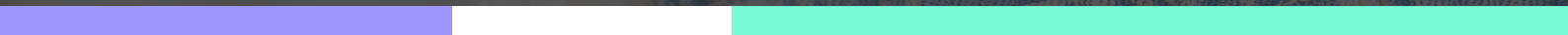


ETC

NCFE 175TH ANNIVERSARY

Sector Spotlight: Early Years and Childcare

October 2023



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Foreword

By **Deborah Jenkins MBE DL**,
Chair of the NCFE Board of Trustees

Back when what is now NCFE was founded in 1848, change and revolution were sweeping through Europe and beyond. From France and Hungary to Brazil, people were rising up against rulers and deposing regimes.

Garibaldi returned to Italy and started the military campaigns against the Austrian Empire which would lead to the reunification of Italy. Marx was fomenting revolution in Berlin, Paris and London.



The North East of England was going through a golden age of industry..."

The North East of England was going through a golden age of industry, growth, extraordinary new technology and scientific advancement. Mining, shipbuilding and engineering were booming, and architectural marvels were being built throughout the region's cities.

In Newcastle alone, William Armstrong opened his gigantic Elswick Works, William Smith launched the Blenheim from his shipyard on the Tyne, Robert Stephenson was appointed as chief engineer of the new Newcastle and Berwick railway line, and the new High Level Bridge across the Tyne opened.

The beautiful Catholic cathedral had been completed by Pugin the year before, and the grand Central Station would be opened by Queen Victoria two years later. The Newcastle School of Medicine and Surgery had been founded 15 years earlier and already had grand buildings in the centre of the city and a great pride in the expertise it was bringing to the region.

There was a huge and constant demand for skilled workers and the industrialists, scientists and landowners of the North East knew that they had to fuel this growth and prosperity – not only by drawing in experienced people from far afield, but by providing training and opportunities for the people in the poor slums of the cities and the isolated villages of the rural communities.

Within this cauldron of change, people came together to found the Northern Union of Mechanics' Institutes (what is now known as NCFE) to "become a centre from whence the elements of knowledge and civilisation shall go on with an unceasing progress, conferring intellectual, scientific and moral blessings throughout the length and breadth of the Northern Counties."



There is once again the spirit of social unrest in the air."

175 years later, in 2023, we are once again in a time of change and turbulence. Advances in technology and industry are quite literally unbelievable to some older generations. They also have unknown consequences for the young who are growing up in a world which may not provide them with the opportunities for work which were assumed by previous generations.

There is once again the spirit of social unrest in the air. Dissatisfaction with inequalities, rejection of old norms and aspirations by many, and an overwhelming sense for some that existing structures and systems are not keeping pace with the speed of change create a sense of anxiety which often outweighs the exhilaration of the new.



...shaping learning for the society of today so that it is fit for the society of tomorrow."

Our charitable mission at NCFE has not fundamentally changed all that much since that of our founders in 1848. We continue to devote our resources to shaping learning for the society of today so that it is fit for the society of tomorrow. We want people of all ages and stages of life to find learning that helps them to enter and navigate an increasingly volatile and challenging labour market.

Increasingly, we are looking for ways to strengthen cross-cutting and underpinning human skills which will build resilience, agility, creativity and adaptability, as well as technical and vocational skills aiming at particular sectors.

Like our founders, we believe in the great power of learning to transform lives and unlock unexpected futures – and as the guardians entrusted with NCFE's future, we will continue to do our best to "go on with unceasing progress".

Introduction

By Philip Le Feuvre,
Chief Operating Officer at NCFE

At NCFE, we're on a mission to maximise our contribution in delivering a fairer and more inclusive society through education.

Over the last 175 years, NCFE has adapted and grown to support more learners each year, but one fundamental thing has remained the same – our promise to provide the best possible products and services that are aligned to the needs of learners, educators and employers.



Supporting some of the most important, essential and emerging industries and sectors has always been at the heart of what we do..."

