

Pressure and pride

The funding gap is huge, poorer parts of the country have less access to childcare, and practitioners are paid just 2p an hour more than cleaners. But pride in the job remains, according to Ceeda's About Early Years annual report. **Hannah Crown** reports

FUNDING

The extent to which Government-set funding rates don't match the costs of delivering either of the two 'free' entitlements is laid bare, Ceeda's annual report says.

The average cost of early education and childcare for two-year-olds is now £6.90, 32 per cent more than the average funding rate of £5.23 paid to PVIs for these places.

For three- and four-year-olds, average funding rates of £4.34 have increased by just 1.8 per cent in real terms since 2013/14, with average hourly costs 17 per cent higher than funding rates at £5.08.

The report notes, 'A funding system factored on delivery costs for specific age groups assumes a market where each age group pays a price commensurate with the costs of delivery. This is not ... the case with early years provision.'

It finds that the cost of delivering a place for under-tuos is 46 per cent higher than the cost for a three- to four-year-old's place. Yet the difference between the fees a setting charges for these two age groups averages just 7 per cent.

The total impact of this on the wider sector, taking into account how settings spread the high costs of two-year-old provision through the age range, is a funding deficit of £616.5 million, according to Ceeda's findings.

Costs are higher still when 80 per cent of staff are qualified to Level 3 or above, and when provision is graduate led.

The report also notes that 'the market's ability to recoup costs across the customer base is increasingly challenged by the

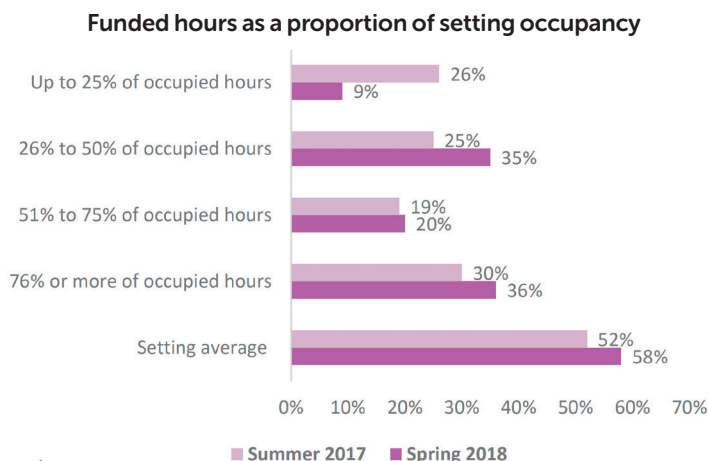


Figure 1

expansion of funded provision at rates which have failed to keep pace with costs'. This is also backed by other reports, including an inquiry by the Treasury Select Committee.

Funded hours now account for 58 per cent of a setting's occupied hours on average. As expected, this has increased since the full roll-out of the 30 hours entitlement in September 2017, when it stood at 52 per cent. The proportion of funded versus private hours is captured above based on occupancy in a specific reference week in spring 2018 (see Figure 1).

This is placed into context by figures from the OECD last month, which show the UK falls way behind in terms of the proportion of early childhood education spending that comes from government. In the UK this is 30 per cent for children under the age of three – the OECD average is 72 per cent and the EU average 75 per cent. For children aged over three, the figure is 58 per cent in the UK compared with 83 and 86 per cent in the OECD and EU respectively. Most of the UK's

private childcare expenditure comes from parents.

STRUCTURE OF THE EARLY YEARS SECTOR

A total of 1.3 million places are provided by childminders and PVI settings. Overall, the number of non-domestic places has remained relatively stable, but the way these places are being provided has changed.

Ceeda estimates suggest the early years sector is consolidating fast. This year, 60 per cent of childcare providers are single sites – 18 percentage

points less than in 2016, when DfE figures suggested the figure stood at 78 per cent.

Figures show that larger groups of all sizes have picked up the slack. Two-site operators have more than doubled their share of the market – from 6 to 13 per cent, while those with five to 19 sites have increased their share from 6 to 11 per cent (see Figure 2).

Ceeda notes that this data was arrived at using a new methodology, and a clearer picture will be provided by the next DfE provider survey, expected this November.

