by 7-9 per cent since the previous survey.

The two most notable changes since the 2003 survey were that recruiting via the Internet had gone up from 2 per cent in 2003 to 19 per cent in 2005 and advertising in the national press had also become more popular (only one per cent mentioned this in 2003 compared to 15 per cent in this year's survey).

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[16] 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.

[17] The employment growth rate 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 turnover rate includes the 'churn within sector' as well as staff leaving the sector.

Table 8.2 Recruitment methods			
	2005	2003	*Change from 2003 to 2005*
Word of mouth	**81%**	72%	*+9*
Adverts in the local press	**69%**	62%	*+7*
Through parents of child catered for	**66%**	58%	*+8*
Ad hoc CVs/applications sent to you	**41%**	37%	*+4*
LEA/Loc authority/Council jobs bulletin	**36%**	29%	*+7*
Jobcentre/New Deal Scheme	**32%**	31%	*+1*
Colleges	**32%**	25%	*+7*
Open days	**21%**	13%	*+8*
Internet	**19%**	2%	*+17*
National press	**15%**	1%	*+14*
Public notice board	**9%**	-	-
Recruitment fairs	**7%**	5%	*+2*
Posters/Leaflets/newsletters	**5%**	-	-
Other	**7%**	7%	*+/-0*

Base: All sessional day care providers (Module B) (unweighted 513, weighted and grossed 5,075)

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

8.6 Recruitment Difficulties

About three in ten (30 per cent) sessional day care providers that had tried to recruit within the past 12 months, said that they had a *fair amount* or a *great deal* of difficulty recruiting. A further 15 per cent said they had not experienced much difficulty and the remaining 55 per cent claimed that they had *not* experienced any difficulties in recruiting staff. Settings in the London area were more likely to say that they had experienced a *great deal* or *fair amount* of difficulty in recruiting staff (41 per cent) and although this is based on a small sample size, it ties in with the more competitive labour market in this region.

Generally the data is similar to the 2003 survey. However, the proportion of providers saying that they experienced a *great deal* of difficulty in recruiting has fallen by six per cent, suggesting it has become easier to recruit since 2003.

Table 8.3 Extent to which provider has experienced any difficulties in recruiting staff in the past 12 months			
	Total 2005	Total 2003	*Change from 2003 to 2005*
Not at all	**55%**	54%	*+1*
Not very much	**15%**	10%	*+5*
A fair amount	**19%**	19%	*+/-0*
A great deal	**10%**	16%	*-6*

Base 2005: All sessional day care providers (Module B) who had tried to recruit within the past 12 months (unweighted 328; weighted and grossed 3245)

Base 2003: All playgroups that had tried to recruit within the past 12 months (unweighted 570, weighted and grossed 7,992)

8.6.1 Types of staff that provider had difficulty recruiting

Sessional day care providers experienced difficulties with recruiting both supervisory staff (68 per cent) and other paid childcare staff (44 per cent). The other groups appeared to be less of a problem, but this is largely explained by the lower incidence of senior managers, supply staff and SEN Support staff. The sample size is less than 100 so these findings should be treated with caution.

The results for this question are not directly comparable with the 2003 survey as the question was asked in a slightly different way, but overall, the findings from the 2003 study appear similar to the 2005 results.

Table 8.4 Types of staff that provider have had difficulty in recruiting			
	2005	2003	*Change from 2003 to 2005*
Senior Manager	**20%**	-	-
Supervisory staff	**68%**	68%	*+/-0*
Other paid staff	**44%**	51%	*-7*
Supply staff	**16%**	-	-
SEN Support staff	**9%**	-	-

Base 2005: All sessional day care providers (Module B) that had any difficulties in recruiting staff within the past 12 months (unweighted 97; weighted and grossed 965)

Base 2003: All playgroups that had any difficulties in recruiting staff within the past 12 months (unweighted 196; weighted and grossed 2,821)

8.6.2 Difficulties encountered

The most common difficulty encountered by sessional day providers when attempting to recruit staff was lack of qualified applicants (48 per cent). Other difficulties included: too few applicants with the right experience (32 per cent), too few applicants (29 per cent) and candidates wanting different hours to those offered (24 per cent). This is again based on a sample size below 100 so the findings need to be interpreted with caution.

Compared to the 2003 survey there appears to have been an increase in the proportion of settings encountering problems with finding qualified applicants and applicants with the right type of experience. The data indicates that not offering the right pay has become less of a problem.