Supporting some of the most important, essential and emerging industries and sectors has always been at the heart of what we do, and many of them need help now more than ever.

That's why we're going far beyond the remit of a traditional awarding organisation to stimulate debate, find solutions, and unlock the limitless potential that these sectors hold.

To mark NCFE's 175th, we have invited collaborators from across the sector to develop a series of spotlight reports focused on four key sectors that are essential to the future of the UK. They include social care, digital, the Further Education (FE) sector itself, and this one on Early Years.

By analysing data and bringing together leading voices from across the different areas, as well as hearing from those working on the frontline of their respective fields, we can begin to identify current or upcoming challenges, as well as potential opportunities.

What's clear from the insights in these reports is that continuing as we have been isn't an option. The issues represented by the respective sectors' skills gaps are only going to continue, and failure to act will only exacerbate the problems that have been highlighted by our experts.



...we can begin to identify current or upcoming challenges, as well as potential opportunities.

We are simultaneously releasing a paper on transforming the skills landscape, drawing in data and deep insight from employers and further sector experts, to create a bold and exciting vision for post-16 education.

NCFE was born at a time of revolution – and that's exactly what's needed again if we are to ensure both the survival and long-term prosperity of these critical sectors.



Executive summary

As an educational charity and leader in vocational and technical learning, NCFE's core purpose is to promote and advance learning. This means helping more individuals to realise their true potential – in turn, establishing more sustainable communities.

NCFE's series of sector-based reports – of which this Early Years and Childcare sector paper is the third – provides an opportunity to reflect on some of the biggest skills challenges the UK is currently facing, as well as look ahead to what could happen if the changes required aren't implemented. With almost two centuries of experience to draw upon, this is an opportunity to learn from the past and forge a path forward in some of the UK's most important sectors.

Movements need collaborators, so by combining NCFE's deep knowledge with external experts and first-hand experiences, we get a more rounded picture of the unique challenges, but also opportunities, within this sector including:

- recruitment and retention
- career progression and professional development
- awareness and recognition
- employer and industry engagement
- pay gaps and funding.

The analysis presenting in this report has incredible potential to sustain, revitalise and even transform the sector. Data from the last five years show the skills gap in early years and childcare to be growing and yet the demand for the support it provides only increasing.

Now is the time for education, industry and policymakers to use insight like this to create a brighter tomorrow for early years and childcare, its current and future workforce, and the people and children that rely on it.

Setting the scene

Early years education in the UK refers to provision for children aged 0 to 5 years which aims to foster their development in a nurturing environment. It encompasses various settings, including nurseries, pre-schools, and childminders.

The focus is on supporting children's social, emotional, cognitive, and physical growth through play-based learning. The Early Years Foundation Stage (EYFS) framework sets out learning goals and standards, emphasising personal, social, and communication skills.

Government initiatives such as funded childcare hours aim to enhance access and quality, and early years education is seen as crucial in laying the foundation for a child's future learning and wellbeing.

Table A: [ONS Labour demand volumes by profession and local authority, UK](#)

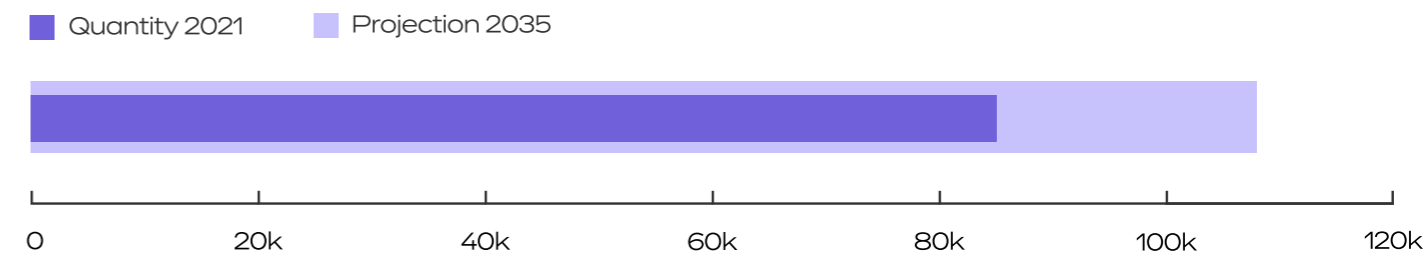
Number of job postings (2022)	173,645
Job postings 5-year change (2017-2022)	+3,800
Job postings 5-year % change (2017-2022)	+2.24%

