

Early years workforce development in England

Key ingredients and missed opportunities

Sara Bonetti
January 2020

EDUCATION
POLICY
INSTITUTE

Nuffield
Foundation

Research Area:
Early Years
Development



About the authors

Dr Sara Bonetti is Director of Early Years at the Education Policy Institute. Sara is the principal author of 'The early years workforce: A fragmented picture' and 'The early years workforce in England'. Prior to joining EPI, Sara spent ten years working in the early years sector in the United States. She led data collection efforts on topics such as funding and workforce professional development and conducted analyses on areas such as educational leadership and systems integration. Sara has a doctorate in Educational Leadership with a focus on early childhood education from Mills College in Oakland, California.

Avinash Akhal is a Researcher in the Early Years team at the Education Policy Institute. Avinash has previously contributed to the 'Education in England: Annual report 2019' and authored 'The early years workforce: A comparison with retail workers' and 'The impact of recent government policies on early years provision'. In 2018 he completed an International Citizen Service placement with Challenges Worldwide, working as a Business Support Associate in Rwanda. Before joining EPI, he graduated with a BA in Economics and International Development from the University of Sussex in 2017.

Acknowledgements

The Nuffield Foundation is an independent charitable trust with a mission to advance social well-being. It funds research that informs social policy, primarily in Education, Welfare, and Justice. It also funds student programmes that provide opportunities for young people to develop skills in quantitative and scientific methods. The Nuffield Foundation is the founder and co-funder of the Nuffield Council on Bioethics and the Ada Lovelace Institute. The Foundation has funded this project, but the views expressed are those of the authors and not necessarily the Foundation.



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The author would like to thank the members of the project advisory group for providing helpful comments and feedback as well as the following Education Policy Institute staff:

Jo Hutchinson, Director for Social Mobility and Vulnerable Learners

Natalie Perera, Executive Director and Head of Research

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Executive Summary

This study is part of a series that investigates some of the key topics of interest to the early years sector in England, particularly around the recruitment and retention of skilled and qualified workers. The first report, *The early years workforce in England* (January 2019), presented an analysis of the early years workforce in terms of demographic characteristics, qualifications, earnings and working conditions, drawing a comparison with other occupations. This second report considers how governments can provide the right incentives for the sector to employ and retain highly qualified and skilled practitioners.

Our goal was to examine key early years policies implemented since 2006 to understand their intended and actual impact. First, we focused on two policies that were directly targeted at increasing qualification levels:

- The Graduate Leader Fund which, since 2007, provided private, voluntary and independent settings with financial incentives to recruit graduates; and
- The introduction (and repeal) of the requirement for practitioners obtaining a level 3 qualification after September 2014 to have a grade C in GCSE English and maths in order to be counted in staff:child ratios.

Next, we looked into the expansion of childcare entitlements because, while those expansions aim to boost the quantity rather than the quality of provision, the increased pressure they put on providers has the potential to impact on the ability of the sector to continue along a path of increasing qualifications. We examined:

- The expansion in 2014 of the entitlement for two-year-olds - providing 15 hours of early years education - from the 20 per cent most disadvantaged children to the 40 per cent most disadvantaged children; and
- The expansion in 2017 of the entitlement for three- and four-year-olds from 15 to 30 hours of funded childcare for 38 weeks per year for children of working parents (children whose parents do not meet the requirements retained the entitlement to 15 hours of early years provision).

Key findings

- **The Graduate Leader Fund was successful in setting the early years sector on a path towards increasing workers' qualification levels.** Between 2007 and 2011, when ring-fenced funding totalled £305 million, the number of workers holding a first degree or a foundation degree increased by 76 per cent, from 16,500 workers to 29,100 workers, and the number of workers holding a higher degree or other degree increased by 13 per cent, from 5,200 workers to 5,900 workers.
- **In line with the aims of the Fund, the increase in degree-qualified workers happened mainly in the private, voluntary and independent (PVI) sector.** The proportion of degree-qualified professionals increased by approximately five percentage points, from seven per cent of PVIs staff in 2007 to 12 per cent in 2011.
- **Alongside the increase in degree-qualified workers, we also observe an increase in qualification levels in broader terms.** For example, between 2007 and 2011, the number of

workers with a diploma in higher education increased by seven per cent (from 16,200 workers to 17,300), those with NVQ level 3 or equivalent qualificationⁱ increased by 38 per cent (from 86,100 workers to 118,800) and those holding GCSE A*-C or equivalent as their highest qualification fell by approximately 10 per cent (from 46,500 to 41,900 workers).

- **The introduction of the requirement for new starters of level 3 Early Years Educators training to hold a grade C in GCSE English and mathematics to be counted in ratios and the expansion of the entitlements pulled the sector capacity in two different directions.** The introduction of the GCSE requirements meant that there were fewer workers available who had high enough qualification levels to meet the staff:child ratio requirements. At the same time the expansion of the entitlements required more workers to be hired to staff the additional places or hours available. Between 2014 and 2018, following the expansion in funded places by four per cent, from 1,386,500 places to 1,439,600, the number of early years workers increased by nine per cent, from 272,900 workers to 298,500. At the same time, the number of practitioners holding a level 3 NVQ qualification or equivalent qualification slightly declined by 0.3 per cent, from 115,700 to 115,300.
- **Changes in workforce composition by qualifications were mixed after 2013.** Between 2013 and 2018, the proportion of workers holding a first degree or a foundation degree remained at around 13 per cent; the proportion of workers with a diploma in higher education fell from 7.4 per cent to 5.5 per cent; and the proportion of workers with NVQ level 3 or equivalent qualification decreased from 40 per cent to 39 per cent.

Conclusions

The goal of this study was to identify the potential and actual impact of some important early years policies on the workforce. The early years sector has lived through a decade of frequent policy changes, many of which were short-lived, disconnected and implemented without extra resources to support the sector. Some of these policies have pulled the sector in opposite directions and left the workforce in a state of uncertainty as to what comes next. It is not, therefore, surprising that this analysis could not measure the actual impact of some of these policies. In fact, while we found that the Graduate Leader Fund had the intended impact of increasing qualifications levels, we could not clearly measure the effects of the other three policies under scrutiny. One of the key differences between the Graduate Leader Fund and the other policies is that the former was shaped according to some key characteristics of policy success that the others lack: it was evidence-based, it was set within a wider and long-term workforce strategy, it was properly funded and provided the right types incentives for settings to employ high qualified staff.