Table 8.5 Difficulties encountered when attempting to recruit staff in the last 12 months

	2005	Total 2003	*Change from 2003 to 2005*
No qualified applicants	**48%**	37%	*+11*
Too few applicants with the right experience	**32%**	21%	*+11*
Too few applicants	**29%**	31%	*-2*
Candidates wanting different hours	**24%**	20%	*+4*
Provider couldn't afford wages	**20%**	31%	*-11*
Quality of staff	**7%**	-	-
Location	**4%**	-	-
Other answer	**8%**	17%	-

Base 2005: All sessional day care providers (Module B) that had any difficulties in recruiting staff within the past 12 months (unweighted 97; weighted and grossed 965)

Base 2003: All playgroups that had any difficulties in recruiting staff within the past 12 months (unweighted 196; weighted and grossed 2,821)

8.7 Current vacancies

Overall, 13 per cent of the sessional day care providers were actively trying to recruit childcare staff. The table below shows the grossed up total number of vacancies that the providers are recruiting for.

Table 8.6 Number of vacancies that providers are actively recruiting for by type of staff	
	2005 (No.)
Senior managers	**200**
Supervisory staff	**650**
Other childcare staff	**850**
Base: All sessional day care providers (Module B) (unweighted 513, weighted and grossed 5,075)	

8.8 Length of time it takes to fill vacancies

Respondents were asked to provide an estimate of how long it would take to fill any vacancy that they currently had. The number of providers answering these questions is too small to enable detailed analysis but generally the data indicates that the majority of vacancies would be filled within 6 months.

Respondents who did not have any vacancies that they were trying to recruit for at the time of the 2005 survey, were asked how long it takes on average to fill a vacancy. Nearly half (45 per cent) said that vacancies were filled in less than a month and a third (33 per cent) said 1-2 months.

Table 8.7 Length of time it takes on average to fill staff vacancies		
	2005	
	%	**No.**
Less than a month	**45%**	**4,000**
1-2 months	**33%**	**2,900**
3-4 months	**9%**	**800**
5-6 months	**3%**	**300**
More than 6 months	*****	**40**
Don't know	**10%**	**900**
Base: All sessional day care providers (Module B) not currently trying to fill staff vacancies (unweighted 448, weighted and grossed 4,429)		

9 Income and Expenditure

9.1 Introduction

This chapter looks at the expenditure incurred by sessional day care providers, and their income. Expenditure and outgoings are broken down into various categories, which are addressed in turn. A summary table (Table 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 sessional 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

Many providers were unable to say how much was spent on various categories. When reporting on average spend, and the proportions not spending anything on a particular item, those who were unable to provide a figure have been removed from the base. The actual cost figures in the following chapters are therefore only based on those providing an answer.

9.2.1 Costs of premises

Most (79 per cent) of the sessional day care providers rented the premises that they used to provide the service. One in ten (12 per cent) owned their premises, and a further 10 per cent occupied them in some other way, or did not know if they were owned or rented.

A quarter of sessional providers (24 per cent) were unable to say how much their premises cost. In total, 21 per cent of sessional day care providers who provided a cost said that they did not pay anything for the use of their premises (16 per cent of all sessional providers).

Sessional day care providers in the 30 per cent most deprived areas were more likely than those in less deprived areas to have cost-free use of premises (37 per cent compared to 16 per cent).

Overall, excluding those paying nothing for their premises, the average annual cost for premises was £3,900, and the median cost was £2,700. Many sessional day care providers (59 per cent) were paying less than £5,000 (not including those paying nothing), while a few (two per cent) were paying over £15,000 a year.

Average premises costs were highest in London (£5,400) and tended to increase with the size of the provider (£5,100 for providers offering 50 or more places). Providers set up as profit making organisations tended to pay more for their premises than non-profit making organisations (£5,700 compared to £3,400).

Premises costs formed a large part of the expenditure of sessional day care providers, as these costs were substantially greater than any of the other costs mentioned (with the exception of staff costs). (See summary table 9.1).

9.2.2 Insurance costs

A fifth (21 per cent) of sessional providers could not say how much they spent on insurance. Of those who could provide a figure, four per cent paid nothing.

The average amount spent by those who did pay for insurance was £700 per year, and the median amount was £250. This did not vary greatly by type of provider or location.

9.2.3 Cost of toys, books and other items for children

A fifth (20 per cent) of sessional providers could not say how much they spent on such items, and this was more common among providers set up as profit-making organisations (27 per cent did not know compared to 18 per cent).