The market is demonstrating unprecedented levels of activity, with Busy Bees expanding 35 per cent over the past two years (to 361 settings, the largest group in the UK) and Tops Day Nurseries and Kids Planet increasing 59 and 56 per cent respectively. However, amid anecdotal reports of settings suffering due to funding levels and rising costs, some chains have made closures, most notably the Pre-school Learning Alliance's closure of 23 of its 108 settings. Also, the number of childminders has plummeted 15,700 since 2012.

Non-domestic provider size

Non-Domestic Provider Size (Number of Settings)	Experimental Estimate 2018	DfE 2016
Single site	60%	78%
2 sites	13%	6%
3 to 4 sites	10%	6%
5 to 19 sites	11%	6%
20 plus sites	5%	4%

Figure 2

PVI nursery and pre-school places by region

Region	Places	Places per head of population	Settings
South East	189,156	0.36	4,625
North West	149,319	0.36	3,154
East Midlands	88,477	0.35	2,048
East of England	114,870	0.31	2,845
London	172,220	0.31	3,975
Yorkshire and The Humber	88,522	0.3	2,030
South West	95,867	0.33	2,554
West Midlands	101,725	0.33	2,293
North East	34,883	0.24	770

Figure 3

Deprivation

Families living in the wealthiest areas have more access to childcare than the poorest.

The report looks at the number of places per head of the population and finds that the North-East fares the worst – 0.24 places per head in just 770 settings. This contrasts with the South-East and North-West with the highest number of places per person – 0.36 (see Figure 3).

There is also a new inequity of access. In 2016 there were more places per head in the most deprived local authority areas than there are now, while the number of places per person has increased in the least deprived areas (see Figure 4). This may be linked to the fall in Children's Centre provision – from 3,632 centres in 2009 to 2,632, according to a Sutton Trust report earlier this year.

The Ceeda report says, "These figures evidence a decline in equality of access to nursery and pre-school provision in the private and voluntary sector; provision which accommodates the needs of working parents and helps provide a bridge back to employment."

It is also interesting to note how average hourly fees vary across the country. Fees for London are between 31 and 34 per cent higher than the rest of the country (see Figure 5).

WORKFORCE

The pipeline of early years staff has shrunk, 'due in large part to the removal of functional skills as an alternative to GCSEs' for Level 3 qualifications, notes the report. Between July-September 2012 and the same period in 2016 there was a drop of 41 per cent (20,820 to 12,325) in certifications of Level 3 childcare

Places per head of population by local authority district deprivation rank

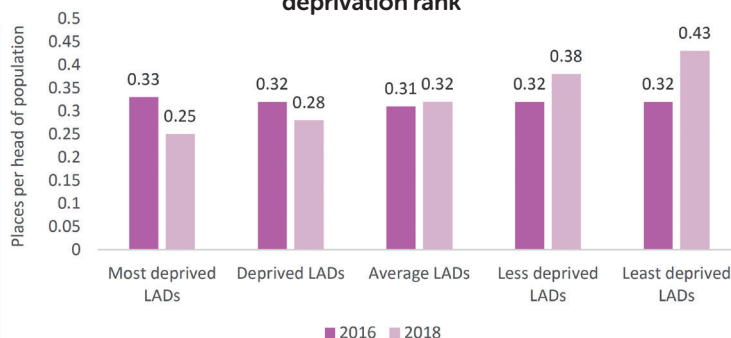


Figure 4

Nursery and pre-school average hourly fees before discounts

Region	Under 2 years	2 years	3 to 4 years
North East	£5.18	£4.22	£4.20
North West	£4.94	£4.89	£4.82
East Midlands	£5.44	£4.74	£4.65
West Midlands	£5.61	£5.38	£5.24
East of England	£5.34	£4.93	£4.81
London	£7.67	£7.08	£6.77
South East	£6.45	£5.84	£5.65
South West	£4.96	£4.77	£4.53
England	£5.71	£5.32	£5.16

Figure 5

qualifications. There was a slight recovery to 13,275 in 2017, and the report notes the upward trend is continuing 'though full recovery will take time if indeed it is ever achieved given the labour market and funding trends' (see Figure 6).