In 2022, there were nearly 4,000 more job postings within the early years and childcare sector compared with 2017. This growth includes brand-new jobs, known as emerging skills, as well as vacancies created by people leaving roles. Both result in a skills gap which, within the early years sector, has increased by over 2% during the last five years.

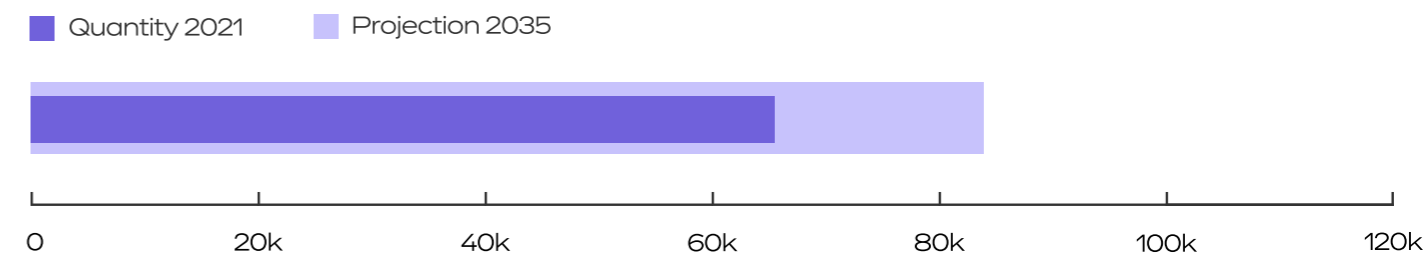


Table B: [NFER The Skills Imperative 2035: Occupational Outlook – Longrun employment prospects for the UK, Baseline Projections](#)

Early education and childcare practitioners



Child and early years officers



Projections for skills demand have been researched by the Nuffield Foundation and the National Foundation for Educational Research (NFER) in the October 2022 paper, *The Skills Imperative 2035: Occupational Outlook – Long-run employment prospects for the UK, Baseline Projections*.

The paper acknowledges that it cannot foresee the future, but its predictions present a likely scenario of what will happen in the labour market in the coming years. By focusing on just two professions within early years and childcare, we can see that both will require a significant increase in numbers to address rising demand.

From the sector: Louise Woodruff, Senior Policy Advisor at the Joseph Rowntree Foundation

Louise is a Senior Policy Adviser at the Joseph Rowntree Foundation specialising in care and work. Louise has extensive experience on employment policy and projects for JRF including working with employers to tackle poverty, addressing forced labour in the UK and good jobs that address in-work poverty.



Childcare should tackle disadvantage: investing in the early years workforce so the system delivers for all families

Childcare and early years education should be a powerful tool for tackling disadvantage. High quality childcare means low-income children get a better start to life; they are more likely to start reception as ready as their better-off classmates.

More affordable, flexible and available childcare helps parents to balance work and caring and supports families to move out of poverty by being able to earn more and remain in work.

However, in England, we are failing to release this potential of our childcare system to address poverty. Central to this transformation is a well-resourced and qualified childcare workforce.

The five building blocks we need to build a childcare system which tackles disadvantage:

→ Childcare must be **affordable** to make it worthwhile to work, yet the UK has the highest childcare costs in the OECD and support for low-income families doesn't always cover all their costs.

→ Childcare must be **high quality** to improve outcomes for disadvantaged children.

