

UNTAPPED POTENTIAL



Save the Children

**How England's nursery lottery
is failing too many children**

Every child has the right to a future. Save the Children works in the UK and around the world to give children a healthy start in life, and the chance to learn and be safe. We do whatever it takes to get children the things they need – every day and in times of crisis.

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Cover photo: Children at a nursery school in Manchester (Photo: Magda Rakita/Save the Children)

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Executive summary

The Prime Minister has declared that she wants her government to ensure every child can reach their potential. And she has made clear that a key part of her strategy to achieve this goal is the guarantee of a good school place for every child.

Save the Children believes that if the government is to deliver on this aim to significantly improve social mobility in our country, it must guarantee every child not just a good school place, but a good nursery place too. The evidence for this is clear: if a child is already behind when they start primary school, they are more likely to be behind throughout school, and for the rest of their lives.

This report shows that more than a quarter of a million children were locked out of high-quality childcare provision in 2015, affecting children from families right across society, in better-off as well as poor areas. But our analysis also provides compelling evidence that children in the poorest areas are most likely to miss out on this crucial support in their first years. We cannot allow this barrier to success to remain.

Investing in the quality of our nation's nurseries would help deliver the scale and pace of change that the government has rightly identified is necessary to give every one of our children the chance to make a success of their lives.

HIGH-QUALITY CHILDCARE: KEY TO GIVING EVERY CHILD THE BEST START IN LIFE

The first few years are an incredible period in a child's life. It's when they learn how to walk, talk and form relationships with others. But **one in three children** started school in 2014/15 without having reached the expected level of development. And that figure rises to **one in two of the most disadvantaged children**. The evidence is clear

that falling behind at such a young age can have a profound impact on the rest of a child's life.

It's unfair that children's futures are being jeopardised before they even start school. This report shows how we can act to stop this happening – and have a real impact on social mobility in England – by investing in the childcare workforce. High-quality childcare, delivered by skilled and caring staff, can have a significant positive impact on children's learning during the early years, particularly for the poorest children. Children who benefit from high-quality childcare start school on average around **three months ahead in their literacy and language** skills compared with children who attended low-quality settings, and eight months ahead of children who did not attend any childcare. The benefits carry on throughout a child's life: they are **20% more likely than children who go to low-quality settings** to get 5 A*–C GCSEs, and they earn more as adults.

Multiple studies have shown that having highly qualified staff is the **biggest indicator of childcare quality**. The qualifications, skills and experience of all the staff in a childcare setting are critical for creating the nurturing learning environments in which young children thrive. But studies consistently show that the presence of trained teachers and staff with relevant degree-level qualifications in nurseries brings an added impact for a child's early learning and development, particularly for those growing up in poverty.

New evidence presented in this report shows that – even when taking into account other powerful influences on a child's life – such as disadvantage or ethnicity, attending a childcare setting with highly qualified staff has a substantial and positive impact on a child's early development. This analysis estimates that a child who attends a nursery without a highly qualified member of staff at age three is **9% less likely** to reach a good level of development, compared with a child who attends a nursery with a highly qualified member of staff.

The evidence is clear: high-quality nurseries, with highly qualified staff at the heart of provision, can have a substantial impact on a child's early development and later life. That's why our ambition is for **every child in England** to benefit from childcare led by an early years teacher, supported by well-skilled and caring staff.

TOO MANY CHILDREN MISS OUT ON HIGH-QUALITY CHILDCARE

New analysis in this report shows how far we have to go to achieve our ambition. Far too many children are missing out on the benefits of a highly qualified workforce. This is clearest in the **private, voluntary and independent sector** where requirements for staff qualifications are lower, and which is the focus of this report. Our analysis shows that:

- In 2015/16, **half of all three- and four-year-old children** (50%) attended a private, voluntary and independent setting without an early years teacher or equivalent working directly with them. That is more than **280,000 children**.

Our analysis also shows that some areas are much further from achieving our ambition than others:

- **Children in the West Midlands were least likely** to be in a private, voluntary and independent setting with an early years teacher or equivalent working directly with children, while **children in the North East were most likely** to be in a private, voluntary and independent setting with an early years teacher,
- In the 20% of local authorities with the least teacher-led settings, **31% of children** were attending a private, voluntary and independent setting with an early years teacher or equivalent, compared with **70% of children** in the top 20% of local authorities
- In the local authority with the fewest teacher-led private, voluntary and independent settings just **16% of children** were attending a private, voluntary and independent setting with an early years teacher or equivalent, compared with **86% of children** in the best performing local authority.

In this report we look at local authority areas with the fewest teacher-led settings in further detail, comparing them with the areas that are furthest ahead. Our findings show that the local authorities with the fewest teacher-led childcare settings in

the private, voluntary and independent sector were also more likely to experience **higher levels of disadvantage** than local authorities with the most teacher-led settings.

These figures show that the areas that are furthest behind in achieving our ambition of high-quality childcare for every child are characterised by **low levels of employment, education and income, and higher levels of child deprivation**. If we want to address the impact of all these factors on children's lives, we need to do much more to raise the quality of childcare provision in these areas for children.

DELIVERING ON A HIGH-QUALITY NURSERY SYSTEM THAT REACHES EVERY CHILD

Everyone involved in running or working in the nursery system has a role to play in securing high-quality provision for children. Over the last decade national and local government and the childcare sector have made important progress in driving up the quality of provision for young children. However, now **progress is stalling**.

There has been very little improvement in the number of early years teachers working in private, voluntary and independent nurseries since 2014. The number of people applying to early years teacher courses has declined significantly since the same year, and the government missed its recruitment targets for students onto early years teacher courses by a wide margin in 2015. This was mirrored by a decline in the number of intermediate childcare qualifications (level 3) awarded last year. And the evidence suggests that the number of people working in the childcare sector fell by 10,000 between 2008 and 2013, despite growing demand for childcare.

At a time when government is expanding the provision of free childcare, by offering working parents up to 30 hours of free childcare from 2017, these training and workforce trends are extremely worrying. There are real concerns that the sector will not have sufficient skilled staff to deliver the free childcare entitlement. Expanding childcare provision without a plan to revitalise progress in the development of the workforce risks undermining the quality of provision for children. This could particularly threaten the early learning of thousands

of children living in poverty who stand to benefit most from high-quality, teacher-led provision.

The childcare sector itself plays a critical role in developing the workforce, driving change and promoting excellent practice. But it needs the backing of government.

The government needs to match its ambitious plans for extending free childcare with a similarly ambitious plan to invest in the childcare workforce – so that more free hours for children in working families does not come at the expense of high-quality provision for children growing up in poverty. We are calling on the government to take three actions to support the long-term, sustainable development of the childcare workforce for children:

- **Introduce a workforce quality supplement** in the early years funding system to create a sustainable and long-term incentive for settings to hire and retain early years teachers.
- Signal the intent of the government to guarantee all children a good nursery place by investing **£65 million a year** in the most deprived parts of the country over the next five years, to ensure that children most likely to struggle have access to an early years teacher in their childcare settings.
- Publish the promised **childcare workforce strategy before the end of 2016**, to set out how to tackle the challenges in recruitment, progression and continuing professional development across the workforce that are outlined in this report.

The futures of hundreds of thousands of England's children – and particularly those from disadvantaged backgrounds – are at stake. The government must offer the funding, vision and strategy to enable childcare providers to continue to invest in the development of the childcare workforce – and to provide the best possible start to life for all children, especially those growing up in poverty.

Introduction

Almost a quarter of a million children started school in England in 2014/15 without having reached a good level of early development (Department for Education 2015). That means these children struggled with their early language skills, their social or emotional development, or even their physical development.

The impact on children of starting school behind is both immediate and long-term:

- Young children's language skills and personal and emotional development underpin their relationships with their parents, peers, and teachers, and are crucial for a child's wellbeing and further development.
- Evidence shows that children who start school behind in their early development are much less likely to do as well as their peers throughout primary school in English and maths (Save the Children 2016a).

Falling behind so early in life has a damaging impact on a child's life chances. And it is the poorest children who are much more likely to struggle than their peers. In 2014/15 **only one in two disadvantaged children** reached the expected level of development, compared with **two out of three of their peers** (Department for Education 2015). Poverty has a tangible negative effect on a child's early learning and development.

Parents and carers play a central role in a child's development during these early years, but the evidence shows that **high-quality childcare can be a key positive influence, particularly for the poorest children**. The benefits of attending a high-quality childcare setting have been shown to last from the first few years of a child's life right through primary and secondary school (Sylva et al. 2004, 2008, 2012). That's why Save the Children is campaigning to ensure that every child has access to high-quality childcare in the early years.

At the heart of a high-quality childcare setting is **the childcare workforce**. Childcare practitioners play a central role in creating environments that support and nurture children's early development and learning. But **everyone connected with the childcare system** plays a role in securing high-quality childcare for children: local authorities in supporting early years settings; early years providers in delivering high-quality care; and the government through legislation, regulation and guidance, as well as through funding. Over the last decade the childcare sector has made impressive progress in boosting the quality of provision. National governments and local authorities have also played a critical role through strategies, funding and support to drive change.

However, as we show in this report, **progress has stalled**. Only half of all three- and four-year-olds accessing childcare in the private, voluntary and independent sector are doing so in settings with early years teachers. The workforce is shrinking. Improvements in the proportion of staff working in the sector with higher level qualifications are slowing. And the number of people starting childcare courses and entering the sector is declining. This combination of factors is placing increasing pressure on the ability of the sector to deliver high-quality childcare.