Of those providing a cost, one per cent of the sessional day care providers said that they did not spend anything on toys, books or other items for the children they looked after.

Most (66 per cent) said that they spent less than £1,000 per year on such items, but a few (four per cent) said that they spent over £4,000 a year. The average amount spent per year was £1,200, and the median amount was £650. Providers based in the 30 per cent most deprived areas seemed to spend more on toys than those in less deprived areas (£1600 compared to £1100). Not surprisingly, the amount spent on toys increased as the number of places provided increased. Providers with 50 or more places had an average annual spend on toys and books of £1,500.

9.2.4 Cost of business rates

A quarter (25 per cent) of sessional providers did not know if they paid or did not know how much.

Most sessional providers who provided a figure (90 per cent) said that they did not pay business rates, and this was more common among those set up on a non-profit making basis (92 per cent did not pay business rates compared with 83 per cent of for-profit organisations).

Of those paying business rates, the average annual amount paid was £1,400, and the median amount was £500.

9.2.5 Cost of food

One in ten sessional providers (10 per cent) were unable to say how much they spent on food.

Fourteen per cent of providers giving a figure said that they did not spend anything on food. Over half (56 per cent) spent less than £500 on food annually, while ten per cent spent over £1,000.

On average, sessional day care providers who provided food paid £600 per year on food. The median amount spent was £400. The amount spent on food appeared to be higher among providers based in the 30 per cent most deprived areas (£800 on average compared to £600 for providers in less deprived areas). Similar proportions in both types of area provided food.

Again, unsurprisingly, food costs increased with the number of places. Average spend for providers with 50 or more places was £1000.

9.2.6 Cost of other consumables

Providers were asked how much they spent on other consumables (such as nappies, stationery, paint etc). A fifth (18 per cent) of sessional providers were unable to say.

Twelve per cent of those providing a figure said that they did not pay for any other consumables. The average spend per year among those who did buy such consumables, and who provided a figure was £700, and the median spend was £400. This increased with the number of places, as would be expected.

9.2.7 Cost of professional fees

A fifth (17 per cent) of sessional providers were unable to say if, or how much, they spent on professional fees.

Of those providing a figure, most (61 per cent) did not pay any professional fees. This was more common among providers who were set up as charitable or non-profit making organisations (64 per cent did not pay such costs compared to 49 per cent of profit making organisations.

Among those paying professional fees (for example to accountants or lawyers), the average annual cost was £500. The difference between large and small providers was less marked than for consumables, as would be expected. There was little difference between charitable/non-profit making organisations and other organisations.

9.2.8 Cost of transport

Seven per cent of sessional providers could not provide a figure for their spend on transport.

Most (80 per cent) of the providers giving a figure did not pay anything for transport. Average spend for those that did have transport costs was £600 per year, and median spend was £250.

9.2.9 Other costs

Six per cent of providers could not say how much they spent on other costs.

Sixty four per cent of providers who gave a figure did not pay for any other costs. Of those who did have other costs, the median annual spend was £1000, and the average annual append was £6600. (The average is much higher than the median, as a few providers appear to have included very high costs. It is possible that some providers have included staff wages costs under this heading).

The sorts of costs included as "other costs" are costs associated with staff (e.g. recruitment, expenses, uniforms); utilities; maintenance; training; general administration (e.g. photocopying); trips and outings for the children; registration fees (covering Ofsted costs); advertising and general publicity; finance costs (e.g. bank charges, tax, loans subscriptions etc).

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 a sessional provider will need to spend on staff costs.

On average, a sessional provider will pay £25,800 per year in salaries[18]. 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 £2,800. Thus, salary costs (without any additional benefits that might be provided) are, on average, £28,600 per year.

[18] This is based on average hourly pay and weekly hours as discussed in Chapter 6. On average, a setting will employ 0.91 senior managers; 2.9 supervisory staff and 2.2 other paid staff. 92 per cent of settings are only open in term time (39 weeks per year) and 8 per cent are open all year (52 weeks).