A rethinking of what the workforce needs and of how to achieve it is required if the government wants to set the sector on a path of increasingly high quality of provision, particularly needed for the most disadvantaged children. As part of this effort, it is crucial to find ways to support early years workers in all settings and to build a data system that allows a robust assessment of impact and outcomes. Our policy recommendations are as follows:

ⁱ In this report, the category “NVQ level 3 or equivalent” includes: NVQ level 3, Level 3 Diploma, International Baccalaureate, GNVQ/GSVQ advanced, A-level or equivalent, OND/ONC/BTEC/SCOTVEC National etc., access qualifications, AS-level or equivalent, Level 3 Certificate. These are not the full set of qualifications that allow early years professionals to be counted in level 3 ratios. Therefore, our estimates are bound to be lower than the ones provided in other reports or published statistics.

- The government needs to renew its commitment to the development of a qualified and skilled early years workforce through a long-term vision and a strategy, which are particularly needed to tackle issues that are deep-seated in a system based on mixed economy of providers.
- The government should establish an online data collection system of all early years practitioners' information. This would act a data clearinghouse and a one-stop-shop for practitioners, providers, researchers and policy-makers to access information regarding training and qualification, employment trajectories, qualifications and their equivalencies, and more. The data system should be connected to robust programmes aimed at supporting increasing qualifications and professional development, and therefore allow for careful monitoring of impact.

The evidence is clear that a long-term vision, a coherent strategy and additional support during transition stages are necessary ingredients for bringing in sustained change to the early years workforce's qualification levels and to the quality of provision. Many of the programmes and policies implemented in England over the last decade did not present these features and turned into a missed opportunity for real impact.

Introduction

This is the second report in a series that aims to answer some of the key questions of interest to the early years sector, particularly around the development of a qualified and skilled workforce. In the first report we provided a comprehensive view of who early years professionals are and how their characteristics have changed over time. We looked into demographic characteristics, education levels, employment conditions and earnings, remarking similarities and differences across individual occupations within the sector. We also drew a comparison with other occupational groups: the entire female working population, staff teaching in other phases of the education system, and workers employed in the hair and beauty industry, and in retail, often presented to women or to low qualified workers as alternative occupational sectors.¹

With this study, we wanted to go one step further and understand which types of intervention could be successful in increasing skills and qualifications of the early years workforce. The quest for increased capacity and higher quality of early years provision has been in place since the New Labour government (1997-2010) but changes have increased in frequency over the last decade.² The overarching goal that guided this analysis was to try and unpack both intended and actual impact of some key early years policies introduced over this period of time. The following questions guided our analysis:

- Which factors have encouraged (or could encourage) providers to increase the demand for staff at higher qualification levels?
- Which factors have incentivised (or could incentivise) the workers to increase their qualification and training levels?

Many studies at national and international level show that recruitment and retention problems are linked to low wages, lack of status, poor working conditions, low qualifications levels, low opportunities for continuing professional development and a lack of a clear progression path for many early years workers.³ A recent report by the OECD identified eight steps that governments can take to support the sector in professionalising its workforce. These are:

- Promote the status of the profession;
- Improve remuneration;
- Implement strategies to boost qualifications;
- Increase the emphasis on practical experience and induction training;
- Provide alternative routes into the profession;
- Expand efforts to encourage men to enter the profession;
- Improve working conditions;
- Strengthen policies to encourage in-service training and continuing professional development.⁴

With this study, we focused on four key policy milestones for the early years sector:

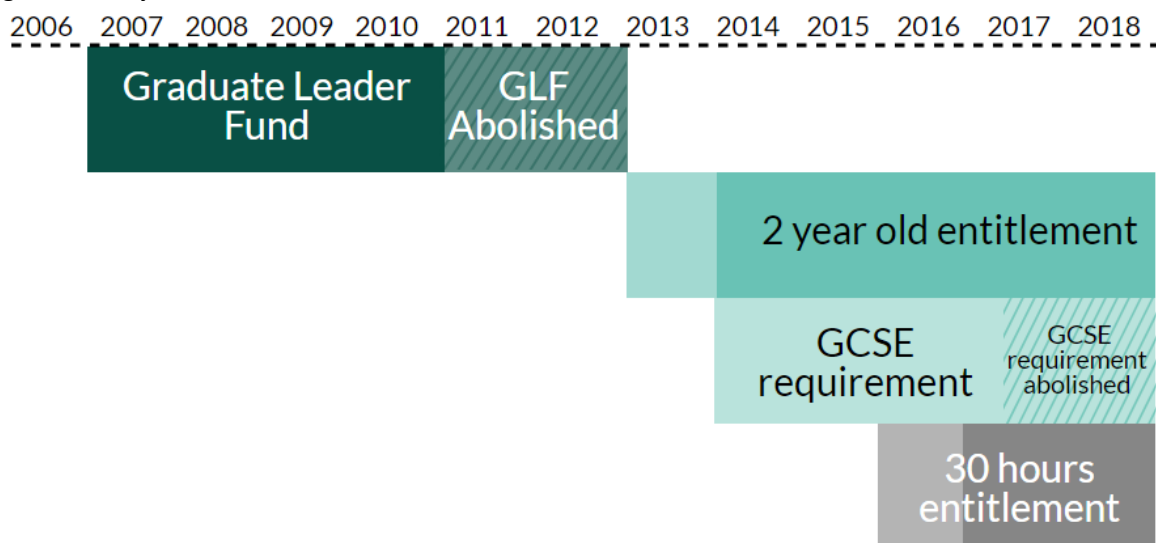
- The Graduate Leader Fund (GLF), which provided private, voluntary and independent (PVI) settings with financial incentives to recruit graduates;

- The introduction (and later repeal) of the requirement for practitioners obtaining a level 3 qualification after September 2014 to have a grade C in GCSE English and maths in order to be counted in ratios;
- The expansion of the two-year-old entitlement, which provides 15 hours of early years education, from the 20 per cent most disadvantaged children to the 40 per cent most disadvantaged children;
- The expansion of the free entitlement for three- and four-year olds from 15 to 30 hours of funded childcare for 38 weeks per year for children of working parents (while children whose parents do not meet the work requirements retain the entitlement to 15 hours of early years provision).