We need to act now to ensure that the sector receives the support it needs to continue improving the quality of provision for children. This is particularly important in a time of significant change for the sector, with the introduction of an additional 15 hours of childcare a week for eligible children, and an increasing cost base as a result of the introduction of the national living wage and pension auto-enrolment. Now more than ever the sector needs **a workforce strategy, investment and support** that helps it address these challenges.

This report sets out the importance of the childcare workforce for children's early development, the ongoing workforce challenges facing the sector and the key issues that the government needs to address in its forthcoming workforce strategy. In **section 1** we present the evidence on the link between children's access to high-quality childcare settings, highly qualified staff and their development at the beginning of primary school. In **section 2** we

show where in England children are least likely to access highly qualified early years staff. In **section 3** we analyse some of the issues that need to be addressed if we're to continue making progress in early years provision – including challenges facing the childcare workforce. Finally, in **section 4** we set out our agenda for what needs to be done to ensure the best early years support for every child.

SAVE THE CHILDREN'S WORK IN SUPPORTING THE HOME LEARNING ENVIRONMENT, IMPROVING EARLY YEARS SERVICES AND REDUCING CHILD POVERTY

Through our analysis of the evidence we have identified what we believe are the three key drivers of low educational outcomes for the poorest children:

- the quality of services that support children and their families, with childcare being the most crucial
- the home learning environment (acknowledging the crucial role of parents in early child development)
- poverty and material deprivation.

Our work across the UK reflects this core analysis. Our programmes in disadvantaged communities work to improve children's home learning environment and to reduce the impact of material deprivation. Our campaign on childcare is driving efforts to improve this most crucial of family services.

CHILDCARE AND EARLY EDUCATION IN ENGLAND

The provision of childcare and early education in England is highly diverse. Different settings deliver full-day care, before- or after-school care, holiday care or a mixture of these. Childcare providers range from individual childminders, to local providers delivering care at one or two sites, to complex multi-site organisations delivering childcare across the country. The sector is broadly divided between school-based settings and private, voluntary and independent settings.

Almost every three- and four-year-old in the country accesses some form of childcare through the free entitlement. And 68% of eligible two-year-olds from disadvantaged families access childcare through the free two-year-old offer. Almost all two year olds (91%) and almost two-thirds of three-year-olds (64%) accessed the offer through the private, voluntary and independent sector. In contrast, a fifth of four-year-olds accessed the offer through the private, voluntary and independent sector.

In England more than 22,300 providers deliver the free entitlement for two-year-olds – 6% of these providers are school-based settings and 94% private, voluntary and independent-based settings. More than 45,000 providers deliver the entitlement for three- and four-year-olds – 37% are school-based settings and 63% private, voluntary and independent-based settings (Department for Education 2016).

The childcare workforce has undergone significant change over the last several years. Following Cathy Nutbrown's 2012 review of qualifications in the workforce, the government introduced two new qualifications:

- Early Years Educator (EYE): a level 3 qualification (equivalent to A-levels) was

introduced to simplify the system of intermediate-level early years qualifications. EYE students require a minimum C grade in GCSE maths and English, which they can gain while completing an EYE programme.

- Early Years Teacher (EYT): a degree-level qualification, equivalent to Qualified Teacher Status (QTS). Practitioners have to complete an early years teacher training course to qualify as EYTs.

Many staff hold historical qualifications, broadly equivalent to level 3 and degree level. Some staff will hold qualifications at other levels, while others hold specialist qualifications.

The requirements for staff qualifications vary between school-based early years settings and private, voluntary and independent settings:

- All school-based early settings – with the exception of independent and academy schools – are required to have a qualified teacher.
- Private, voluntary and independent settings are only required to be managed by a member of staff with a level 3 qualification, and at least half of all staff are required to hold a relevant level 2 qualification (equivalent to GCSEs at grades A–C). There is no requirement for staff with degree-level qualifications in these settings.

As a result, almost all school-based early years settings are led by teachers with QTS, while in the private, voluntary and independent sector, just 38% of settings delivering the free entitlement had an EYT or equivalent working directly with children (Department for Education 2016). This report therefore focuses on the **private, voluntary and independent sector**.

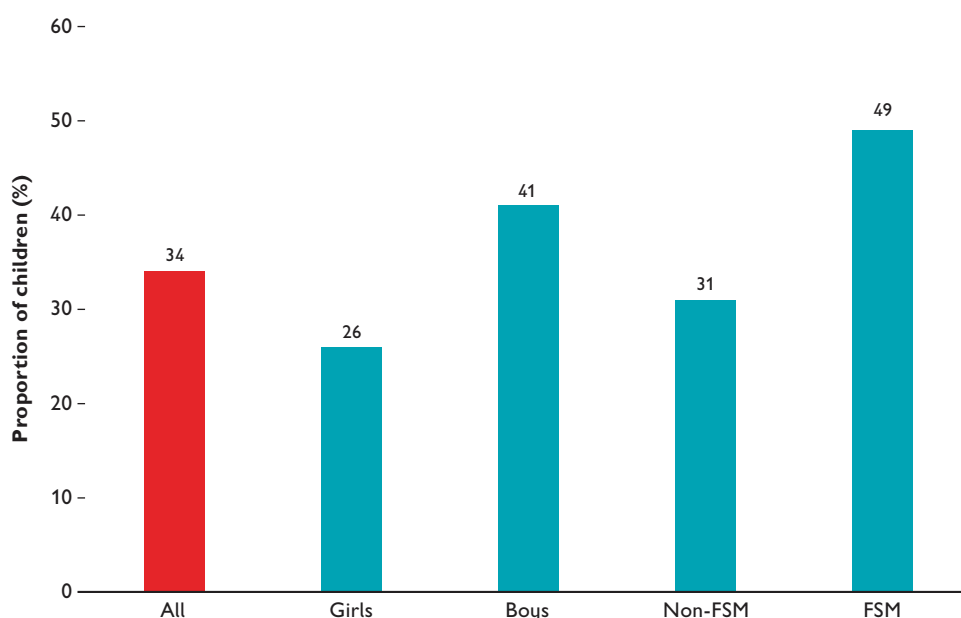
1 High-quality childcare: key to giving every child the best start in life

The early years are an incredible period in a child's life. In these first few years a child learns to walk, talk and to form relationships with others. It's a rapid period of development, driven by a mix of experiences, environments, and genes. No child's development is pre-determined during this period. Every experience is an opportunity for a child to learn and develop (Save the Children 2016b). But Save the Children is concerned that **too many children in England are struggling** in these important years.

Figure 1 shows that in 2014/15 **one in three children** (34%) started school without reaching a good level of early development.¹ As our previous report *The Lost Boys* has shown, boys and disadvantaged children are most likely to struggle in the early years (Save the Children 2016c). The data in figure 1 shows that **two in five boys** (41%) and **almost half of disadvantaged children** (49%) didn't reach the expected level of development at the start of school.

Research commissioned by Save the Children has shown that children who start school behind their peers are much more likely to struggle with English

FIGURE 1: PROPORTION OF CHILDREN NOT REACHING A GOOD LEVEL OF DEVELOPMENT AT AGE FIVE IN THE EARLY YEARS FOUNDATION STAGE PROFILE 2014/2015



Source: Department for Education (2015) *Early years foundation stage profile results: 2014 to 2015*. Department for Education: London.

¹ A 'good level of development' is defined in the Early Years Foundation Stage Profile (EYFSP) as achieving the expected level across each of the early learning goals in the EYFSP – communication and language; physical development; personal, social and emotional development; literacy; and mathematics.

and maths **throughout school** (Save the Children 2016a). Other evidence shows that struggling so early in life can continue to put children at risk of poor outcomes throughout their later lives (Schoon et al. 2010a, 2010b, Parsons et al. 2011). Allowing so many of our children to start their school careers behind in crucial skills makes us all complicit in the persistence of poor social mobility in our country.

THE POWER OF HIGH-QUALITY CHILDCARE IN CHILDREN'S EARLY DEVELOPMENT AND LEARNING

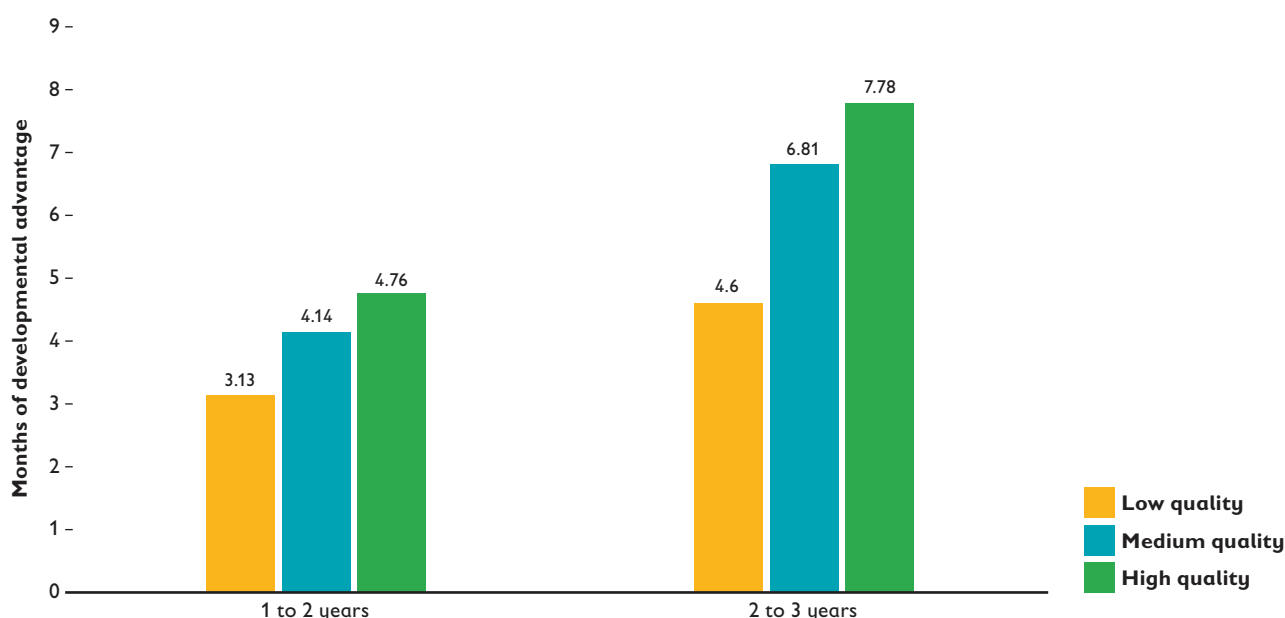
The evidence is clear that high-quality childcare can make a real difference in a child's life. In England, the Effective Provision of Pre-School Education (EPPE) study has shown that attending a high-quality childcare setting has:

- clear positive effects on children's outcomes, and a bigger impact when combined with a high-quality home learning environment
- **particular benefits for children growing up in poverty**, helping to address and alleviate some of the impacts of disadvantage on children's lives (Taggart et al. 2015).