In addition, there is stiff competition for new entrants to the childcare labour market. All qualifications are allocated to

one of 15 sector subject areas. Within each area, there is a second tier, providing a further level of breakdown. Out of 50 'second-tier subject areas', child development and well-being comes 21st in terms of the number of certificates awarded this year and last. Health and social care certificates outnumber early years by more than 22 to one (see Figure 7).

Previous Ceeda findings have shown that pay in the early years sector compares very poorly to the wider workforce. According to an ONS classification system, a nursery manager or owner should come under 'professional occupation'. The average hourly rate of a professional in this group – £20.62 – is over £7 more than the £13.43 average for a nursery manager (taken from spring 2018 data) (see Figure 8).

Meanwhile, the average hourly pay rate for an early years practitioner without Qualified Teacher Status is £8.49. This job is classified in the occupational grouping of 'caring, leisure and other services', for which the average hourly rate is nearly

Qualifications awarded in child development and well-being (2012 to 2018)

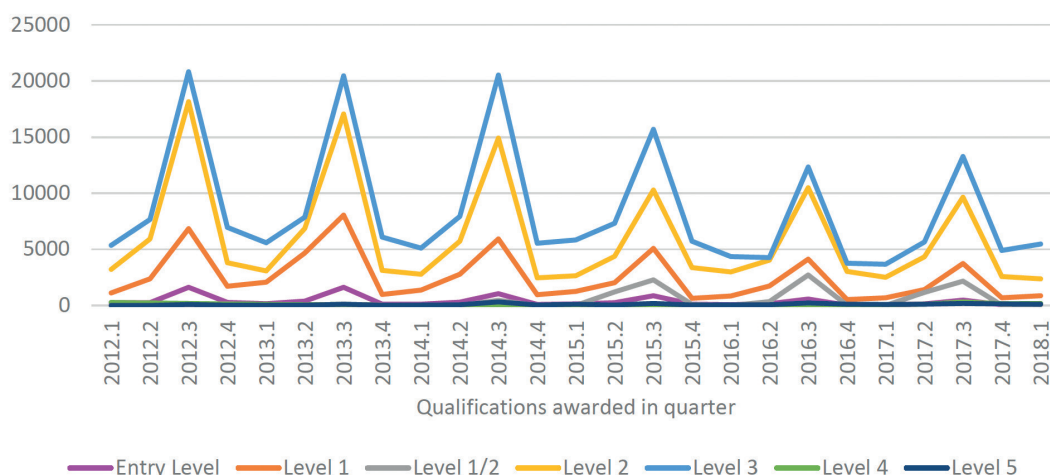


Figure 6

**Number of certificates awarded
(January to March 2017 and January to March 2018)**

Rank	Sector subject area	Jan to Mar 2017	Jan to Mar 2018	Change on same quarter in previous year
1	14.1 Foundations for learning and life	243,750	241,050	-2,700
2	01.3 Health and social care	216,000	206,300	-9,700
3	09.1 Performing arts	100,700	90,700	-10,000
4	05.2 Building and construction	58,600	67,900	9,300
5	07.4 Hospitality and catering	71,200	55,300	-15,900
6	08.1 Sport, leisure and recreation	45,550	46,050	500
7	06.2 ICT for users	59,550	41,150	-18,400
8	01.4 Public services	25,250	27,600	2,350
9	14.2 Preparation for work	26,100	27,600	1,500
10	15.3 Business management	28,050	25,500	-2,550
11	15.2 Administration	22,950	24,950	2,000
12	04.2 Manufacturing technologies	28,650	22,100	-6,550
13	04.1 Engineering	18,500	19,350	850
14	15.1 Accounting and finance	15,600	18,350	2,750
15	12.1 Languages, literature and culture of the British Isles	32,450	17,900	-14,550
16	04.3 Transportation operations and maintenance	14,150	15,950	1,800
17	07.3 Service enterprises	14,400	14,400	0
18	03.2 Horticulture and forestry	9,200	10,600	1,400
19	13.1 Teaching and lecturing	10,600	10,550	-50
20	07.2 Warehousing and distribution	7,750	9,400	1,650
21	01.5 Child development and well-being	7,050	9,200	2,150

Figure 7

£1 more at £9.41. Indeed, pay for an early years practitioner is just 2p more per hour than for 'elementary occupations' listed in Figure 8, such as cleaners and bar staff.

