

# The impact of Covid-19 on early years settings & their staffing decisions

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- develop research capacity by involving postgraduate students and early career researchers
- receive applications from and involving practitioners and policymakers as well as academic researchers.

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## ABOUT THIS REPORT

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# Summary

The goal of this study was to provide insight into the impact of Covid-19 on the early years workforce in England, Wales and Scotland, and to capture the evolving nature of the challenges posed over the course of a year. We – the Education Policy Institute, in collaboration with the National Day Nurseries Association (NDNA) – focused on issues related to recruitment and retention of staff in the private, voluntary and independent (PVI) sector, and on the potential consequences of the pandemic for levels of qualifications among staff and opportunities for continuing professional development (CPD).

We used existing communication channels to promote an online survey to PVI providers in August 2020, November 2020, February 2021 and May 2021.

## KEY FINDINGS TO DATE

- Settings have faced considerable disruption, including repeated closures (full or partial) as well as lower attendance rates of children.
- Early years settings have relied heavily on the government's furlough scheme.
- Early years workers who held lower levels of qualifications were more likely than others to be made redundant between March and November 2020. Along with staff with less experience, staff with lower qualifications were also more likely to be selected by settings when those settings were asked to choose who they would make redundant or whose hours they would reduce in a hypothetical situation.
- While most settings appear to have continued to offer CPD to their staff, a small minority have not. Of those settings that have offered CPD to their staff, a minority have offered only training that is mandatory: most have offered training over and above this.
- Settings report that there are insufficient opportunities available to access training on supporting children with special educational needs, and on trauma and bereavement.

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# 1. Introduction

Before the Covid-19 pandemic, approximately 24,000 PVI early years settings provided over 1 million Ofsted-registered early years places and employed around 261,000 staff (DfE, 2019). During the first lockdown (March to May 2020), between 32 per cent and 36 per cent of all settings (including those managed by schools or local authorities) remained open in England (DfE, 2021). In the aftermath, the proportion of early years providers that were open increased considerably, though the rate at which this occurred varied greatly across the UK nations and remained below 100 per cent until at least early 2021, based on the evidence available at the time of writing in March 2021 (Sibieta & Cottell, 2021).

Meanwhile, evidence from England suggests that attendance rates remained lower than would be expected in the absence of the pandemic for the remainder of the year and into 2021 (DfE, 2021). Since settings' income is linked directly to children's attendance – either via fees from parents or via government-funded places – this has had serious implications for the sector both in the short and the long term.

The evidence is clear that experienced and qualified staff are key to supporting children's early development (see for example, Melhuish et al., 2015). The early years workforce has long faced many challenges, including stagnating pay, poor working conditions and competition from other sectors, such as retail, with similar pay rates (Akhil, 2019). The current crisis threatens to exacerbate pre-existing recruitment and retention issues.

This project aimed to shine a spotlight on these issues as they evolved over the course of a year, and to enable researchers, policymakers and the early years sector to understand the recruitment and retention challenges faced by the sector in the aftermath of the pandemic.

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## 2. Literature review

Findings from some of the early studies focused on the early years that were published in response to the pandemic suggested that providers were operating at a loss during the first lockdown in 2020, and that nearly half thought they may have to make staff redundant (Early Years Alliance, 2020; Ceeda, 2020).

Since staff typically make up 73 per cent of settings' costs (DfE, 2019), any shocks to the finances of early years settings are likely to have significant implications for the people working in the sector and, therefore, for children.

One of the gaps in the literature when we began our study was an understanding of how the crisis had influenced, and was continuing to influence, the size and composition of the workforce in the short and medium term as the situation evolved. Our study attempted to contribute to closing this evidence gap.

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## 3. Research design

Our aim was to document the effects of the pandemic on early years providers, and in particular on the staff they employed.

We set out to answer the following research questions.

- What staffing decisions have early years settings made in response to the Covid-19 crisis?
- How have these decisions changed as related policy changes took place (for example, changes to the Coronavirus Job Retention Scheme [CJRS])?
- How have these decisions affected the composition of settings' staff in terms of their qualification levels, access to CPD and working patterns?
- What has been the response of staff members to the crisis in terms of their employment choices?

We used existing communication channels to promote an online survey to early years settings in England, Scotland and Wales in August 2020, November 2020, February 2021 and May 2021. These channels included NDNA's communication with its members via email and promoting the survey in social media.

Questions in the survey(s) covered settings' characteristics, whether they had had to close in response to the pandemic and the number of staff they employed at different levels of qualifications. In presenting the results, the England and Wales qualification levels have been used. Respondents in Scotland answered according to equivalent qualification levels: level 2 or SVQ2/NC; level 3 or SVQ3/HNC; level 4/5 or SVQ4/PDA8; level 6 or PDA9/graduate.