Evidence from EPPE shows that high-quality childcare over a sustained period of time can have a significant impact on a child's early development. As figure 2 shows, researchers have estimated that:

- Children who attended a high-quality childcare setting for **one to two years** were **4.8 months ahead** of children who didn't attend childcare in their literacy skills, and **1.6 months ahead** of children who attended a low-quality childcare setting, when they started school.
- Children who attended a high-quality childcare setting for **two to three years** were **7.8 months ahead** of children who didn't attend childcare in their literacy skills, and **3.2 months ahead** of children who attended a low-quality childcare setting, when they started school (Taggart et al. 2015).

FIGURE 2: DEVELOPMENT ADVANTAGE (IN MONTHS) FOR DURATION AND QUALITY OF PRE-SCHOOL ON LITERACY AT SCHOOL ENTRY (HOME AS COMPARISON)



Source: Taggart, B., Sylva, K., Melhuish, E., Sammons, P. & Siraj, I. (2015) *Effective pre-school, primary and secondary education project (EPPE 3–16+)*. Department for Education: London.

Findings from EPPE show that attending a high-quality childcare setting has a positive impact not just in the first few years of a child's life, but throughout their time in school (Sylva et al. 2004, Sylva et al. 2008, Sylva et al. 2012). Using the EPPE dataset, researchers from the Institute for Fiscal Studies have recently estimated that:

- Attending any type of childcare increases the probability of obtaining five or more GCSEs A*–C by **8.4%**, with the effect **increased for disadvantaged children**.¹
- Attending a high-quality setting compared with a low-quality setting increases the likelihood of achieving five or more GCSEs A*–C by **just under 20%**, with particular benefits for disadvantaged children (Cattan et al. 2015).

Using these findings they estimated the likely return to the exchequer of childcare:

- A child who attends any childcare earns an **extra £27,000 over their lifetime**.
- A child who attends a high-quality setting earns an **additional extra £19,000 over their lifetime**.
- Attending childcare leads to a benefit over a lifetime of around **£11,000 to the exchequer**.
- Attending high-quality care compared with lower-quality care leads to an additional benefit of around **£5,000 to the exchequer** (Cattan et al. 2015).

WELL-QUALIFIED STAFF ARE KEY TO SECURING HIGH-QUALITY CHILDCARE IN ENGLAND

High-quality childcare is clearly beneficial for children. How is quality defined and what contributes to it? Quality in childcare can be broadly split into two dimensions that influence a child's early learning and development:

- **process quality:** the teaching and support children receive in settings, through planning and implementing learning activities, and through supporting children's development through positive relationships
- **structural quality:** the hard indicators of childcare provision that have been shown to be linked to process quality, such as staff-to-child ratios, staff qualifications and experience, group size and the physical space and environment.

Of these different structural indicators, the evidence shows that **staff qualifications** are a particularly important element of quality childcare for children in England:

- EPPE and more recent studies in England have shown a clear link between the quality of provision and the presence of a member of staff with a degree-level qualification (Sylva et al. 2004, Mathers et al. 2012).

DIANE, AN EARLY YEARS TEACHER, TALKS ABOUT WORKING WITH PARENTS AND THE IMPACT OF NURSERY ON CHILDREN

"We try to make a team around the child. Parents don't have the same support network that they once did, they don't have three generations living in the same household, and many of the children we see here don't have siblings, because people are having children later. A lot of what we do is educating parents on how to support children. But it's definitely a two-way thing – we help each other. We advise parents on even basic things like sleeping, boundaries, healthy eating.

"The concept that school is the only place you learn is false. Here they learn personal skills, social skills – those are just as important. When children start here I would say that more than half of parents say their children aren't listening, they're not paying attention, they're not socialising. When they leave here to go to school, most of them are literate, numerate, and have social skills. We try to instil in them to be independent learners. They leave us here with a love of learning."

¹ To compare the impact of attending versus not attending childcare, the EPPE study included a group of 300 children who did not attend childcare. This group was particularly disadvantaged, but analyses using EPPE data largely control for the effect of disadvantage.

- A recent study by the OECD showed that in England degree-level qualifications were a particularly important indicator of quality, while in other countries factors like adult:child ratios or staff experience were more important (Slot, Lerkkanen & Lesman 2015).

The impact of well-qualified childcare on the quality of provision is particularly marked in deprived areas. A study comparing the quality of provision in the most and least disadvantaged areas of England has shown the crucial role that **graduate-level staff** can play in closing the ‘quality gap’ between different areas. The study showed that settings in the most deprived areas without graduates were much less likely to have good-quality ratings than other areas. However, in settings with graduates, the gap in quality of provision between settings in the most and least deprived areas disappeared (Mathers & Smees 2014).

NEW EVIDENCE ON THE ROLE OF HIGHLY QUALIFIED STAFF IN CHILDREN’S EARLY DEVELOPMENT

The evidence presented above makes clear that high-quality nurseries have a powerful and positive impact on a child’s early development. It’s also clear that highly qualified staff are central to creating a high-quality environment and that they can help close the gap in the quality of provision between the least and most disadvantaged areas.

However, we wanted to understand better the specific influence that a highly qualified staff member has on a child’s early learning and development.

To do this, we commissioned the Education Datalab to examine whether there is a link between attending a setting with an early years teacher or equivalent and children’s early developmental outcomes in the Early Years Foundation Stage Profile results (undertaken when a child starts school in Reception), even when other important factors in a child’s life are taken into account.

This analysis is based on data collected as part of the National Pupil Database, a census of every child attending settings through the free childcare offer and in Reception in England. This creates a unique set of data that allows researchers to follow the same group of children from entering childcare settings at two right up to the end of Reception.

The analysis includes **four stages**. The first compares children’s outcomes at age five by whether or not they attended a childcare setting and whether or not there was an EYT present, while accounting for other factors. The second and third stages separately estimate the impact on children’s outcomes at age five of attending a setting with an EYT, compared to one without an EYT, at age two and at age three respectively. The final stage estimates the combined impact of attending a setting with an EYT at age two and three on children’s outcomes at age five, compared with attending a setting without.

By doing this, we can assess the association between attending a setting with an EYT or equivalent while also taking account of other important factors on a child’s early development. The **first step of the analysis** shows that even when taking into account these other important factors – such as gender, ethnicity and disadvantage, and factors in settings such as staff:child ratios and hours spent in settings – attending a setting with a highly qualified member of staff is still **statistically significantly** associated with children’s outcomes at age five (for further details on the research, see the Technical Appendix at www.savethechildren.org.uk/resources/online-library/untapped-potential).

The **second stage of the analysis** then estimates children’s outcomes at age five by whether or not they attended a nursery **at age two**, and whether this nursery had qualified staff. This shows that, compared with a child who attends a setting with a highly qualified member of staff, a child who doesn’t attend any childcare at age two is **35% less likely** to reach a good level of development, and a child who attends childcare but without a highly qualified member of staff is **5% less likely** to reach a good level of development.

The **third stage of the analysis** follows the same approach but this time looks at whether children attended a nursery setting with a qualified member of staff **from age three**. It estimates that, compared with a child who attends a nursery with a highly qualified member of staff, a child who attends no childcare is **55% less likely** to reach a good level of development, and a child who attends a nursery without a highly qualified member of staff is **9% less likely** to reach a good level of development.

The **final stage of the analysis** compares children who went to a setting at ages two *and* three with a

highly qualified EYT, and children who attended a setting without highly qualified staff at ages two and three. While stages two and three of the analysis looked at a 'snapshot' in a child's life, this analysis looks at the full span between starting nursery at two and starting school in Reception. Because the influence of factors like deprivation are likely to have a much bigger influence on the analysis over a longer span of time, it makes it much less likely that we will see either a link or a large impact. However, the analysis shows that attending a nursery at ages two and three with a well-qualified member of staff is still **statistically significantly** associated with children's outcomes at age five. We estimate from this that, compared with a child who attends a setting with a highly qualified member of staff at age two and age three, a child who attends no childcare is **36% less likely** to reach a good level of development, and a child who attends a nursery without a highly qualified member of staff is **4% less likely** to reach a good level of development.