The first two policies were aimed directly at increasing the qualification levels of early years professionals. The expansion of the entitlements did not target the quality of provision, but studies showed that it contributed to increasing the financial and staffing pressures for early years providers.⁵ In turn, this led many settings to decrease their support to continuing professional development (CPD) activities and might have impacted the sector’s ability to stay on the path towards higher qualifications.

Figure 1 provides an overview of the time frame under consideration, with a dark shade indicating the full duration of the policy or entitlement, a light shading for its pilot stage and diagonal shading for its ending or phasing out.

Figure 1: Policy timeline



We used Annual Population Survey (APS) data for the years 2006-2018 to look at the size and characteristics of the early years workforce around the time of the introduction and phasing out of each programme or policy.

Other policies, such as changes (or lack thereof) in funding rates and the introduction of the National Minimum Wage (NMW) and National Living Wage (NLW), have intervened in this time frame. However, it was beyond the scope of this study to analyse the impact of such policies. In addition, it

would not be possible to untangle their impact using the APS only. Yet, they must be kept in mind as important contextual factor.

After a brief note on methodology and limitations, we analyse the four policies mentioned above looking at both the intended impact and the actual effect that we could measure. In the conclusions, we discuss how these policies fit within what the evidence points to as key elements of effective policies to create sustained and sustainable professionalism changes in the sector.

Methodological note

Unless otherwise stated, the analysis presented in this study was conducted using Annual Population Survey (APS) data. The APS uses data from the Labour Force Survey (LFS) and, therefore, it covers similar topics, such as employment and unemployment, demographic characteristics, education level and working conditions. The APS datasets, however, consist of 12 months of survey data with a sample of approximately 320,000 respondents, versus the 90,000 individuals in the quarterly LFS. This makes the APS the best survey to use to generate statistics at local level thanks to the bigger sample size available compared to the LFS and to local sample boosts.⁶

While the APS uses data from the LFS, it is important to remember that the figures presented in this report cannot be directly compared to those in the first report of this series for several reasons. First, the quarterly LFS and the APS are built differently, with the APS relying on local sample boosts. Second, in the first report we used quarterly LFS data and calculated rolling averages over three years of data, while in this report we use annual datasets. Finally, in the first study 'childcare workers' included those who reported being employed as 'teaching assistants' and 'educational support assistants'. The analysis showed that these two occupations are clearly different from other childcare-related occupations. Therefore, in this report we decided to focus on 'nursery nurses and assistants', 'childminders and people in related occupations' and 'playworkers'.

It is also important to note that some of the results found in this report may not be directly comparable with other reports or sources due to a number of reasons. Firstly, as teaching assistants and educational support assistants are mainly comprised of older workers, the omission of both occupations means our data reflects a younger workforce. Secondly, this report examines the highest qualification held per worker rather than all qualifications held per worker. Therefore, a worker who holds a degree and an NVQ level 3 will be categorised as a degree-qualified worker but will not be counted in the NVQ level 3 category. Finally, because of how the LFS categorises qualifications, what in this report is called "NVQ level 3 or equivalent" does not provide a full account of the early years level 3 qualifications. We included the following qualifications in the count: NVQ level 3, Level 3 Diploma, International Baccalaureate, GNVQ/GSVQ advanced, A-level or equivalent, OND/ONC/BTEC/SCOTVEC National etc., access qualifications, AS-level or equivalent, Level 3 Certificate. As a result, our estimates are bound to be lower than the ones provided by other reports or published statistics.

As detailed in the first study of this series, there are disadvantages in the use of the LFS to examine the childcare workforce.⁷ In the specific case of the APS, despite the sample boosts, we still encountered issues of small sample sizes in trying to analyse childcare workers' characteristics at regional level. However, research has shown that it is still the best source for providing detailed information about characteristics, qualifications and working conditions for the childcare workforce, above all for comparisons across years and long-term trends.⁸ Other datasets available in England to

examine childcare provision and the workforce present more serious weaknesses or limitations. For example, the Childcare and Early Years Providers Survey has changed too often across the last few years to allow the comparisons of some important variables.⁹ As Simon (2019) points out, despite childcare and education being under the same departmental oversight in England, de facto the country still has a split system in terms of data collection.¹⁰ We will return to this topic in the discussion section.

The Graduate Leader Fund

In 2006, the government made available £250 million to local authorities (LAs) to help them develop a graduate-led workforce within the private, voluntary and independent (PVI) sector. This pot of money, called the Transformation Fund (TF), was replaced in August 2007 by the Graduate Leader Fund (GLF), which provided an additional £305 million between April 2008 and March 2011. While the TF was very prescriptive in the way funding streams should be set, the GLF was designed to allow LAs to develop, target and publicise their own incentive systems to adjust to the needs of their local providers and help them employ at least one graduate or Early Years Professional (EYP) per setting by 2015.¹¹

Both the TF and the GLF were part of the delivery of the Ten Years Strategy for Childcare. In light of the findings of the Effective Provision of Pre-School Education (EPPE) study, showing the importance of staff qualifications for high quality early years provision, the rationale of the Fund was to help settings employ and retain qualified staff who could support, lead and mentor a team in delivering high quality early years provision.¹²

An evaluation of the GLF commissioned by the Department for Education (DfE) found that childcare settings that gained a graduate leader or EYP through the scheme made greater improvements in quality for preschool children compared to those who did not gain a graduate. Improvements related most strongly to direct work with older children, such as support for learning, communication and individual needs. There were also noticeable improvements in the implementations of the Early Years Foundation Stage (EYFS) framework. However, fewer improvements were observed in the quality of provision for children ages 0 – 30 months, possibly due to insufficient capacity to allocate EYPs to younger children. Additionally, the overall effectiveness of the EYP was occasionally limited by external factors, such as the EYP's level of authority within the childcare setting, how well staff members understood improvements needed in the setting and the degree of strategic planning made prior to making improvements.¹³

From April 2011, the Graduate Leader Fund was no longer ring-fenced, and it was left to local authorities to decide if they wanted to continue supporting the employment of EYPs in PVIs through the new Early Intervention Grant (EIG).^{14,ii}