Some settings responded to more than one survey (for example, to the August and the November surveys) while others responded only to one. Therefore, this is not a cohort study. Due to our purposive sampling strategy, the sample we reached may not be fully representative of the population of PVI early years settings in Great Britain.

All data were collected on the legal basis of consent, with respondents being given an information sheet at the beginning of the survey and asked to grant their consent before being able to answer any questions.

Data were collected via an online platform before being anonymised, cleaned and analysed. We

weighted responses to questions by the number of settings represented by each response. This is because some responses were on behalf of chains; weighting allowed us to count each setting, rather than each response, equally. We did not include all responses in our analysis of all questions as some questions were subjective in nature and could not reliably be answered on behalf of all settings in large chains.

We summarise a selection of findings from the first



# 4. Findings & results

three survey waves below.

## 4.1 CLOSURES OF EARLY YEARS SETTINGS

Between August and November 2020, 73 per cent of settings had to close fully or partially. Of those settings that had to close, the most common reason for doing so was insufficient demand for places (72 per cent), followed by staff members or children self-isolating (26 per cent). A similar proportion (72 per cent) reported having to close fully or partially between November 2020 and February 2021.

## 4.2 TRAJECTORIES OF STAFF EMPLOYED IN THE EARLY YEARS

The total number of staff employed in August 2020 was 9 per cent lower than it had been in March of that year. In our subsequent surveys, we found that the total number of staff employed by our sample at the end of each quarter was similar to what it had been three months earlier, growing by an average of 1 per cent in each quarter overall.

However, this hides the fact that some settings had a workforce that was shrinking while others had one that was growing. For instance, in our survey in February 2021, we found that while 31 per cent of settings had seen no change in the total number of staff they employed between November and February, 54 per cent had seen a rise and 15 per cent had seen a fall.

### 4.2.1 Staff furloughed

In the period from March to August 2020, settings told us that they had placed, on average, 71 per cent of their staff on full-time furlough. Our later surveys, which referred to slightly shorter periods of time, found that settings were less reliant on the full-time furlough scheme, with 6 per cent of staff placed on full-time furlough between the end of August and November 2020, and 11 per cent between the end of November 2020 and February 2021.

The fall in usage of the furlough scheme after August

2020 compared to between March and August may reflect the fact that settings could reopen in the summer and that attendance rates rose across the country in the autumn term. This was followed by a national lockdown in early 2021, which led to a fall in attendance rates in the spring term and might go some way towards explaining the subsequent rise in usage of the furlough scheme.

### 4.2.2 Staff made redundant

Settings told us that between March and August 2020 they had made, on average, 4 per cent of their staff redundant. Rates of staff redundancies were lower in the sample of settings that responded to our subsequent surveys. In November 2020, settings told us that they had made 1 per cent of their staff redundant in the previous three months, and in February 2021 settings told us that they had made no staff redundant in the previous three months.

### 4.2.3 Voluntary terminations

Between March and August 2020, an average of 7 per cent of employed staff had voluntarily terminated their contract. Figures were similar for the August to November 2020 period (7 per cent), while the proportion fell to 2 per cent between November 2020 and February 2021. This reduction might reflect increased competition for alternative occupations, following the high rates of furlough and redundancy across the economy since the beginning of the pandemic, or perhaps that those with the highest propensity to leave the sector had done so earlier due to challenging circumstances.

### 4.2.4 Reduced contracted hours

In response to our August 2020 survey, settings told us that on average they had reduced the contracted hours of 15 per cent of their staff since March of that year. In later periods, settings reported reducing the contracted hours of a considerably lower proportion of their staff (2 per cent between August and November 2020, and 5 per cent between November 2020 and February 2021).

It is possible that settings reduced the contracted hours of a smaller proportion of their staff in periods

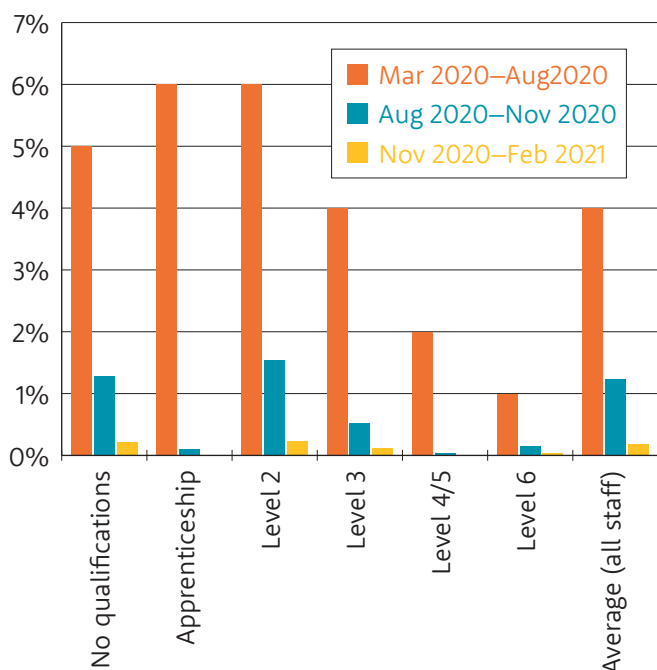
following the first lockdown because of a combination of attendance rates being higher and the introduction of, and their increased familiarity with, the part-time furlough scheme.