This analysis, alongside the existing evidence presented in this section, shows that **high-quality childcare settings, with highly qualified staff at their heart, have a powerful and long-term impact on a child's life.**

SONGS, GAMES AND PARTNERSHIPS WITH PARENTS: THE BUILDING BLOCKS OF HIGH-QUALITY CHILDCARE

Well-qualified staff are crucial to securing high-quality provision to support children's learning and development. They can help to close the gap in quality of provision between the most and least disadvantaged areas. Other factors, such as the experience of practitioners and child-to-staff ratios, are crucial elements of quality in childcare provision. But early years teachers and their equivalents have a particular role in applying their expertise and knowledge of children's development to inform their

work with children, parents and colleagues. Early years graduates have been shown to be key in:

- leading the development and delivery of the early year's curriculum in nurseries – planning developmental activities, using observations to identify where children might be struggling, and designing tailored packages of support for children at risk of falling behind
- engaging parents effectively and working in partnership with them to improve the home-learning environment for children
- leading professional development across the nursery, modelling good practice and helping to improve the skills of less qualified staff through observation and feedback (Mathers et al. 2011).

From the wider evidence, we also know some of the other elements that make up a high-quality childcare environment for children. A recent review by the OECD summarised these elements as:

- interactions between practitioners and children – where adults are genuinely interested and engaged in what a child is doing through listening, supporting and developing children's thoughts and knowledge with them in activities
- play-based learning – where practitioners support children's learning and development through play with, for example, puzzles, building blocks or games, supporting children's learning where needed
- a balance between children leading on activities and games and staff taking the lead to direct, supporting children where appropriate (Wall, Litjens & Taguma 2015).

What is clear, from the existing research and the new findings presented in this section, is that early years teachers and their equivalents provide an extra boost to children's development. And this impact can be greatest for children growing up in poverty. But, as we show in the following section, too many children in England are not seeing the benefits of a highly qualified workforce.

WHAT LOGAN'S LEARNING AT NURSERY

Logan is two, and two weeks into nursery school. Here his mum, Ilkin, describes how he's finding it.

"I think it's an advantage for him – being in this nursery setting. They're learning things they can learn at home but I think doing it as a group and regularly in a routine makes them learn it better and keep it in their head. Like the songs – even in the songs they're learning to count, they're learning the alphabet.

"Coming into nursery they're getting the opportunity to see their name on the peg. Logan's able to recognise his name now and he's beginning to spell it and to write it out. I think that's important because it's giving him those first steps into writing and reading. Because I know that as soon as they go into Reception, they start work on their phonics and their letters. So it's giving him that little head start and that introduction into the world of letters and numbers.

"He's only been here for a couple of weeks but I know that every morning they sit in the circle time and they take a little register. So that's getting the children familiar with their own names and other children's names as well. And they always do a good morning song and welcome everybody.

"Throughout the year, the staff here have little parent meetings – they go through the child's development and talk about whether they're meeting those developmental milestones, or if they're maybe a bit behind and what they may need to work on a bit more. So it makes you get up to date with where your child is in terms of their progress. They might be doing better in some subjects and they might be falling slightly behind in other areas of their development, but the nursery staff all recognise that because they're constantly doing assessments and observations."

2 Too many children miss out on high-quality childcare

Too many children are attending nurseries in England today without seeing the benefit of early years teachers. This is particularly marked in the private, voluntary and independent sector, where the requirements for staff are lower.

This section presents new analysis looking at patterns of provision in the private, voluntary and independent sector and the presence of an EYT or equivalent in settings that are working with children. We undertook this analysis to better understand where children are least likely to see the benefits of a highly qualified workforce. We use data published by the government for the free childcare entitlement, focusing on three- and four-year-olds, as overall patterns of provision are very similar for both two-year-olds and three- and four-year-olds (for further details see the Technical Appendix at www.savethechildren.org.uk/resources/online-library/untapped-potential).

MOST SETTINGS DON'T HAVE AN EARLY YEARS TEACHER

Our ambition is for every child to have access to an EYT in every nursery in England. But the evidence shows this is a long way off. Government statistics show that **just two in five** of private, voluntary and independent settings have an early years teacher or equivalent present in the setting and working directly with children.

Our analysis shows that **62%** of private, voluntary and independent providers who deliver the free childcare offer – **or more than 17,500 providers** – do so without an early years teacher or equivalent working directly with children.

THE REGIONAL BREAKDOWN

Figure 3 looks at the picture across English regions. It shows that in England as a whole, **half of all three- and four-year-old children** in the private, voluntary and independent sector (50%) attend a setting without an EYT or equivalent working directly with them, meaning that **more than 280,000 children** are accessing free childcare without highly qualified staff.

There is considerable variation between regions. Children growing up in the **West Midlands** attending private, voluntary and independent based nurseries are least likely to be in a setting with an EYT or equivalent working directly with children (42%). Children growing up in the **North East** are most likely to be in a private, voluntary and independent setting with an EYT (63%). This means that children in the West Midlands are about 15% less likely to be in a private, voluntary and independent setting with an EYT or equivalent working directly with children than other children in England, and about 50% less likely than children in the North East.

FIGURE 3: PROPORTION OF CHILDREN ATTENDING CHILDCARE IN PRIVATE, VOLUNTARY AND INDEPENDENT SETTINGS WITH AN EARLY YEARS TEACHER OR EQUIVALENT AT NATIONAL AND REGIONAL LEVEL



Source: Save the Children analysis of Department for Education (2016) *Education provision: children under 5 years of age, January 2016*. Department for Education: London.

HOW DO LOCAL AREAS IN ENGLAND COMPARE?

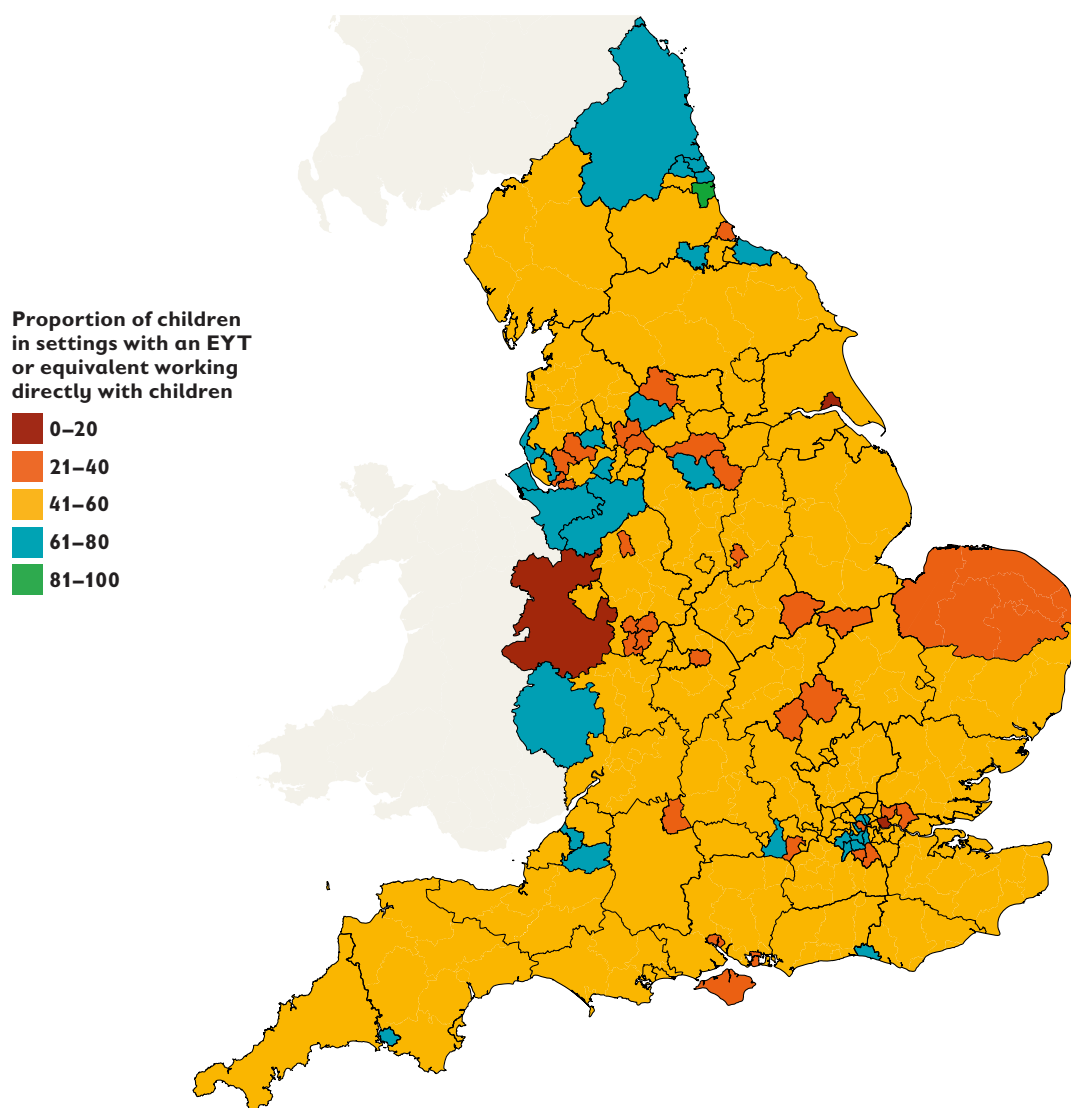
To better understand how these figures break down around the country, we look next at local authority data.