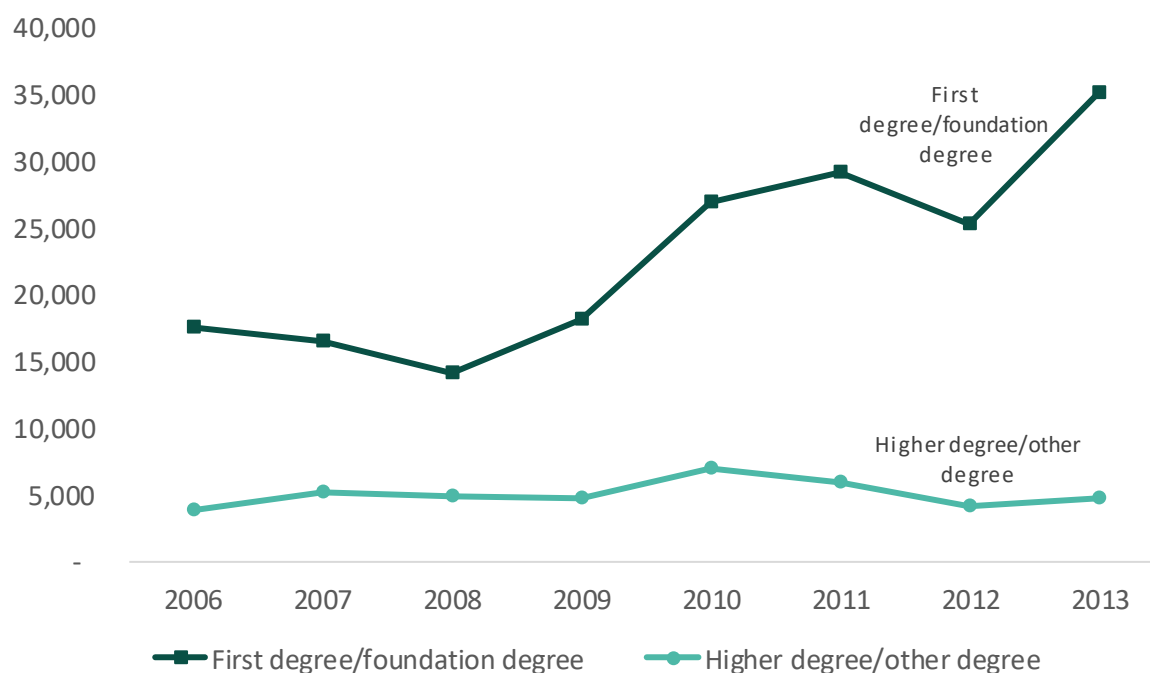
To understand the impact of the GLF on workforce qualifications, we examined the highest qualification held by workers between 2006 and 2013. We considered 2007 as the first year when we could expect to observe some changes because of the previously existing Transformation Fund, even though we cannot discern the impact of the two Funds. In addition, while the GLF was terminated in 2011, we expected some of its impact to continue in the following years, which is why our timeline does not end abruptly in 2011. However, we did not look beyond 2013 because in the following year the Early Years Teacher Status (EYTS) replaced the EYPS.ⁱⁱⁱ

ⁱⁱ In 2019-20 the EIG amounts to 1.03 billion but it is left to the discretion of the local authorities to decide the exact amount they spend on each type of interventions.

ⁱⁱⁱ In 2014 the EYPS was replaced by the Early Years Teachers Status, which has a different nature both in terms of how support is provided (to the individual rather than the setting) and in the nature of the status. See <https://www.gov.uk/government/publications/2010-to-2015-government-policy-childcare-and-early-education/2010-to-2015-government-policy-childcare-and-early-education>.

First, we looked at the number of workers qualified at degree-level or above (Figure 2). Overall, during the GLF years the number of workers qualified to degree-level or above rose by 58 per cent, from 22,400 workers in 2007 to 35,500 in 2011. This can be approximately broken down into a 76 per cent rise in first/foundation degree holders, from 16,500 workers to 29,100 workers, and a 13 per cent rise in higher degree/other degree holders, from 5,200 workers to 5,900 workers.^{iv} Between 2011 and 2013 there was still a 14 per cent increase per year in the number of early years professional qualified to degree-level or above, but it was largely driven by an increase in first/foundation degree holders.

Figure 2. Number of workers qualified to degree-level or above, 2006 – 2013



If the GLF worked as intended, we would expect these changes to be particularly significant for PVIs. In fact, we found that the proportion of degree-qualified workers in the private sector increased by approximately five percentage points, from seven per cent of the total workers in PVIs in 2007 to 12 per cent in 2011. In comparison, the public sector saw a fall of 0.3 percentage points in the proportion of workers qualified to degree-level. This may suggest that the GLF was successful in helping PVIs recruit highly qualified workers. However, it should be noted that in general, the private sector was expanding during this time, while the size of the public sector was gradually reducing.

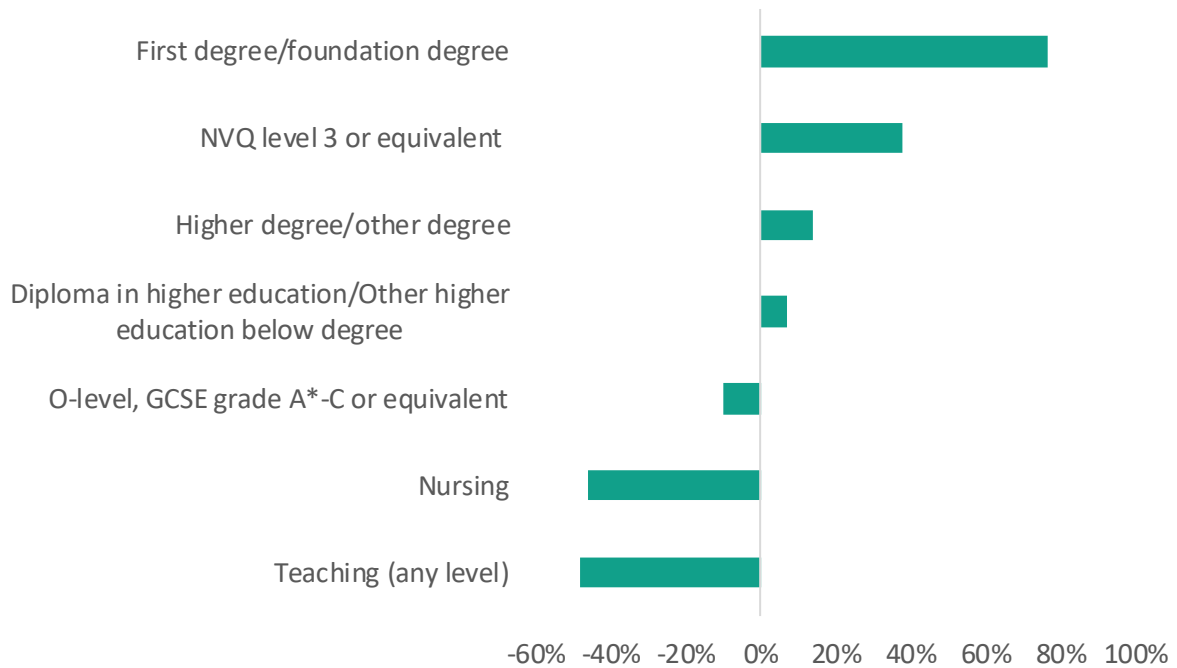
Looking at changes to qualifications more broadly, we found that between 2007 and 2011:

- The number of workers with a diploma in higher education increased by seven per cent, from 16,200 workers to 17,300;
- The number of NVQ level 3 (or equivalent) staff increased by 38 per cent, from 86,000 workers to 118,800;

^{iv} Foundation degrees are level 5 qualifications, equivalent to two-thirds of a first degree. First degrees are level 6 undergraduate degrees, including Bachelor of Arts (BA) and Bachelor of Science (BSc). Higher degrees are level 7 and 8 qualifications, including masters (MA) and Doctor of Philosophy (PhD).

- The number of workers holding GCSE A-C or equivalent as their highest qualification fell by approximately 10 per cent, from 46,500 to 41,900 workers;
- The number of workers with teaching qualifications fell by 50 per cent, from 3,400 workers to 1,700;
- The number of workers with nursing qualifications fell by 45 per cent, from 9,900 workers to 5,400 workers.

Figure 3. Percentage change in number of workers by qualification level, 2007 – 2011



The general trend throughout the GLF period was one of an increase in qualifications levels (at degree, higher degree, and NVQ level 3 or equivalent) and a reduction in the number of workers with qualifications that are not specific to the early years (teaching and nursing). It is possible that the presence of more graduates into a setting had a knock-on effect on the professionalisation of other workers. For example, the perceived benefits of EYPs may have encouraged managers to hire more qualified staff members. Alternatively, some lower qualified staff may have left due to low pay, particularly if the switch to alternative professions is relatively easy, as shown in previous research.¹⁵

A crucial element for qualified and skilled early years professionals to have a positive impact on children’s development and learning is for them to be working directly with children, rather than being moved into an administrative position. While the APS does not allow us to distinguish between the two roles, we looked into data related to supervision responsibilities and found a consistent fall in the percentage of graduates who held supervision responsibilities. In 2007, 31 per cent of degree-qualified workers were in a position with supervision responsibilities compared to 23 per cent in 2011. This is at odds with more recent research on the use of EYTs time and could suggest that EYPs were more usefully used in pedagogical roles and support of other staff, as the evaluation suggest.¹⁶

In summary, the GLF seemed to have worked as intended. The quality of the private sector workforce as measured by qualification levels grew during the GLF years, suggesting that providers

will invest in their staff if given the resources to do so. Furthermore, in the years immediately after the phasing out of the GLF, we continue to see an increase in the number of degree holders across the sector and particularly in PVIs, which indicates that providers recognised the benefits of having an EYP and tried to sustain the positive trend.

GCSE requirement

In 2014, the revised Early Years Foundation Stage framework stated that level 3 qualified Early Years Educators (EYE) starting their training that September were required to hold a minimum of grade C in GCSE English and maths to count in ratios or to complete an early year's apprenticeship.^v

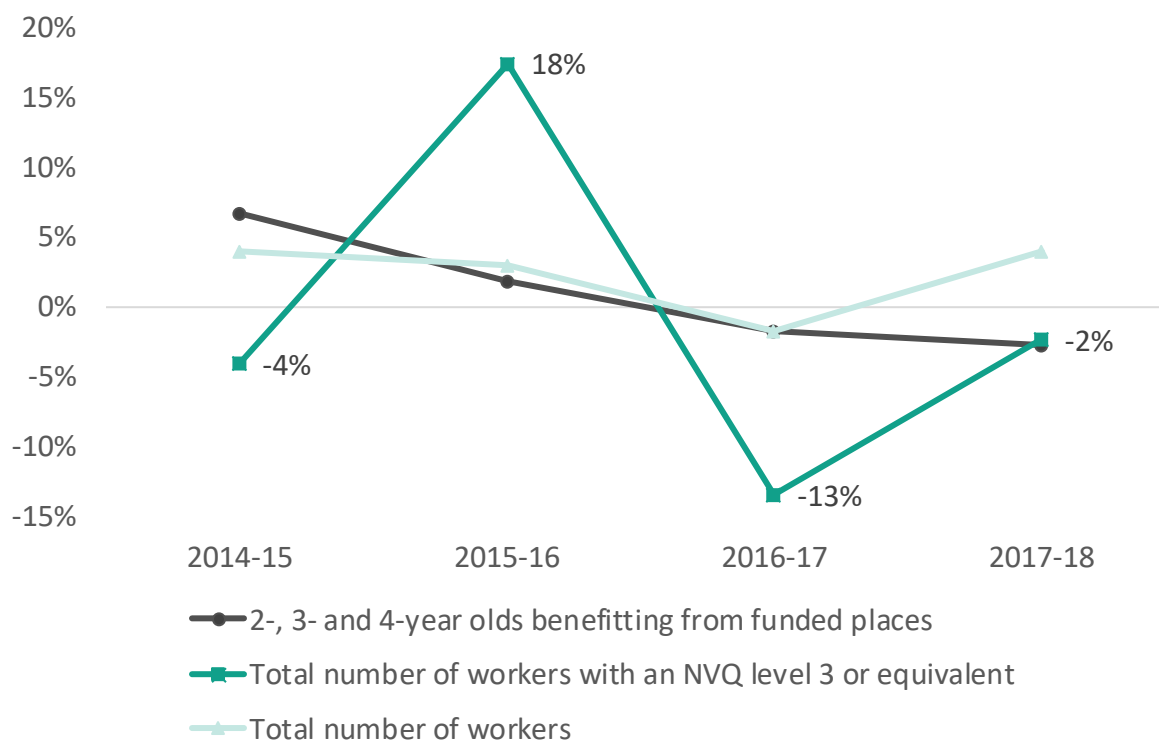
The GCSE requirement made it harder to recruit staff that could be counted in ratios. A 2017 government consultation found that the new requirement was too strict to enable employers to attract, retain and develop early years professionals.¹⁷ Over three quarters of employers and training providers experienced difficulties recruiting and they named applicants' lack of GCSE qualifications as the main barrier.¹⁸ A study from the National Day Nurseries Association confirmed the negative impact of the GCSE requirement on the recruitment and retention of enough level 3 staff in early years settings, with 58 per cent of the study respondent stating they found recruiting level 3 difficult or very difficult.¹⁹ As a result of these reported difficulties, in April 2017 Functional Skills and other level 2 English and maths qualifications were reinstated as an alternative requirement to GCSEs.