9.2.11 Annual expenditure

Table 9.1 Annual expenditure				
	Base	% paying nothing	Av. Amount (exc. zeros)	Median Amount (exc. zeros)
Cost of premises	380	21%	£3,900	£2,700
Insurance	394	4%	£700	£250
Toys, books etc	395	1%	£1,200	£650
Business rates	370	90%	£1,400	£500
Food	445	14%	£600	£400
Other consumables	404	12%	£700	£400
Professional fees	412	61%	£500	£350
Transport	459	80%	£600	£250
Other costs	467	64%	£6,600	£1000
Staff	849	-	£25,800	
TOTAL AVERAGE (inc. zeros)	**£34,700**			
Base: All sessional day care providers (Module A) (unweighted 494, weighted and grossed 4,891)				

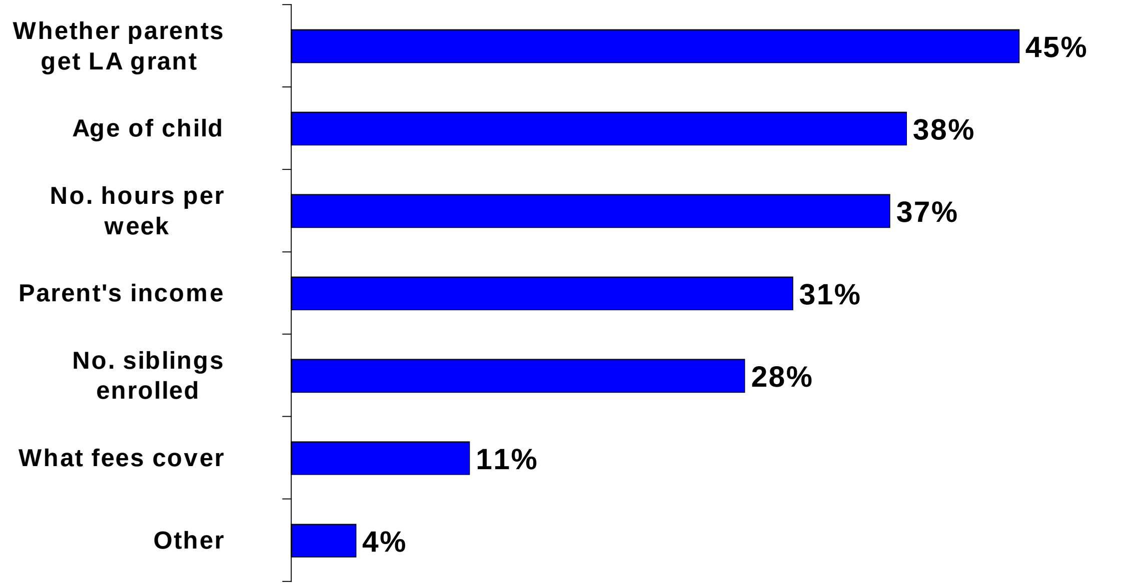
9.3 Income

9.3.1 Fees charged

Not surprisingly, most of the sessional day care providers (87 per cent) charge parents on a per session basis. One in ten (nine per cent) charge per week, and seven per cent charge per day. Sessional day care providers in the 30 per cent most deprived areas were less likely than those in less deprived areas to charge per session (71 per cent compared to 90 per cent) and were more likely to charge using other units of time (e.g. hourly, daily or weekly) or not to charge at all (8 per cent compared to two per cent).

In most cases (75 per cent) the fees are standard and do not vary from child to child, and this did not vary by the level of deprivation. For the 24 per cent of sessional day care providers where the fees do vary, the most common reasons for variation are whether or not the parents get the local authority grant; the age of the child; the number of hours per week and the parents’ income.

Chart 9.1 Why fees vary



Base: All sessional day care providers (Module A) where fees vary from child to child (unweighted 117, weighted and grossed 1,168)

Over a third of sessional day care providers (36 per cent) were unable to provide a figure for their income from fees. One in twenty (five per cent) sessional day care providers said that they did not receive any income from fees. This was more common among providers in the 30 per cent most deprived areas (13 per cent compared to 3 per cent in the least deprived areas).

Of those receiving some income from fees, the average amount per year was £9,900 and the median amount was £5,400. Sessional day care providers that were set up as for-profit organisations made more money from fees than not-for-profit organisations (an average of £18,900 per year compared with £6,900). Unsurprisingly, fee income increased with the number of places.

Table 9.2 Income from fees per year			
	Total	Non profit making	Profit making
Unwtd base	494 %	370 %	119 %
No income	5	3	8
£1-£2,500	14	15	12
£2,501-£5,000	14	16	9
£5,001-£10,000	17	19	12
£10,001-£20,000	8	7	9
£20,001+	6	4	14
Don't know	36	36	36
MEAN INCOME (exc. zeros)	£9,900	£6,900	£18,900
MEDIAN INCOME	£5,400	£5,000	£7,500

Base: All sessional day care providers (Module A) (unweighted 494, weighted and grossed 4,891)

Most of the sessional day care providers (79 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 most deprived areas (81 per cent compared to 67 per cent). Larger providers were also more likely to have raised fees in the last two years (83 per cent of those with 40 or more places compared to 76 per cent of those with fewer places).