Figure 4 presents a map of England, with the proportion of children in each local authority attending private, voluntary and independent settings with an EYT or equivalent present and working directly with children (the full table is available in the Technical Appendix: www.savethechildren.org.uk/resources/online-library). The map shows significant variation around the country:

- In the bottom 20% of local authorities, **just 31% of children** were attending a private, voluntary and independent setting with an EYT or equivalent, compared with **70% of children** in the top 20% of local authorities.
- In the worst-performing local authority, **16% of children** were attending a private, voluntary and independent setting with an EYT or equivalent, compared with **86% of children** in the best-performing setting.

Nevertheless, in spite of these variations, there is no part of the country where every child is accessing a setting with an EYT or equivalent present and working directly with children.

FIGURE 4: PROPORTION OF CHILDREN IN PRIVATE, VOLUNTARY AND INDEPENDENT SETTINGS IN LOCAL AUTHORITIES WITH AN EYT OR EQUIVALENT WORKING DIRECTLY WITH THEM



Source: Save the Children analysis of Department for Education (2016) *Education provision: children under 5 years of age, January 2016*.
Department for Education: London.

CHILDREN IN DISADVANTAGED AREAS: MOST TO GAIN, BUT LEAST OPPORTUNITY

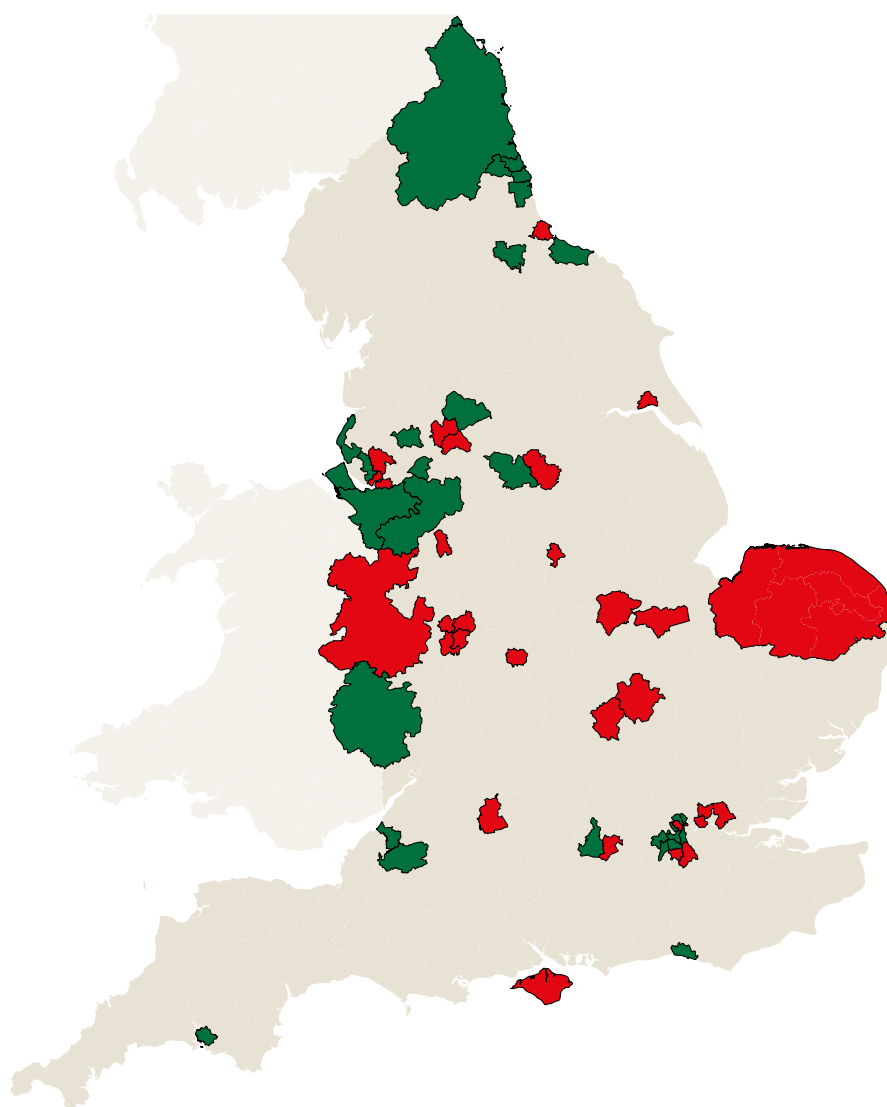
Given the disparity in different parts of the country, we wanted to understand more about the areas that are farthest away. To do this, we looked in further detail at the top and bottom 20% of areas with EYTs in private, voluntary and independent settings, comparing them by:

- where they are and the type of area
- levels of income, employment and education
- levels of child deprivation.

Figure 5 presents a map of England that highlights where the top and bottom 20% of local authorities with EYTs in private, voluntary and independent settings are around the country. It shows that:

- The majority of the top 20% of local authorities were located in **London**, followed by the North West and the North East.
- The bottom 20% are evenly spread out around the country, including the **West Midlands, the North West, Yorkshire, the South West and London**.
- The majority of the top 20% of areas were in **London**, followed by **rural areas**.
- In the bottom 20% the majority of areas were evenly split between **London and other urban areas**.

FIGURE 5: TOP AND BOTTOM 20% OF LOCAL AUTHORITIES FOR PROPORTION OF CHILDREN IN PRIVATE, VOLUNTARY AND INDEPENDENT SETTINGS WITH AN EYT OR EQUIVALENT WORKING DIRECTLY WITH THEM



Top 20% of local authorities by proportion of children in settings with an EYT or equivalent working directly with children

Sunderland 86%	Cheshire East 70%
Bristol, City of 77%	Cheshire West and Chester 70%
Brighton and Hove 75%	Bath and North East Somerset 69%
Wokingham 75%	Darlington 68%
Camden 74%	Plymouth 68%
Islington 74%	South Tyneside 68%
Knowsley 74%	Northumberland 66%
Bolton 73%	Sefton 65%
Kensington and Chelsea 73%	Sheffield 65%
Kingston upon Thames 73%	Lambeth 64%
Wandsworth 73%	Trafford 64%
Calderdale 72%	Wirral 64%
Herefordshire 72%	Merton 62%
Newcastle upon Tyne 72%	North Tyneside 61%
Redcar and Cleveland 72%	
Richmond upon Thames 71%	

Bottom 20% of local authorities by proportion of children in settings with an EYT or equivalent working directly with children

Milton Keynes 37%	Coventry 31%
Westminster 37%	Dudley 31%
Bedford Borough 36%	Sandwell 31%
Oldham 36%	Rutland 30%
Redbridge 36%	Sutton 28%
St. Helens 36%	Havering 27%
Norfolk 35%	Rochdale 27%
Walsall 35%	Bracknell Forest 26%
Isle of Wight 34%	City of London 25%
Stoke-on-Trent 34%	Croydon 23%
Swindon 34%	Hartlepool 21%
Halton 33%	Shropshire 19%
Nottingham 33%	Kingston Upon Hull, City of 18%
Peterborough 33%	Newham 16%
Rotherham 33%	
Wolverhampton 32%	

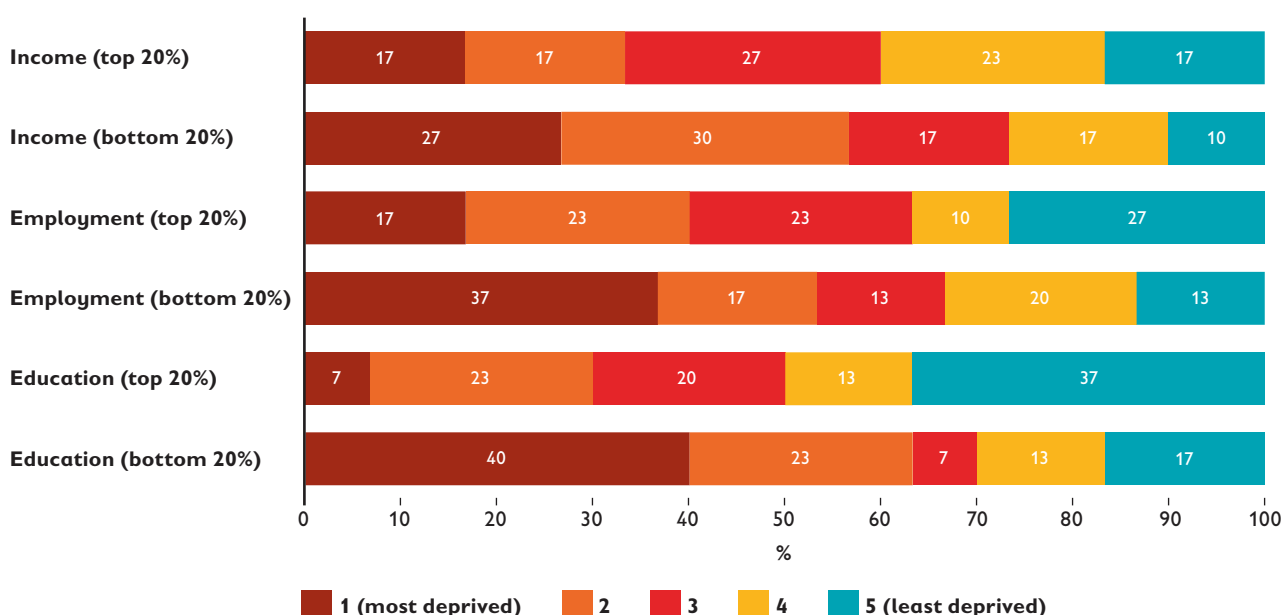
Source: Save the Children analysis of Department for Education (2016) *Education provision: children under 5 years of age, January 2016*.
Department for Education: London.