Recruitment difficulties created by the GCSE requirement overlapped with the expansion of the childcare entitlements in 2014 for two-year-olds and in 2016 and 2017 for the three- and four-year olds of working parents. In those years the two policies stretched the sector's capacity in two different directions, with the GCSE requirement lowering the number of workers included in ratios and the entitlements requiring a higher number of workers.

To understand how the two policies interacted, we first looked at the overall capacity of the sector. According to Annual Population Survey data, between 2014 and 2018 the number of early years workers increased by nine per cent, from 272,900 workers to 298,500, and the number of funded places increased by four per cent from 1,386,500 places to 1,439,600. However, these averages mask important changes across each year, as shown in Figure 4.

^v The new requirement did not affect practitioners who had started their training before 1 September 2014. The Early Years Foundation Stage (EYFS) framework sets out the specific staff:child ratios that all providers must meet and the staff eligibility criteria to be counted in ratios.

Figure 4. Change in number of workers and of children benefitting from funded childcare, 2014 – 2018



Note: the GCSE requirement was in place from September 2014 to April 2017, therefore we considered the four school years that encompass that time period.

The introduction of the GCSE requirements directly affected level 3 staff and a small number of level 2 staff who are counted in child to teacher ratios. The APS data does not identify whether a level 2 qualified worker can be counted in ratios, so we restricted our analysis to level 3 staff only. Between the introduction of the GCSE requirement in 2014 and 2018 the number of level 3 NVQ workers barely changed at all. But this masks some differences across individual years, including an 11 per cent increase in 2015-16 contrary to a decline in the other years. The increase in 2015-16 may be explained by a rush to get the old level 3 qualifications before the GCSE requirement kicked in.

Entitlement expansions

Two-year-old entitlement

The two-year-old entitlement began with two pilot phases in 10 local authorities in 2006 and 2008, which provided free early years education to over 13,500 disadvantaged two-year-olds, followed by a national roll out in 2009 with approximately 23,000 additional places across all local authorities. The initial offer in 2009 was for 10 hours per week for 33 weeks a year. This was then extended to 15 hours per week for 38 weeks in 2010. This offer became a legal entitlement in 2013 for the 20 per cent most disadvantaged children, equating to approximately 130,000 children, and then the 40 per cent most disadvantaged children in 2014, with 260,000 children taking up the entitlement.²⁰ The

policy intended to provide additional support to disadvantaged two-year-olds to develop their social and cognitive outcomes by age five to be as ready for key stage 1 as their more advantaged peers.²¹

Take-up rates of the two-year-old entitlement have varied since its introduction. In 2015, 58 per cent of eligible two-year-olds benefited from funded childcare, which then increased to 72 per cent in 2018, but dropped to 68 per cent in 2019.²²

Some local authorities have struggled to meet the demand for two-year-old places: only 47 per cent of local authorities stated they were able to provide places for all eligible children. Restrictions around London mainly stemmed from high property costs and limited space while providers in other areas reported needing new buildings and more space for child sleeping and changing facilities.²³ Many providers have finite capacity and, in the future, may choose to offer more hours to their existing three- and four-year-old children rather than take disadvantaged two-year-olds who require more resources.²⁴

Other local authorities reported no or few factors at providers level affecting take-up. Instead the main issue was the lack of demand among parents due to cultural preferences, for example a preference for a family member to provide care for their child, or a lack of awareness about the entitlement. At local authority level, higher proportions of children with English as second language predicted lower take-up rates of the two-year-old entitlement.²⁵

Theoretically, the entitlement expansion should increase the demand for early years professionals as providers need more workers to meet ratios. However, research suggests that the supply of places is also determined by local area characteristics, such as high rent or low funding; consequently, the demand for early years workers is likely to show some regional variation.²⁶ This is explored in more detail below.

30 hours entitlement

In September 2017, the entitlement to 15 hours of early years education for all three- and four-year-olds was extended to 30 hours per week for 38 weeks per year for children from working families.²⁷ The policy aimed to reduce the cost of childcare and support families into work or to work more hours.

The DfE-commissioned evaluation of the 30 hours offer found that a high proportion of providers delivering the funded entitlement were willing and able to offer the extended hours, although the policy required some adjustments to provision and the impact on profits were mixed.²⁸ Moreover, there was significant geographical variation in the supply of places. For example, the proportion of local authorities reporting that they were able to provide enough places to cover the extra demand ranged from 42 per cent in the South East to 83 per cent in the North East.²⁹ Providers in the 20 per cent most deprived areas were less likely to be able to deliver the 30 hours compared to less deprived areas.³⁰ In addition, larger settings, settings open for more weeks per year or more hours per day and settings with spare capacity were more likely to offer the extended hours.³¹

Evidence from the evaluation of the early roll out of the 30 hours entitlement indicated that delivering the extended hours led providers to expand their provision in two ways: increasing occupancy (using spare capacity) and increasing staff. An increase in occupancy was reported by 36 per cent of providers, while 40 per cent of providers increased the hours of existing staff to deliver the increased hours.³² Among those not increasing their staffing, 72 per cent had not done so