→ Children from more disadvantaged families should be able to **access** funded [entitlements or support](#). Currently more support is available to working families meaning the most disadvantaged children are not able to access the same early years education as their [higher income peers](#).

→ A **family-focused** approach linking childcare and home learning would provide support for children and families and would improve children's outcomes.

→ Childcare should be **integrated** into a wider holistic support system for families in the community.

The early years workforce is the key to unlock this potential

Central to the transition to a fairer and more effective system is the workforce – the lifeblood of the system – who hold the all-important relationship with children and parents. But currently the early years childcare workforce is not reaching this potential – the system is experiencing

staff shortages, churn, and low morale, underpinned by very low worker pay.

Three fundamental shifts are needed to overcome this – a more qualified workforce, a more highly trained workforce, and a better paid workforce. We know that all children benefit from attending a high-quality childcare setting, but disadvantaged children [gain even more](#).

But the quality of childcare in the UK varies considerably. Generally, children accessing group-based support in the local authority-delivered sector are getting a better-quality childcare offer, but fewer disadvantaged children [are accessing this support](#). Private and voluntary-run settings located in deprived areas are more likely [to be of lower quality](#).

There's no doubt that good quality early years provision means a well-qualified workforce. Staff qualifications are [key determinants of the quality of settings](#). Better qualified staff have the skills to deliver [well-established quality measures in early years](#), such as open-ended questioning.

Over 10 years ago, [the Nutbrown Review](#) set out what was required to raise standards of qualifications across the early years sector, but any reform has been delayed and not driven forward by successive governments. We know that graduate-led settings mean higher quality and the UK needs to move to a graduate-led workforce as we've seen in Scotland, which has led the way on [workforce reform](#).

Early years practitioners must have access to, and time to complete, training throughout their careers, including working towards higher qualifications. The Government has made a start with the support for the sector available through the [Educational Recovery Programme](#), but a permanent programme of support and, crucially, time out to complete qualifications is required.

We also need a step change in training for professionals in skills to meet the needs



We can't expect to sustain the sector on the goodwill of staff who love working with young children but can't keep food on the table for their own children."

of children with SEND so they can better access provision.

Finally, we need a better pay settlement for the childcare sector to tackle churn, morale, and level up quality. Childcare workers themselves are at higher risk of [experiencing in-work poverty](#) as wages are so low.

We can't expect to sustain the sector on the goodwill of staff who love working with young children but can't keep food on the table for their own children. Increased pay is needed to compete with [salaries in other sectors](#), such as retail, which are pulling away from childcare pay. Better qualified staff will also require higher pay.

Given most childcare is provided outside the state sector, increased funding is not a guarantee of better pay without stricter accountability, including conditions on public funding to providers, and ultimately nationally agreed pay scales.

Investing in levelling up the system

By 2025, government will effectively be buying [80% of England's childcare](#), and taxpayers will expect a good quality, fair system in return. But this needs a real investment in the workforce, and real controls to ensure companies play by the rules.

The reward, however, will be great – a revitalised early years and childcare sector, a thriving workforce, improved work incentives for all parents, and a real chance to level inequalities in the most formative years of a child's life.

From NCFE: Janet King, Sector Manager for Education and Childcare at NCFE

Janet plays a crucial role in developing new and existing qualifications in Early Years and Education under the market leading CACHE brand within NCFE. Janet's previous work has involved management in both further and higher education across care provision and within social services and education.



Why professionalising early years must be at the forefront of any future workforce plans

There's little doubt that the early years sector is facing a crisis in terms of both recruitment and retention, but there are likely to be multiple contributing factors involved. I want to begin by exploring some of these factors and sharing thoughts and considerations around emerging concerns in the workforce, and how best to approach them.



...the sector must take action to ensure it continues to appeal as an exciting and rewarding career... ”

A recruitment and retention crisis leads to an inevitable skills gap in the workforce. With any large turnover of staff, there are implications for stability, and this may equate to vulnerabilities in leadership and management.