To understand better the types of areas that are in the bottom 20% of local authorities, figure 6 presents the average levels of education, employment and income, broken down by quintile, in each of these areas, showing that:

- **57% of local authorities** in the bottom 20% were in low-income areas, compared with **33% of local authorities** in the top 20%.
- **53% of the local authorities** in the bottom 20% were in low-employment areas, compared with **40% of local authorities** in the top 20%.
- **63% of local authorities** in the bottom 20% were in areas with low education, skills and training compared with **30% of local authorities** in the top 20%.

These figures show that the areas that are struggling most with nursery teacher provision in the private, voluntary and independent sector are much more likely to be characterised by **low levels of employment, education and income** than other areas. We wanted to understand what this means for levels of disadvantage for children in these areas. Figure 7 does this by comparing the levels of child deprivation in an area,¹ broken down by quintiles. It shows that more than **half of the areas** (57%) in the bottom 20% by nursery teacher provision were in areas with **high child deprivation**, compared with one in three areas in the top 20%. This means that children growing up in one of the areas in the bottom 20% were **70% more likely** to be growing up in areas with **high levels of child deprivation** than children in the top 20% of areas.

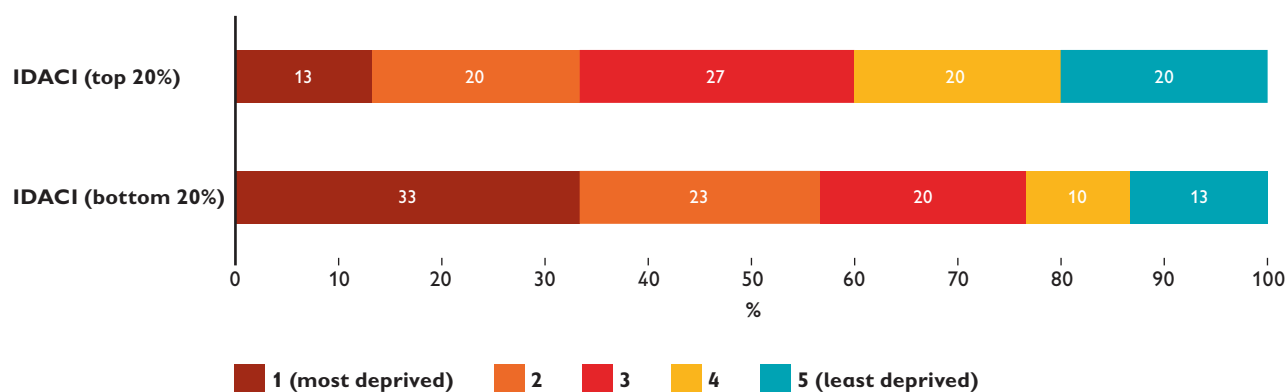
FIGURE 6: TOP AND BOTTOM 20% OF LOCAL AUTHORITIES FOR PROPORTION OF CHILDREN IN PRIVATE, VOLUNTARY AND INDEPENDENT SETTINGS WITH AN EYT OR EQUIVALENT WORKING DIRECTLY WITH THEM BY RANKING IN AREA LEVELS OF EDUCATION, EMPLOYMENT AND INCOME



Source: Save the Children analysis of Department for Education (2016) *Education provision: children under 5 years of age, January 2016*. Department for Education: London.

¹ We use the Income Deprivation Affecting Children Index (IDACI) as a measure of child deprivation in these areas. This measures the proportion of children living in low income areas under the age of 16 in an area.

FIGURE 7: TOP AND BOTTOM 20% OF LOCAL AUTHORITIES FOR PROPORTION OF CHILDREN IN PRIVATE, VOLUNTARY AND INDEPENDENT SETTINGS WITH AN EYT OR EQUIVALENT WORKING DIRECTLY WITH THEM BY LEVELS OF CHILD DEPRIVATION (IDACI)



Source: Save the Children analysis of Department for Education (2016) *Education provision: children under 5 years of age, January 2016*.
Department for Education: London.

These figures reinforce the finding that the areas that are struggling most to secure an EYT or equivalent in every nursery in the private, voluntary and independent sector are characterised by high levels of disadvantage.

To better understand why this is the case, we looked at the funding local authorities received from central government for the free childcare entitlement and the funding local authorities distributed to settings in their local areas.¹ These figures show that:

- On average, local authorities in the top 20% received **£4,558 per child**, for the free childcare entitlement compared with local authorities in the bottom 20% who received £4,192 per child – **a difference of £366 per child**.²
- In the top 20% of local authorities, 15 out of 30 made use of a quality funding supplement to provide additional funding for quality outcomes, compared to 13 in the bottom 20%.

- Of the 15 local authorities in the top 20% that are using the quality supplement, nine used it to fund settings based on their workforce composition, compared with only two in the bottom 20%.

Of course, these figures don't cover the full picture of workforce trends and dynamics in these local authorities. But what they do suggest is that the bottom 20% of local authorities were characterised by lower levels of funding for the free entitlement and less use of the quality supplement and support for the workforce through the funding system.

Crucially, what we also know from these figures is that in these areas there are large proportions of children growing up in poverty, who would see the most benefit from highly qualified staff. This means that tens of thousands of children who are most in need of support are growing up in England today without seeing the benefit of a high-qualified workforce.

¹ These figures are based on an analysis of expenditure detailed in the Dedicated School Grant 2015/16 and pro-forma returns from local authorities 2015/16. They do not take account of the recent proposed changes to the childcare funding system.

² These differences are largely the result of historic, local decisions on funding for the free childcare entitlement, and are one of the key reasons for the government's recent consultation on funding for the free entitlement.

3 How the rate of improvement in childcare quality is stalling

The benefit of investing in high-quality childcare for children and the role that the workforce, and particularly early years teachers, play in securing high-quality care for children are clear. Everyone involved in running or delivering early years services has a role in improving quality childcare provision for children: local authorities in supporting settings; early years providers in delivering a high-quality services; and the government through legislation, regulation and guidance, as well as through funding.

Over the last decade, the **childcare sector** has made important progress in driving up the quality of provision for young children. Overall, Ofsted ratings have increased and the proportion of settings with an EYT or equivalent has risen (Kalitowski 2016). **Government** too has played a key role. Reforms following major independent reviews have led to improvements in the early years curriculum and in qualifications for the workforce. Successive workforce strategies (eg, National Childcare Strategy, Children's Workforce Strategy, 2020 Workforce Strategy) and investment (eg, Transformation Fund, Graduate Leader Fund) have also provided the strategy and support for the sector to drive change. And **local authorities** have played a critical role in supporting providers in their areas through co-ordination, support and investment.

However, as we show in this following section, **progress has stalled** in improving the qualifications of the workforce. We need to take action to reignite the progress the sector has made here – with government support – over the

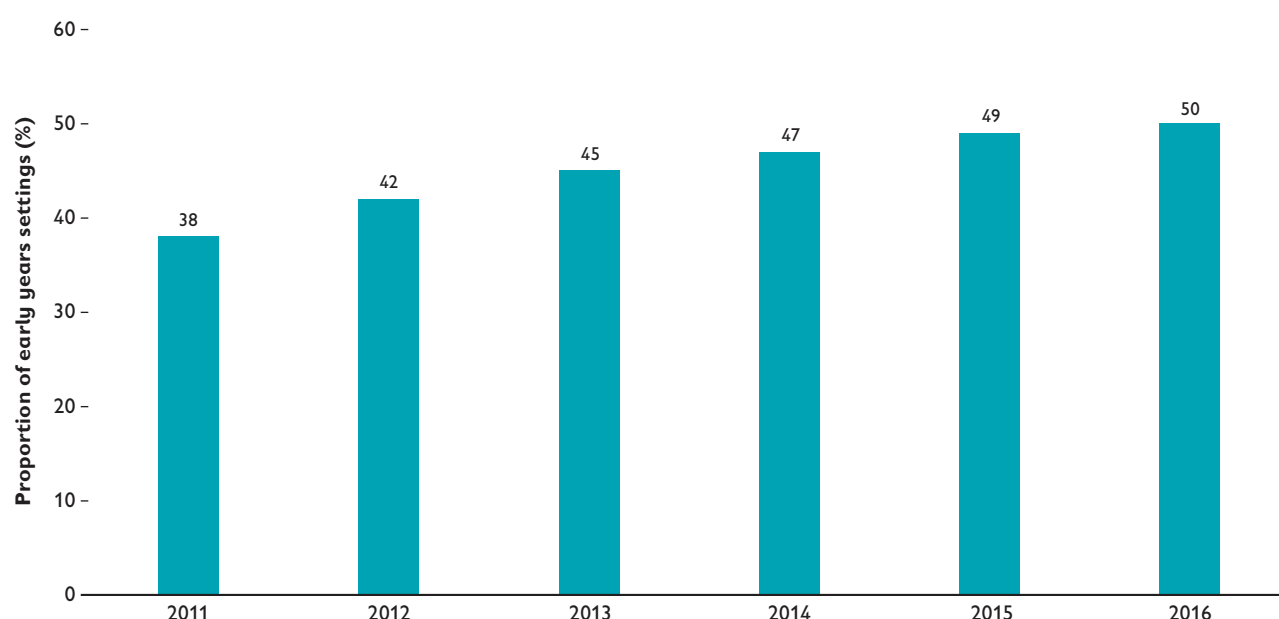
last decade, so that we can make sure that more children benefit from teacher-led early education. This is particularly critical as the government rolls out its plans to extend free childcare to 30 hours a week for children with working parents. It is vital that government matches this with an ambitious childcare workforce strategy to ensure we have sufficient skilled practitioners to deliver the government's policies, without compromising the quality of provision for disadvantaged children.