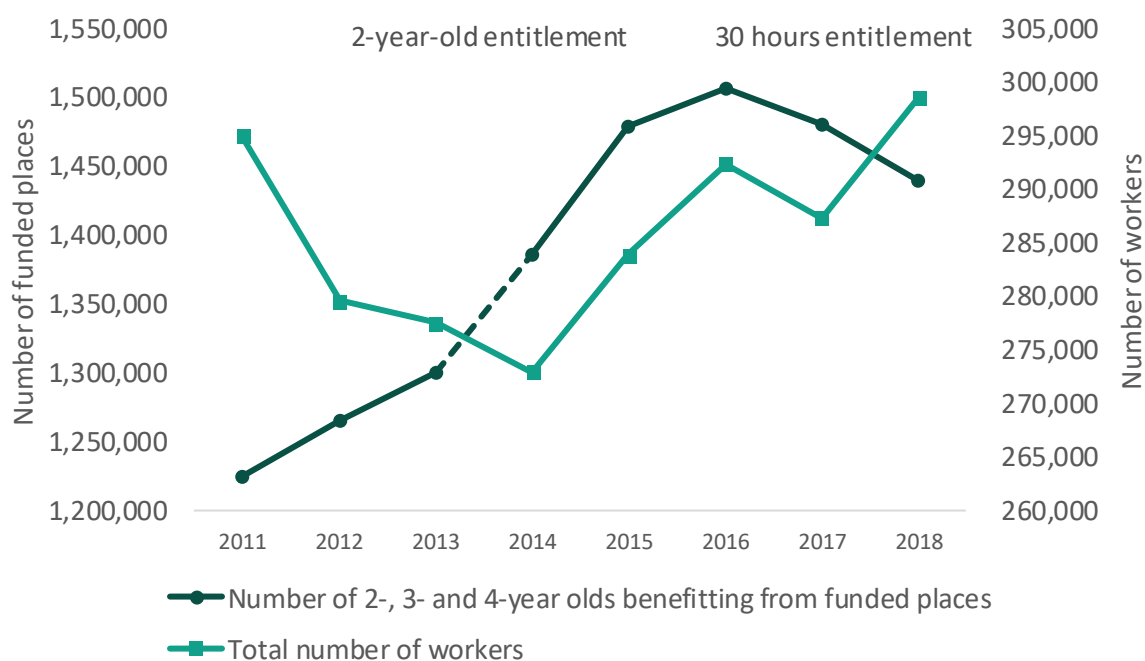
because they did not need additional staff, 13 per cent because they could not afford to do so and three per cent because they could not recruit suitable staff.

In addition, as 94 to 95 per cent of the three- and four-year-olds were already benefitting from funded places prior to 2017, the policy was more likely to subsidise the cost for parents with children already in childcare rather than attract new parents.³³ Therefore, we can expect the impact on the workforce size to be small, even when considering additional children in provision.

Entitlements' impact

Across the two major entitlement expansions, the total number of workers increased in line with the number of two-, three- and four-year-old places and/or with the increase in the number of funded hours (Figure 5). Between 2013 and 2016 the total number of places increased by 16 per cent, mainly due to the increase in places for two-year-olds when the offer became a legal entitlement and the number of workers increased by five per cent. Things are less linear afterwards: from 2016 the number of children in funded provision decreased due to changes in demographics, while the number of workers initially declined (likely following the trend in the number of children) and then increased again after the introduction of the 30 hours entitlement in 2017. It is possible that the increase in funded hours have counteracted the effect of the decrease in the number of children in funded provision. For example, providers might have required more staff to meet ratio requirements under the expanded entitlement.

Figure 5. Total number of funded places and total number of workers, 2011 – 2018



As previous research suggests, it is possible that the impact of take-up rates on the early years workforce varied at regional level.³⁴ There is not enough data yet to confidently compare the relationship between the 30 hours take-up figures and the number of workers across regions. However, we can carry out that comparison for the two-year-old entitlement. Between 2014 and

2018, the total number of workers indeed changed in line with two-year-old take-up rates. However, this relationship is clearer in the first year of the entitlement expansion (2014/15) than in later years.

Limiting our analysis to the years 2015-2018, we found a more mixed picture, with the number of workers and places not necessarily moving in the same direction (Figure 6). This may suggest that providers did seek additional staff immediately after the expansion, but then began to adjust staff numbers in the following years, as uptake slowed down.

Figure 6. Percentage change in number of two-year-old funded places and workers, 2015 – 2018



With the overall growth in number of workers and places, there could be various knock-on effects to the sector. For example, providers may displace higher qualified (and more expensive) staff for lower qualified (less expensive) staff. Also, additional staff means higher expenses for providers, which may reduce funding for job related training. Alternatively, there could be a displacement of non-funded two-year-old places for funded places or a displacement of two-year-old places for three- and four-year-old places.³⁵

As mentioned above, having to increase staffing while being under funding constraints, might induce providers to substitute higher qualified workers for lower qualified workers to keep costs under control, although this is possible only to the extent that settings comply with ratios. Between 2013 and 2018, the number of early years workers increased by seven per cent and changes in the composition were as follows:

- The proportion of higher degree holders increased from 1.7 per cent to 5.5 per cent;
- The proportion of workers holding a first degree or a foundation degree remained at 13 per cent;
- The proportion of workers with a diploma in higher education fell from 7.4 per cent to 5.4 per cent;

- The proportion of workers qualified to NVQ level 4 and above remained at three per cent;
- The proportion of workers with NVQ level 3 or equivalent qualifications decreased slightly from 40 per cent to 39 per cent;
- The proportion of workers qualified to GCSE below grade C fell from 3.1 per cent to 1.9 per cent.

Therefore, while qualifications followed a clear upward trend between 2007-2011, changes were more mixed after 2013.

Further exploration into the data found no significant change to the participation rate in job-related training over the years 2006-2018. Instead, the number of workers receiving job-related training *from their employers* fell by 74 per cent just between 2010 and 2014. These are the years before the entitlements' expansions, so we cannot attribute this change to the entitlements. Previous research found that over time the financial pressure on providers have left them unable to fund training and that the budget cuts to LAs have meant that many training opportunities that were available through them are now unavailable.³⁶

In summary, there were multiple changes to the early years sector across the entitlement period, with an increase in the total number of workers after the entitlement expansions and some changes in the demand for staff with different levels of qualifications. In these same years, there were other policy changes that had a direct financial bearing on the sector and its workforce, such as the change in the National Funding Formula and the introduction of the National Minimum Wage. All these changes pulled the workforce in different directions making it difficult to disentangle the impact of each individual policy.