Put bluntly, staff joining are not staying. Where they are staying, they are taking up management and leadership positions with

little post-qualification practice, whilst more experienced staff are the ones that leave.

Quality interactions with babies and young children are essential for their holistic health, development, and wellbeing, and this is reliant on strong pedagogical leadership and modelling. To reduce this gap, the sector must take action to ensure it continues to appeal as an exciting and rewarding career with clear opportunities for progression.

As far back as 2004, Sylva et al conducted the [Effective Provision of Pre-School Education \(EPPE\) Project](#). They concluded that effective pre-school provision settings that have staff with higher qualifications have better quality scores, and their children make more progress by the end of Key Stage 1.

Quality indicators included warm interactive relationships with children, having a trained teacher as a manager, and a good proportion of trained teachers as part of the staff. Where settings view educational and social development as complementary and equal in importance, children make better all-round progress.

Between 2007 and 2011, the proportion of full-time day care staff with at least a Level 3 qualification in early years increased from 72% to 84%. The proportion of staff holding a degree or higher qualification also increased from 4% to 11%.

In 2007, the Early Years Professional Status (EYPS) launched as a route for career progression within the sector and for talented, well-trained graduates to enter the profession. Statistics shared by the Department for Education (DfE) in 2013 identified 11,000 people holding Early Years Professional Status.

[The DfE's More Great Childcare](#) report in 2013 also highlighted that Early Years Professionals were having a positive impact on the quality of early education and care for pre-school children. But that was all a decade ago, and I wonder where these leaders are now, and just how many are still in practice.

Despite the challenges, there have been signs for hope. When we compare early years to social care, for example, the skills gap over the last five years has not grown at anywhere near the speed we have seen in that sector.

More recently, in 2020, Dr Verity Campbell-Barr, from the University of Plymouth, and Dr Sara Bonetti, from the Education Policy Institute – funded by the Nuffield Foundation – [undertook research](#) to analyse the full range of early years degrees and the respective employment trajectories of graduates. It provided a rich understanding of early years degrees in England, as well as bringing forth a deeper understanding of the early years workforce in support of high-quality services.

October 2021 then saw the introduction of [National Professional Qualifications \(NPQs\)](#) in early years leadership. These are prestigious professional qualifications that are already widely recognised by the school sector and are now available for early years practitioners, whether they work in private,

voluntary or independent nurseries, school-based nurseries, or as childminders.

This programme intends to support practitioners, teachers, and leaders to develop expertise in leading high-quality education and care, as well as effective staff and organisational management. It will hopefully address some of the emerging gaps and support the workforce as they build and model strong leadership.



Early years continues to be an exciting, driven and highly motivating profession...”

At NCFE, we're always looking for ways to better support the workforce. Our Education and Childcare team will soon be launching a Professional Practice Framework (PPF) which will be a self-serving CPD tool, free at the point of access.

The PPF will cover all areas identified by the Early Years Statutory Framework, with CPD resources arranged into discreet starting points to include student, newly qualified, and experienced practitioners. By using the PPF, setting managers and regulatory bodies alike will be able to appreciate staff experience.

As well as making sure early years remains an exciting and rewarding career option, both for young learners starting out and those with transferable experience, we must do more to retain the most experienced and skilled staff we already have.

Early years continues to be an exciting, driven and highly motivating profession, where babies and children thrive and where families feel valued and respected. If we are to ensure its long-term success however, we need to continue the work to further professionalise the sector.

From the frontline: Lucy Lewin

Founder of Little Angels Uppingham



"We must seize the opportunity to reimagine the future of the early years sector"



I am truly privileged to be a part of a child's life working in the early years sector. Every day, I have the opportunity to nurture and inspire children, providing them with safe spaces to explore, create, and discover their unique talents and interests.

In the 13 years since I first opened an 85-place day nursery in my hometown, my commitment to helping children to embark on a journey of self-discovery and develop a lifelong love for learning has only grown. The early years sector – which is built upon foundations of trust, love and fun – continues to be held up by a tapestry of inspiring individuals, dedicated educators and supportive communities.