SLOW AND SLOWER PROGRESS TOWARDS A HIGHLY QUALIFIED CHILDCARE WORKFORCE

In figure 8 we show the annual rate of change in the proportion of private, voluntary and independent-based settings with an EYT or equivalent working directly with children. We exclude childminders from these figures because changes in the way the government counted childminders in the statistics make comparisons incompatible. Figure 8 shows that:

- While overall the proportion of private, voluntary and independent settings with an EYT or equivalent present and working directly with children has increased by 12 percentage points between 2011 and 2016, the majority of progress was made between 2011 and 2013.
- From annual increases of **4 percentage points** between 2011 and 2012 and 3 percentage points between 2012 and 2013, the rate of increase declined to 2 percentage points between 2013 and 2014 and between 2014 and 2015, to **only 1 percentage point** between 2015 and 2016.

FIGURE 8: PROPORTION OF PRIVATE, VOLUNTARY AND INDEPENDENT SETTINGS IN ENGLAND WITH EYTs WORKING DIRECTLY WITH CHILDREN



Source: Department for Education (2016) *Education provision: children under 5 years of age, January 2016*.
Department for Education: London.

This slowdown in progress is reflected in statistics from the National College of Teaching and Learning (NCTL). These figures show that targets for training and recruitment of EYTs have been consistently missed. They also show that the number of candidates declined dramatically between 2013 and 2015:

- In 2013/2014, 2,327 candidates started funded places on an EYT programme, 73 places short of NCTL's target of 2,400 candidates.
- Between 2014 and 2015 this figure declined dramatically, with only 860 applicants for EYT programmes, **1,140 candidates short** of a target of 2,000 candidates (NCTL 2014, 2015).

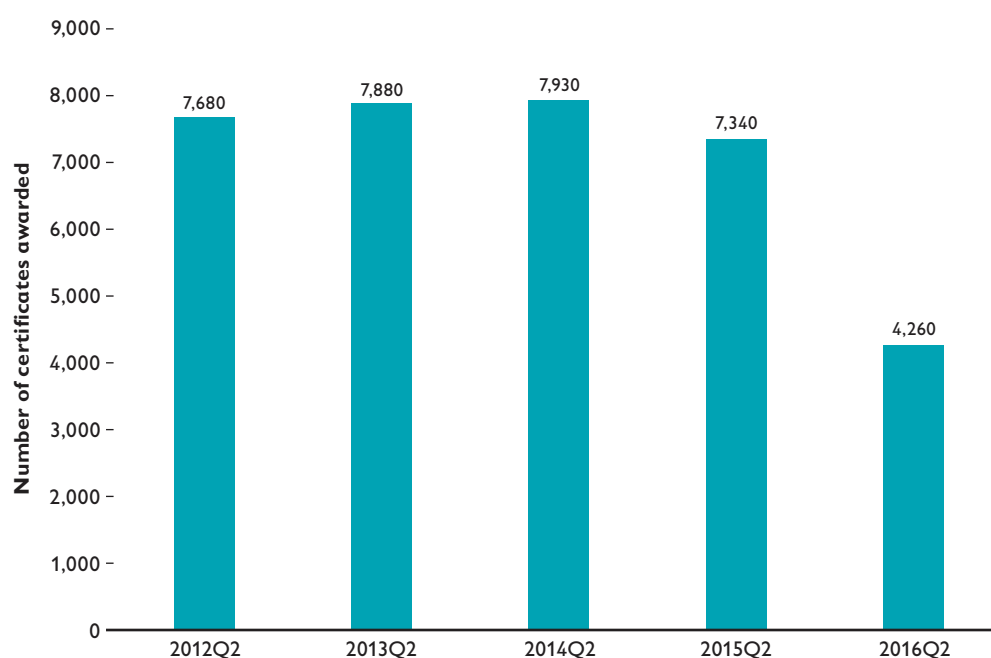
The NCTL suggested that this drop in applicants was partly driven by issues with the status and pay for early years, which we set out in more detail below (NCTL 2015). The government has subsequently dropped targets for the EYT programme, suggesting that there is no clear plan to reverse the significant decline in early years teacher training. This could have major consequences for the ability of providers to recruit sufficient early years teachers, and on the ability of the sector to move towards teacher-led provision – especially for the poorest children.

Alongside concerns about the rate of progress towards teacher-led childcare, there are also widespread concerns in the sector about the training and recruitment of staff at level 3. This has been a particular issue following the introduction of requirements for GCSE English and maths as a requirement for completion of Early Years Educator qualifications; parts of the childcare sector have suggested that this has reduced the number of staff qualifying at level 3.

There is little recent data on qualification rates at level 3 in private, voluntary and independent-based settings. Instead, as an indication, we looked at data from Ofqual on the total number of level 3 qualifications awarded. This is presented in figure 9, comparing the most recent data for Q2 2016 to previous data in Q2 over the last five years. It shows that:

- Between 2012 and 2015 the number of level 3 certificates awarded in childcare remained relatively steady, between 7,680 and 7,340.
- In 2016 this dropped off significantly to 4,260 certificates, **a decline of 3,080 awards**.

FIGURE 9: TOTAL NUMBER OF LEVEL 3 CHILDCARE CERTIFICATES AWARDED 2012Q2–2016Q2



Source: Ofqual (2016) *Vocational qualifications dataset*. Ofqual: Coventry.

These figures don't tell us the number of staff trained to level 3 in the childcare sector, but they do show a substantial decline in the total number of level 3 qualifications awarded in the last year, which will likely include a reduction in the number of staff trained to level 3 in the sector. This is likely to put significant pressure on providers, who need to continue to recruit sufficient numbers of level 3 qualified staff – especially as the government extends the free childcare entitlement for working parents.

Overall, these figures clearly show that there are genuine challenges facing providers and the government in the recruitment and training of staff at both level 3 and degree-level. There is also broader evidence to suggest that **the current workforce itself is shrinking**. A recent analysis of the workforce between 2008 and 2013 suggested that the overall number of people in the workforce has **declined by more than 10,000 people** (Simon et al. 2015). This was during a period when the number of children taking up the free entitlement increased to almost all three and four-year-olds.

THREE KEY CHALLENGES FACING THE CHILDCARE WORKFORCE

The focus of recent government policy over the last several years has been on addressing the affordability of childcare for parents – through expanding the hours of the free entitlement for eligible families – and on reforming the way funding works for the free entitlement. While these are important, there has been a **lack of focus** on supporting the workforce to deliver high-quality childcare for children. The last workforce strategy was published in 2008. Following the removal of the Graduate Leader Fund, which provided funding for settings to hire level 6 staff, there has been no dedicated fund to support settings to hire or train degree-level staff. Many local authorities still have a vital role in supporting the local workforce, but over the last several years they have seen declining budgets, particularly those in the most disadvantaged areas (Stewart & Obolenskaya 2015).

We need to ensure that the focus is put back on the workforce, to ensure that childcare providers have the support they need to continue delivering

high-quality care for children. There are significant challenges facing the workforce, with the introduction of additional hours of free childcare for eligible children and increasing costs for providers, as a result of the introduction of the national living wage and pension auto-enrolments.

Based on a review of the existing evidence and discussions with childcare practitioners, providers, early years organisations and local authorities, we have identified **three key challenges facing the workforce** that need to be addressed to kick-start progress towards ensuring high-quality early years provision for every child:

- Improve entrance routes into the early years workforce.
- Provide better support for continuing professional development.
- Develop clear progression routes for the workforce.

CHALLENGE 1. IMPROVE ENTRANCE ROUTES INTO THE WORKFORCE

As this report has shown, the importance of qualifications in securing high-quality childcare for children is clear. Following Cathy Nutbrown's review of qualifications in the early years, the government introduced the Early Years Educator qualification for level 3 and Early Years Teacher for level 6, to streamline existing qualification routes in the sector. The workforce initially received these new qualifications positively. However, since then, serious concerns have been raised over the status of these qualifications.

The EYT qualification was introduced as equivalent to qualified teacher status. However, early years teachers are not allowed to teach in schools, nor do they earn as much on average as staff with Qualified Teacher Status (QTS). For the sustainability of the sector, and the delivery of high-quality childcare for children, there is a real need to make the role of early years teacher much more attractive. At the moment there is **little incentive – either financially or in terms of status and career prospects – to take up an EYT qualification**, in comparison with QTS. The consequence of this is low uptake on EYT courses. This is having a significant impact on the ability of the private, voluntary and independent-based sector to recruit or train existing staff at degree level.

There are also growing concerns in the sector that the requirement to gain GCSEs in English and maths in order to achieve an Early Years Educator qualification is having a negative impact on the training and recruitment of level 3 staff. While we understand the concerns of the sector, we recognise that skills in maths and literacy are crucial to supporting children's development in the early years. We also believe that some of the issues underpinning the reported decline in uptake in Early Years Educator courses are being driven by concerns over continuing professional development, progression in the sector and levels of pay that could be addressed separately through the workforce strategy (see following pages).