Discussion and conclusions

Despite increasing research pointing to the importance of a qualified and skilled workforce for high-quality early years provision, the sector struggles with recruitment and retention.³⁷ As in many other countries, the early years profession in England lacks status and recognition. Contributory factors include: low pay, poor working conditions, low qualification levels, sporadic opportunities for continuing professional development and unclear progression paths.

Several efforts have been made to establish a long-term strategy at the national level and across countries in the past twenty years.³⁸ A recent report published by the OECD (2019) explored measures that have succeeded in helping the early years sector in different countries to retain and develop skilled staff, such as: improving wages and working conditions; strengthening policies to increase qualification levels, for example through the provision of appropriate monetary incentives; promoting the profession's status; attracting more men into the workforce; and balancing the need to upskill the workforce while keeping routes into the profession open to workers of different education backgrounds.³⁹

We analysed some of the most important policies enacted in England since 2006 with this context in mind. Some policies were aimed directly at increasing the qualification levels of the workforce, such as the Graduate Leader Fund and the introduction of the requirement for practitioners obtaining a level 3 qualification after September 2014 to have a grade C in GCSE English and maths to be counted in ratios. Others, such as the entitlement expansions, had only an indirect impact on the workforce composition. The goal of this study was to understand both intended and actual impact on the early years workforce.

A key theme emerged from our analysis: in the last few years, the early years sectors has been subjected to so many changes that it is difficult to establish causation and measure impact. The one exception is the Graduate Leader Fund, which stemmed from a strong evidence base and was part of a long-term strategy aimed at professionalising the workforce, including the introduction of the Early Years Professional Status. Both the evaluation commissioned by the Department for Education and our analysis show that the programme had the intended impact during the years it was ring-fenced. Afterwards, the lack of a long-term strategy led to frequent changes of direction, and uncoordinated policies and funding. These kept us from identifying the actual impact of each policy.

England's mixed-market system makes it particularly hard to establish a sound evidence base. Recent reports indicate that the early years workforce is very heterogeneous in terms of some demographic characteristics, education levels, motivations and aspirations. Also, working conditions and progression path opportunities are dependent on the type and the size of the provider.⁴⁰ The provider data collection system, which is currently disjointed and incomplete, does not allow clear oversight of policy impact on all early years professionals.⁴¹

Therefore, the key policy question is how do we overcome this fragmentation and craft policies based on a comprehensive and up-to-date evidence base?

To provide an example, we turn our attention to the United States, another country where a mixed-market system with disparate funding streams, providers types and qualification requirements have made tackling workforce issues historically very hard. One tool that helped many states move

towards the creation of a sound evidence base for early years workforce development was the establishment of a workforce registry.

Workforce registries are online data systems designed to track and promote the education, training and experience of early years workers, whether they work in the equivalent of English private, voluntary and independent (PVI) or school-based settings, or as childminders. They aim to be a one-stop-shop for professionals to find links to training, job listings, industry-related news and professional development planning tools. But they are not just an online database. Through the validation of the professional and educational achievements of early years professionals, registries aim to help raise the status of the profession by promoting a well-trained, educated, supported and fairly compensated workforce.⁴²

Registries benefit practitioners, employers, researchers and policy-makers. Individual participants can build a profile of education and training, teaching permits and/or credentials, and employment history. Practitioners can use the registry to identify their strengths and the areas where they need more professional development, and then to find and register for approved training. Providers use registries to document the qualifications of their staff, monitor staff training activity, and use listed knowledge and competencies as a checklist to fill gaps in their education through a tailored a professional development plan. They can also verify previous training, employment trajectories, salaries and titles. From a research and policy-making point of view, the registries act as clearinghouses for verified data on the early years workforce and can therefore give policy-makers vital information on which to base policies.

Workforce registries have been in place at different levels of jurisdiction for several years in the United States. There is a National Workforce Registry Alliance, which is an alliance of workforce data systems across states; there are registries at state level, for example in Arizona, California, Nevada, New Jersey, North Dakota and Texas; and there are others at county level, such as in Florida. In some states, registration is compulsory (e.g. Nevada and New Jersey); in others it is voluntary (e.g. California). Despite these differences, a common element for the success of registries is that they are not a stand-alone product but are instead linked to progression paths and/or teaching permit systems, to wider professional development networks and to long-term strategies of workforce development supported by appropriate funding.

Conclusions and policy recommendations

The goal of this study was to examine the impact of key early years policies of the last decade on the workforce. We wanted to understand what types of intervention could be successful in increasing skills and qualifications, both from the settings' and the practitioners' points of view. The key takeaway from the analysis is that effective policies provide incentives both at individual and system level, and that these incentives need to be placed within a long-term strategy of workforce development. In the case of the four policies we considered, the Graduate Leader Fund was the only one with these characteristics and, in fact, it reached its intended goal of increasing the level of qualifications held by the workforce. Because of the number of policies introduced and inadequate data collection, it is difficult to evaluate the impact of other policies.

In line with our analysis, our key policy recommendations are the following:

- The government should revive the Early Years Workforce Strategy. While not perfect, the Strategy provided an overarching framework within which to fit policies, programmes and funding. A long-term vision is important in the early years, where issues are long-standing and deeply rooted in the system, requiring system-level changes rather than piecemeal interventions and proper funding to realise the potential of such changes.
- The government should set up a comprehensive and coherent data collection effort, similar in format to already successful workforce registries, in the United States for example. The registry should fit within the wider Workforce Strategy and allow for careful monitoring of trends related to the workforce. From the practitioner's perspective, it could be particularly useful in providing continuity to their employment trajectory and wider recognition for their training and professional development, even when changing employers. A registry would also help employers check for applicants' qualifications type and level, and match them to government requirements more easily. It would also give them a broader picture of their staff's skills and knowledge to plan for internal professional development and career progression.

For the early years workforce to get back on a sustained and sustainable path towards increasing professionalism, qualifications and status, it is important that the government sets the stage for proper sector development and stronger monitoring of national policies. The government should assess the costs of establishing a workforce registry and consider the potential value of the benefits likely to be realised through the registry. This can only be done with the recognition that the sector needs to move forward as a whole to guarantee high quality provision for all children. The evidence provides useful suggestions for the government to start moving in the right direction.

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