9.3.2 Income from Local Authority

A fifth (21 per cent) of sessional day care providers could not say how much money they received from their Local Authority. Among those able to provide a figure, there was quite a range of answers. Fifteen per cent of providers said that they received no local authority or central government funding, and a further 21 per cent received £5000 or less per annum, while 11 per cent received over £30,000.

On average, sessional day care providers who did get money from this source received £18,200 per year. There was little difference by the level of deprivation of the area, or by whether or not the provider was set up to make a profit. The average amount received increased with the size of the provider.

9.3.3 Income from other sources

A quarter (25 per cent) of sessional day care providers said that they had no other sources of income apart from the fees and local authority income already mentioned. Two thirds (66 per cent) raised additional income through fundraising. One in ten (11 per cent) received money via Sure Start (and this was, as expected, much more common in the 30 per cent most deprived areas which are more likely to be covered by Sure Start). Not-for-profit organisations were far more likely to engage in fundraising than for-profit ones, and so were more likely to have another source of income (77 per cent undertook fundraising compared to 31 per cent of for-profit sessional day care providers; 55 per cent of for-profit organisations had no other sources of income, compared to only 16 per cent of not-for-profit organisations).

In total, 31 per cent of sessional providers said that they had no income from other sources (either at all or recently). The average amount received from other sources by those providers who did have some income from these sources was £3,000 a year, with a median of £800. This ranged from 23 per cent who said that they had received less than £500 to five per cent who received over £5,000. Sessional day care providers in the 30 per cent most deprived areas had higher levels of income from other sources than those in less deprived areas (which may be due to Sure Start). .

Table 9.3 Income from other sources per year

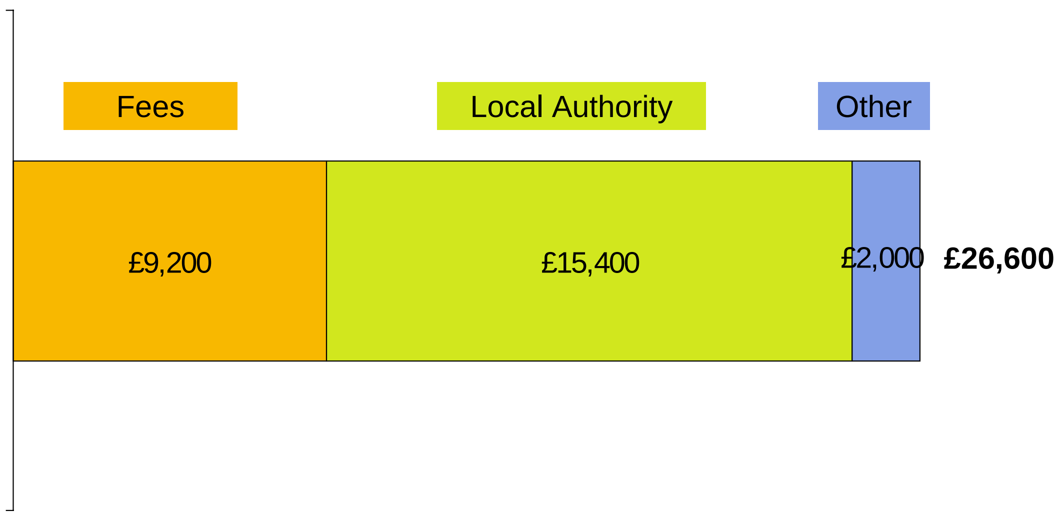
	Total	30% most deprived areas	70% least deprived areas
Unwtd base	494 %	64 %	430 %
No income	31	40	29
£1-500	23	20	24
£501-£1,000	10	5	12
£1,001 - £5,000	19	13	20
£5,001+	5	11	4
Don't know	12	10	12
MEAN INCOME (exc. zeros)	£3,000	£7,100	£2,200
MEDIAN INCOME (exc. 0s)	£800	£1000	£800

Base: All sessional day care providers (Module A) (unweighted 494, weighted and grossed 4,891)

9.3.4 Total income

The chart below shows average income from each source (including providers who had no income from a source) and the total average income. As the chart illustrates, for sessional providers, the largest source of income was not fees, but local authority or central government funding.