### 4.3 THE FACTORS THAT INFORM SETTINGS' DECISIONS ABOUT THEIR STAFF

Most settings that responded to each of our surveys told us that when making decisions about a member of staff, they consider that individual's level of experience and qualifications.

When asked whether settings would be more likely to reduce the contracted hours of a member of staff or to make them redundant if they had more, or less, experience, we found that more than 80 per cent of settings would sooner choose a member of staff with less experience. When we asked a similar question about staff with various levels of qualifications, there was a clear gradient, with settings being more likely to make redundant or reduce the contracted hours of staff with lower levels of qualifications.

**Figure 4.1**  
Proportion of staff made redundant within each period, by highest level of qualification held



These approaches to decision-making are reflected in some of our findings about the actual decisions that settings have made about their staff. For instance, among respondents to our surveys in August and November 2020 we found that staff with lower levels of qualification were more likely to have been made

redundant than staff with higher levels of qualification (see figure 4.1). This pattern did not clearly hold between November 2020 and February 2021.

### 4.4 OPPORTUNITIES FOR CPD OFFERED BY & AVAILABLE TO SETTINGS

We asked settings about the opportunities for CPD that they offer their staff. In our first survey, we were unable to weight by the number of settings represented by each response. However, weighting was possible with the second and third surveys, enabling us to report responses from single sites or small chains (of up to and including 10 settings per chain) and to draw comparisons with larger chains.

Of the settings that responded to our August 2020 survey, 95 per cent told us that they were continuing to offer CPD of some kind to their staff. Of these, 72 per cent said they were offering training over and above that which is mandatory, with the remaining 28 per cent offering mandatory training only. In our later surveys, we found that the proportion of settings continuing to offer CPD to their staff was within 10 percentage points of these initial figures.

We asked settings whether they thought there were sufficient training opportunities available on a range of topics. In all three of our surveys reported here, the biggest gaps between what settings need and what is available appeared in the same topics: trauma and bereavement training, training which takes a whole-setting approach to supporting children with special education needs and disability, and training to support children with autism.

Considering our findings, we recommend the following to Welsh, Scottish and UK governments:

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# 5. Recommendations

- **Support the sector to retain staff – those with valuable skills and experience but also those with aspirations to remain in the sector and to upskill within it, who appear to be most at risk.**

This requires close monitoring of the impact that the pandemic is continuing to have on early years settings, including the evolving importance to the sector of a variety of sources of government support, including the CJRS.

- **Enable the sector to recruit staff if, or when, demand for early education and care rises to pre-pandemic levels.** Governments should ensure that the right training opportunities are available so that settings can maintain staff-to-child ratios, offer CPD to their staff and provide high-quality care for all children.
- **Review the funding system for early education and care to ensure that it covers the cost of providing high-quality care, which includes the cost of retaining and recruiting high-quality staff.** Although our findings cover the short term, the issues we have seen build on existing vulnerabilities in the market which governments should seek to address in the longer term.

Our findings support other evidence that the early years sector has relied heavily on support from

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## 6. Conclusion

governments to cope with the range of pressures brought about by the pandemic, from reduced demand for places to repeated closures due to cases of Covid-19.

We find that a considerable proportion of early years staff were placed on the furlough scheme and that this has varied over the period covered by this study so far (from March 2020 to February 2021 at the time of writing). In other areas too, our findings suggest that early years providers and their staff have been influenced by changes to the market, such as the lockdown in March 2020, the later reopening during the summer and autumn and the subsequent reintroduction of national lockdowns in 2021. We found that staff who hold lower qualification levels were the group most likely to experience some of the negative effects of the pandemic, such as to be made redundant between March and August 2020.

Further research into the continued evolution of these patterns would be valuable. If demand for early education rises quickly, settings may struggle to recruit staff to replace those that have left or have been made redundant during this period. Future research should address whether enough places are available for children, and how the pandemic has affected the quality of early education and care that settings are able to provide, including whether settings are forced to stretch staff-to-child ratios or to place a greater workload on staff.

As described above in our recommendations, governments of the UK nations should closely monitor the situation and ensure that the support they provide is sufficient to help settings to retain and recruit staff in a way that ensures that they can provide enough high-quality education and care for all children who need it.

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