Job satisfaction

Staff churn stands at 14 per cent, according to the last DfE Childcare Provider survey. Ceeda data shows that despite the stresses on the system, there

are high levels of job satisfaction – 90 per cent of staff agree their role is interesting and varied; 96 per cent say they are proud of what they do.

Out of the 81 per cent of respondents who shared their future plans with Ceeda researchers, 10 per cent were actively jobhunting and one per cent wanted to leave their current employment as soon as possible. Interestingly, staff at

Average gross hourly earnings of full-time employees by occupation, April to June 2018 (not seasonally adjusted)

Occupational Group	£ Average gross hourly earnings
All employees	£14.53
Managers, directors and senior officials Examples include chief executives, financial director and marketing director.	£21.74
Professional occupations Examples include teachers, civil engineers, vets and dentists.	£20.62
Associate professional and technical Examples include paramedics, police officers and careers advisors.	£17.61
Administrative and secretarial Examples include book keepers, office managers and receptionists.	£11.58
Skilled trades Examples include farmers, electricians, carpenters and printers.	£11.69
Caring, leisure and other services Examples include nursing assistant, care worker, undertaker and hairdresser.	£9.41
Sales and customer service Examples include sales assistant, call and contact centre operators.	£9.16
Process plant and machine operatives Examples include quarry workers, sewing machinists, bus and coach drivers.	£10.66
Elementary occupations Examples include cleaners, security guards, bar staff, waiting staff.	£8.47

Figure 8

Level 6 were least likely to see a long-term future with their current employer.

The most common reasons for leaving the sector were lack of progression and pay, stress, and poor communication

between staff and employers (see Figure 9).

This data is taken from the About Early Years Annual Report, www.aboutearyyears.co.uk/our-reports

Reasons for planning a move

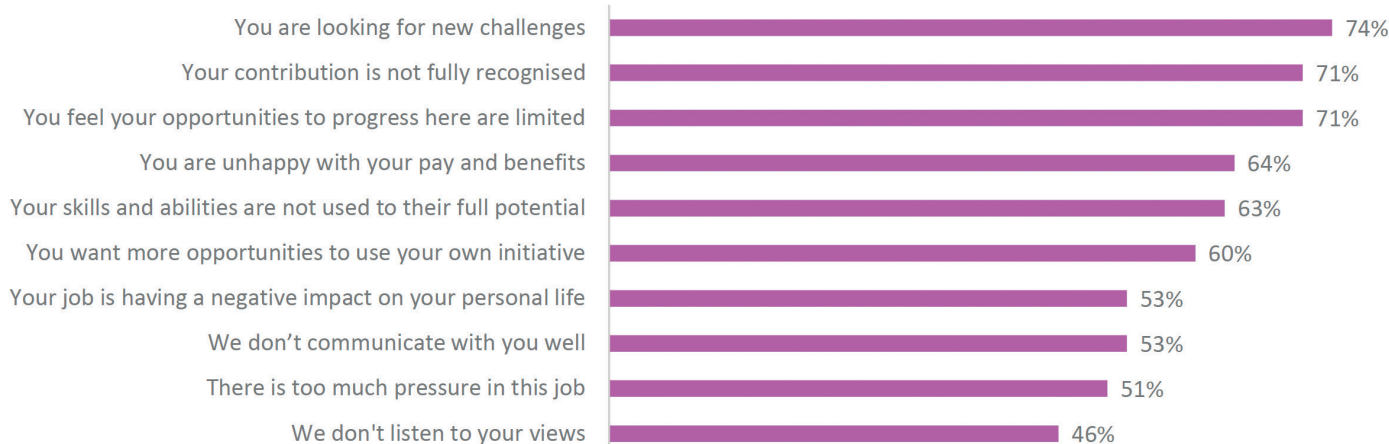


Figure 9



Our resident employment lawyer **Caroline Robins**, principal associate at Eversheds, **answers your questions**

Q Can a nursery employee be treated as having resigned if she has not turned up for a number of days?