2. PROVIDE BETTER SUPPORT FOR CONTINUING PROFESSIONAL DEVELOPMENT

Just as important as status and qualifications are opportunities for continuing professional development (CPD) for practitioners. While there is little evidence of the impact of CPD on children's outcomes in England, international evidence shows significant impact:

- A review by the OECD concluded that CPD led to positive impact for children across a range of different outcomes (literacy, language, reading and mathematics) (Jensen & Rasmussen 2016).
- A review of interventions from over 20 years aimed at CPD – including practices such as behaviour modelling, demonstration by instructors, and feedback to participants – found that CPD led to improvements in the quality of activities in preschools by both teachers and other staff (Snell 2013).

The evidence suggests that CPD has this influence through helping practitioners stay up-to-date with the latest information and knowledge about child development, improving their own practice, and sharing knowledge and ideas with their colleagues that they can use in their settings.

But the primary focus over the last several years has been on the entry and exit qualifications in the workforce, with **little attention to continuing professional development**. This is having an impact on the ability of the workforce to deal with new challenges (eg, the introduction of the two-year-olds offer); and to take on important new responsibilities (eg, working closely with health visitors) (Kalitowski 2016).

This has coincided with a **decline in funding support from local authorities**. In 2013 **only one in three full-day care settings** (38%) received funding from local authorities to support staff with training or further qualifications (Brind et al. 2015). While some local authorities continue to offer funding support for settings and individuals, there is no national funding, strategy or requirements for CPD in childcare. In practice, this can mean that low-paid staff often take responsibility for their own CPD with little support – or miss out on opportunities to continue to strengthen their practice.

3. DEVELOP CLEAR PROGRESSION ROUTES FOR THE WORKFORCE

Just as important for raising the quality of childcare provision are progression routes for the workforce. There is a **lack of clear progression routes** in the sector, and a **lack of clear links between training, qualifications, and better pay and opportunities**. Salary levels between different qualifications are small compared with those in other countries (Kalitowski 2016).

There is also little support available for staff in a low-paid workforce to take up additional training to progress to higher levels of qualification and expertise. In 2013, 64% of staff without a level 3 qualification were working towards one, down slightly from 2011 (66%) but up from 2008 (61%). In full-day care settings, **around 20% of all staff** were working towards a qualification, down from 27% in 2011 and 31% in 2008 (Brind et al. 2013). Outside of the early years teacher and early years educator routes there is limited funding support for progression, with the emphasis from government primarily on entry and exit qualifications.

For staff with a level 3 qualification, there is no clear progression route to early years teacher status, and only ad hoc funding support. This can mean that where practitioners are not lucky enough to have a local authority or provider supporting them, the route to a higher qualification and pay can be extremely difficult to navigate and afford. To support and retain a motivated, well-qualified and experienced workforce for children, it's **critical that clearer progression routes exist and that support is available** for staff to progress throughout their career.

4 Investing in the childcare workforce – to give every child the best start

Our ambition is for **every child to have access to a setting with an early years teacher**, to give them the support they need in these crucial early years of their lives. But this report has shown that half of the three- and four-year-old children attending childcare in the private, voluntary and independent sector are doing so in settings without an EYT. We have also shown that there are significant challenges facing the childcare sector that are contributing to stalling progress. We need to reinvigorate the progress made by the sector in boosting the quality of early years services over the last decade.

We recognise that this can't be achieved overnight. These challenges require **sustained support, leadership and investment**. Not all of this can come from government. The sector should be at the heart of driving change for children. But we have identified three key actions that the government must take to help start long-term and sustainable progress in the sector:

- Introduce a workforce quality supplement in the funding system.
- Signal its commitment to a good nursery place for every child by investing in early years teachers in the most disadvantaged parts of the country.
- Release a workforce strategy before the end of 2016.

These steps are vital to enable the sector to transition to a fully graduate-led workforce that can have a significant positive impact on children's lives – and more widely on social mobility in England.

1. INTRODUCE A 'WORKFORCE QUALITY SUPPLEMENT' INTO THE EARLY YEARS FUNDING SYSTEM

In the recent consultation for funding for the free childcare entitlement, the government set out proposals for changing the way in which local authorities distribute funding for childcare in their areas. In our response, Save the Children called on the government to **create a 'workforce quality supplement'** in the funding system so that local authorities could invest some of the funding they receive for the free entitlement into the local workforce. The workforce quality supplement would allow local authorities to distribute funding to childcare settings. This would support those settings in hiring and retaining early years teachers from the budget allocated to those settings for the early years from central government (Save the Children 2016d).

We believe that this is a **key step to making sustained progress** towards every child accessing a setting with an early years teacher. It will take time for this funding to bed in and have a significant impact on the quarter of a million children without an early years teacher. But over the long term, combined with continued investment in funding for the free entitlement, this funding mechanism will have a positive impact on the sector, and support it in driving change. That's why we're repeating our call on government to introduce this mechanism in the funding system.

2. INVEST IN THE WORKFORCE IN THE MOST DEPRIVED AREAS OF THE COUNTRY

On current plans, levels of investment in childcare are likely to be insufficient to ensure this workforce quality supplement delivers sufficient funding to all settings to employ an EYT from April 2017, when the new funding formula for the free entitlement is due to be rolled out. Given that, we believe there is an immediate need to take action to kick-start progress in those areas of England that are struggling most. To achieve this, Save the Children is calling on the government to **invest an additional £65 million annually over the next five years in the early years workforce**, further to its current funding plans.

This investment should be used to **put £30,000 into every setting** in the private, voluntary and independent-based sector without an EYT **in the 20% of local authorities that are the most deprived** in the country. This money would enable settings to **hire or train up an existing member of staff to early years teacher status** over the lifetime of the investment. We estimate the full cost of an EYT position in a setting at just under £30,000, including employer costs. By making the full investment of £30,000, the government would be able to achieve an immediate, major impact on children's life chances.

We propose that this investment should follow the model of the Early Years Pupil Premium and sit in the Early Years Block of the Dedicated Schools Grant, but separate from the free childcare entitlement. It would be administered to local authorities as part of the Early Years Block to allocate in their areas, based on:

- the level of deprivation in the area and
- the number of private, voluntary and independent-based providers delivering the free childcare offer without EYTs.

As a priority, we believe that this fund should be targeted at the 20% most deprived areas in the country over the next five years, where children are least likely to have access to an EYT in the private, voluntary and independent sector – and are most likely to see benefits. Last year in the

20% most deprived areas, there were more than 2,000 providers, including childminders, in the private, voluntary and independent sector delivering the free childcare offer without an EYT or equivalent.

We estimate that making £30,000 available to every setting in the 20% most deprived areas without an EYT would involve an investment of just over £65 million per year. This investment needs to be sustained over time, so that the workforce quality supplement can become bedded into the system and built up over time, to guarantee support for a good nursery place for every child. The combination of a quality workforce supplement and this investment will help the sector as a whole move towards an EYT in every nursery, while giving an immediate boost to those areas of the country where children are most in need. We are calling on the government to commit to this investment over the next five years, bringing the total investment required to just over **£327 million over five years**. This investment represents only around 2.3% of planned spending on the free childcare entitlement in 2016/17, and less than 0.2% of spending on education as a whole in 2016/17.

3. PUT IN PLACE A WORKFORCE STRATEGY

Finally, for this investment to be most effective over the long term, the evidence clearly suggests that it must be backed by a clear, strategic framework for workforce development. As we have said throughout this report, everyone involved in delivering or running early years provision has a role in securing high-quality childcare for children. But, the workforce strategy is critical in driving national change.

The previous childcare minister signalled his intent for the strategy to be published in autumn 2016. It is important that the government ensures this vital strategy is released so that it has a crucial leadership role in guaranteeing nursery quality for children. This is particularly urgent given the introduction of the additional 15 hours of childcare for eligible children from September 2017, which will very soon put increased pressure on the workforce to deliver childcare in England.

As a priority in the workforce strategy, we call on the government to address:

- **The decline in EYTs:** we propose that the government should set out in the workforce strategy how, in the long term, it will **ensure EYT status is fully equivalent to QTS**. In the short term, to help address the shortfall in the training of EYTs, the workforce plan should set out **targets for recruitment and training of EYTs**, with **clear strategies** to achieve them.
- **The challenges with level 3 qualifications:** we recognise that good English and maths skills are crucial to the award of Early Years Educator status. But we also believe that wider challenges in the sector, such as pay and progression, are contributing to the shortage in level 3 staff. It is vital that the government sets out in the workforce strategy how it proposes to address this.

For these strategies to be successful, the government needs to address challenges with continuing professional development and progression through the workforce. The government should set out **clear support and expectations for continuing professional development** in the workforce strategy. There is also a real need for the government to set out **clear progression routes for the workforce** – not just for staff who want to become early years teachers, but for those who want to become centre managers and administrators, or specialist practitioners.

Taking these steps will help to guarantee that **every child has a place at a good nursery**.

As this report has shown, high-quality early years provision for every child has a significant impact – on children’s early development and throughout their lives. It’s vital for the future of our children and – through the boost it gives to social mobility – vital for our country.

That’s why we call on the government to take these three actions to ensure that every child has access to a setting with an early years teacher – to **help every child get the best start in life**.

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UNTAPPED POTENTIAL

How England's nursery lottery is failing too many children

If a child is already behind in their development when they start primary school they are more likely to be behind not just throughout school, but for the rest of their lives.

Untapped Potential presents new evidence that attending a childcare setting with highly qualified staff has a substantial and positive impact on a child's early development.

Yet this report also reveals that in 2015 more than a quarter of a million children in England were denied high-quality childcare provision. Children in the poorest areas are most likely to miss out.

And while there were significant improvements over the last decade in the quality of provision for young children, progress has now stalled.

Untapped Potential sets out our agenda for what needs to be done to reinvigorate progress in childcare quality – and to ensure the best early years support for every child.

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