Chart 9.2 Average annual income (including those receiving nothing)



Base: All sessional day care providers (Module A) (unweighted 494, weighted and grossed 4,891)

9.4 Profitability of sessional day care providers

Most (75 per cent) of the sessional day care providers are set up as charitable or non-profit making organisations, which grosses up to 7,300 non-profit making sessional day care providers. There was little difference by the area where the provider was based. These 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 third (30 per cent) of sessional day care providers reported they had made a profit (profit-making organisations) or a surplus (non-profit making organisations/charities). While the difference between 2003 is not statistically significant, when comparing the 2005 figure (30 per cent) with 2003 (28 per cent) and 2001 (25 per cent), it does seem to indicate a general upward trend. Obviously, this must be used with caution.

The proportion of providers who reported covering their costs in the most recent financial year was 49 per cent, a decrease from 2003 when 56 per cent said the same.

However, while there seems to be a general increase in the number of providers reporting making a profit or surplus, there is also an increase in the number who report that they are operating at a loss, 15 per cent in 2005 and 11 per cent in 2003.

Those based in the 30 per cent most deprived areas were less likely to be making a profit or surplus (15 per cent compared with 33 per cent), and more likely just to be covering costs (57 per cent compared with 47 per cent). There was no significant difference in the proportions actually making a loss. Larger providers, with more children enrolled also seemed more likely to be making a surplus or profit (37 per cent of providers with 40 more children enrolled made a profit or surplus compared to 25 per cent of providers with fewer than 40 children attending). This was also the case in 2003.

Providers set up as profit making organisations were more likely than non-profit making providers to have made a profit (38 per cent compared to 27 per cent) and less likely to have just covered costs (39 per cent compared to 52 per cent). However, similar proportions of both types of provider had made losses in their most recent financial year.

Table 9.4 Financial state of providers

	Total 2005		Total 2003		*Change 2005/2003*	Total 2001	30% most deprived areas	70% least deprived areas
Unwtd base	**494**		850			868	96	398
	%	**No.**	%	No.		%	%	%
Made surplus or profit	**30%**	**2,900**	28%	3,400	*+2*	25%	15%	33%
Covered costs	**49%**	**4,800**	56%	6,600	*-7*	54%	57%	47%
Operated at a loss	**15%**	**1,400**	11%	1,300	*+4*	16%	17%	14%
Don't know	**6%**	**600**	5%	600	*+1*	5%	10%	5%

Base: All sessional day care providers (Module A) (unweighted 494, weighted and grossed 4,891)

Those providers making a surplus or profit were asked how much they had made in the last financial year. A quarter (26 per cent) were unable to provide this figure. The average profit made by those providing a figure was £5,000. There was some variation in this, but generally profit or surplus levels were fairly low. Half (50 per cent) had made £4000 or less, while three per cent had made more than £16,000. The numbers of providers making a profit or surplus were small (148) so it is difficult to look at differences in profit levels between different types of provider.

9.4.1 Providers operating at a loss

In total, 1,400 sessional day care providers operated at a loss in the most recent financial year for which they had information. Two-fifths (43 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, 540 sessional day care 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 (62 per cent) had increased their fundraising activities, and 55 per cent had raised fees for children. Half (47 per cent) were making efforts to take on more children, and a quarter (26 per cent) had cut the number of staff employed.

A small proportion of providers (three per cent – equating to 300 providers) felt that they could not keep operating at a loss for more than another 12 months before having to close.

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. Most of the sessional providers (61 per cent) were unaware of this increase, although 38 per cent were aware 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. Only two per cent said that it had affected their fees (one per cent of all sessional day care providers), and all of these had increased their fees as a result.

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 in five providers (18 per cent) said that they were aware of this, but most (81 per cent) were unaware of this change.

9.5.2 Fees paid by parent's employers

Few of the sessional day care providers (seven per cent) received fees for children from the parent's employer (for example, via childcare vouchers or direct payment).

Grossing up these figures, 700 sessional providers received fees from the parent's employer for 1,800 children[19].

[19] As only 35 of the interviewed providers received payments in this way, it is difficult to analyse this issue in much more depth

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

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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.

about holiday care. (Three providers did not offer after school care or holiday care and 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

[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.

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 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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Nottingham
NG15 0DJ

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Minicom: 0845 60 555 60
Oneline: www.dfespublications.gov.uk

Produced by the Department for Education and Skills

ISBN 1 84478 750 8
Ref No: RR762
www.dfes.go.uk/research