A The failure of an employee to attend work does not necessarily amount to a resignation. While the approach of some employers is simply to treat the absence as a resignation, there is legal risk associated with this, particularly in relation to employees with two years' service or more who qualify for the right to claim unfair dismissal.

For an employee to resign, they must usually give clear and unambiguous notice of the termination of their employment. In the absence of this, an employer treating an employee as having resigned and therefore bringing their employment to an end may be considered as having dismissed the employee. Since no disciplinary or other process has been followed prior to such

dismissal, the dismissal is likely to be deemed unfair.

Instead of treating the failure to attend work as a resignation, the approach often considered legally safer and more certain is to conduct a disciplinary process in relation to the ongoing absence from work. That process should include an investigation and inviting the employee to attend a disciplinary hearing. If the employee does not engage in the process despite attempts to contact them, the disciplinary allegation may be based on the information available (which may be limited to the employee failing to attend work without authority or explanation) and the disciplinary hearing may be held in the employee's absence (usually after being rescheduled once).

Another option would be to treat the contract with the absent employee as frustrated (i.e. not capable of continuing and therefore terminating by operation of law); however, the circumstances of when such approach would succeed are extremely limited.

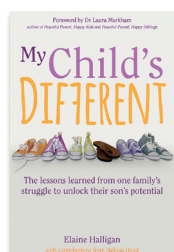
While the disciplinary procedure approach is more cumbersome, it has

the clear advantage of putting the nursery in a better position to defend any subsequent claim made.

Q An employee has resigned and we wish to put him on gardening leave. There is no relevant clause in the contract. Can we require him to take a period of gardening leave?

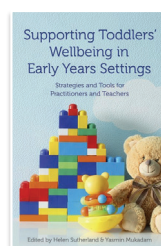
A There is no legal right to put an employee on gardening leave where the contract does not provide for this. Imposing gardening leave in these circumstances could be argued by the employee to amount to a breach of contract, because they have an implied right to work. The employee could claim the breach of contract is repudiatory, in turn bringing the contract to an end straight away, without them having to work the period of notice and also rendering any restrictive covenants void.

Rather than unilaterally imposing gardening leave where there is no right to do so, the safer approach would be to seek to agree this with the employee. In most cases, employees will happily agree to remain at home while continuing to receive their full pay and benefits.



My Child's Different: The lessons learned from one family's struggle to unlock their son's potential
By Elaine Halligan
(Crown House Publishing, £12.99)

A fascinating book charting a parent's struggle to get the right help for her severely dyslexic son, who was excluded from three schools by the age of seven. While the book is a chronological story of how the family coped with finding the right services and professional help, the book also offers a wealth of behaviour techniques, with insightful contributions from a parenting coach who supported the family throughout.



Supporting Toddlers' Wellbeing in Early Years Settings
Edited by Helen Sutherland and Yasmin Mukadam
(Jessica Kingsley, £16.99)

This book attempts to fill the void left by the lack of training for practitioners for toddlers. It starts with

definitions and international context of well-being, incorporating ideas such as Leuven and STEW scales, and the toddler's well-being framework. It then sets out practical guidance on key factors such as home, family, health, development and learning, voice and expressions, early language, and meals. These factors are supported with case studies and examples of good practice from Norway, Spain and the UK, and are expanded upon with reflective thinking exercises and suggested strategies to implement.



Patterns of Care (Pre-school Learning Alliance, £15.99 non-members)

The collective wisdom of a clinical psychologist, a senior mental health worker and Coventry CAMHS guide the reader here in how playful relationships enable brain development. From pre-natal development to how babies develop emotionally and socially, this text also features a section on building relational environments, with pointers for creating secure relationships to enable learning.



How to be an Outstanding Nursery Leader

By Allison Lee
(Featherstone, online price £11.89)
Written by an Outstanding-rated childminder with 25

years' experience, this straightforward book covers what makes an outstanding manager, from building an effective team and communication methods to the obvious but essential areas such as safeguarding, planning, health and SEND. Beyond this, there is a chapter dedicated to making the business sustainable in the long term, by carrying out useful market research, calculating profitability and using PR to good effect; with simple tools and strategies to help you do this. This is a guide to common everyday situations, and a useful tool for anyone enrolled on the CACHE Level 4 Certificate for the Early Years Advanced Practitioner.