Yet, we cannot deny that we're facing several challenges in the sector today – ones which are having tangible, real-world impacts on our dedicated employees, our setting managers, and most importantly, the children in our care.

Retention issues and skills shortages continue to pose significant hurdles, especially in the aftermath of the pandemic. For employees, this can create a sense of instability and uncertainty in their professional lives, as it can be disheartening for them to witness the immense value of their work while facing challenges in career progression or limited opportunities for professional growth. This can lead to frustration and, in some cases, talented individuals leaving the sector altogether.

Setting managers also feel the effects of these retention and skills-based challenges as they must navigate the complexities of managing a team amidst staffing shortages and skill gaps, which can put immense pressure on their workload and stress levels.



...it is crucial that we maintain a long-term vision and develop comprehensive plans that address the evolving needs of our workforce."

Another challenge is linked to qualifications and credentials. Many individuals, much like me, may have entered the early years field without prior qualifications, but with an immense passion and dedication to making a difference. Yet, there seems to be a growing emphasis on formal qualifications, which may unintentionally exclude those who possess valuable experience and a genuine desire to contribute to the sector.

In the face of these pressures, paired with the likes of the cost-of-living crisis, we've also had to ensure that wellbeing is at the front of everything we do. This means having a strategy for how we ensure everyone is supported. For example, I support the manager, the manager supports the senior team, and the team leaders support their teams – meaning these same teams are able to focus on the children.

To overcome these challenges, I believe we must adopt a critical yet optimistic mindset. While we may be compelled to react to short-term concerns, it is crucial that we maintain a long-term vision and develop comprehensive plans that address the evolving needs of our workforce.

It starts with changing the narrative around our value and the incredible impact we have on society. We must take pride in the important work we do – educating and architecting the brains of future

generations. By speaking about our profession with conviction, positivity, and a deep sense of purpose, we can reshape the perception of early years education and elevate its status in the eyes of the world.

We must also invest in professional development opportunities, mentorship programmes, and support networks for our employees. By empowering them with the tools and resources they need to thrive, we can enhance job satisfaction and promote career progression. Plus, by embracing flexibility and innovative approaches, we can attract and retain a talented workforce that will shape the future of early years education.



By embracing flexibility and innovative approaches, we can attract and retain a talented workforce..."

It is a privilege to be a champion for early years education, an advocate for the unique needs of young learners, and a voice for the incredible work we do. By valuing our profession, investing in our workforce, and actively engaging with policymakers, we can create an environment where our employees, setting managers, and most importantly, the children – thrive and reach their full potential.

Together, we must seize the opportunity to reimagine the future of the early years sector and create a collaborative ecosystem where early years professionals can excel and positively impact the lives of children and families. From there, I believe we will continue to see one of the most pioneering and progressive sectors thrive and continue to deliver solutions and technologies that will benefit wider society.

Conclusions

After analysing the data and each expert's viewpoint, there is one clear unifying factor – if the sector is to thrive, we must further professionalise the workforce. While more recently there have been steps taken to address this, the challenges within early years are clear to see with the themes centered around:

1

Qualifications and training

We need to ensure there are high quality and accessible routes into the early years and childcare sector to guarantee a consistent pipeline of skills which can help to close this gap. Once in the sector, early years professionals must then have access to professional development and training opportunities. Both factors have a direct link to the quality of an early years setting and closing disadvantage gaps.

2

Career progression

The large number of experienced professionals leaving the sector entirely is forcing younger, less experienced individuals to assume management positions with little post-qualification practice. We must do more to retain the knowledge in the early years and childcare sector by presenting clearer opportunities for career progression.

3

Changing the narrative

More needs to be done to highlight the value and incredible impact the early years and childcare sector has on society. Often the narrative is solely around the cost for working parents, and the potential effect on the economy, but more needs to be said about its essential educational role – particularly for disadvantaged children – and its impact on closing attainment gaps later in the school system.