Written evidence by Elevate Great (EYS0078)

Education Committee
Early Years: Improving Support for Children and Families

Elevate Great is an independently endowed social good accelerator. All our activity is focused on working for a society where everyone can reach their full potential, but we focus on the early years specifically because the evidence is clear: it's most impactful place to invest for driving both prevention and equity of opportunity, and when children get the best possible start, everyone benefits -families, communities, society, and the economy.

We both partner with and invest in people and organisations that demonstrate innovative, evidence-based solutions that give every child the chance to thrive.

More at www.elevategreat.co.uk

Introduction

This inquiry raises vital questions about recruitment and retention, public perceptions of the sector, affordability and access, and inclusion.

In partnership with the Henry Smith Foundation, we recently published a rapid review (Financing_in_ECEC_-_Elevate_Great_2025) which examines how early childhood education and care is financed across ten European countries that demonstrate strong child outcomes.

We use our findings here to answer the following questions within the call for evidence:

- What is the current position with recruitment and retention in the early years workforce? Is it on a positive or negative trajectory? What are the key factors causing challenges in recruitment and retention?
- What is the best way to change perceptions of the early years sector and ensure that it is considered to be a highly valued, rewarding profession?
- How easy is it for parents to find the right childcare for their children which they can also afford?
- Is affordability of and access to provision more difficult for certain groups of parents or children? What should be done to address this? How can early years settings become more consistently inclusive?

Our rapid review suggests that the best way to deliver lasting change is to look at the issues of recruitment, affordability, access, and inclusion together as they each rely on fixing a deeper issue — the way in which the UK funds and structures its early years provision.

Recruitment, retention, and professional status

The current workforce crisis continues to be widely acknowledged (Flemons & Worth, 2025) and we believe that difficulties in recruitment and high turnover are the result of a funding architecture that undervalues the early years, and so undervalues children's rights and outcomes.

- Between 2018 and 2023, the early years workforce grew by only 5%, and only 6% (~20,200 individuals) between 2023-2024, while government plans to expand funded entitlements will require an additional 40,000 staff from September 2025 (Foley & Roberts, 2025).
- In 2024, 87% of local authorities reported workforce shortages as a barrier to expansion (Coram, 2024).
- Staff turnover in 2024 was 16% in group-based settings and 8% in school-based nurseries (Scott, 2025). Lower-qualified staff (below Level 3) made up 20% of the workforce but 40% of leavers (Flemons & Worth, 2025).
- Low pay and unclear career pathways are the persistent barriers (Early Education 2025). Over the past five years, Level 3 qualifications have fallen 28%, and early-years degree completions are down 33%, the lowest in a decade (YMCA, 2025).

In contrast, our rapid review found that:

- Austria provides free or low-cost continuing professional development through provincial organisations.
- Finland funds ECEC teacher training through university core budgets, treating it as integral to public higher education.
- France's Personal Training Account (*compte personnel de formation*) provides up to €800 annually for professional development, funded through employer contributions (ECEC Rapid Review).

These issues compound each other: constrained funding restricts pay; low pay depresses morale; limited progression drives attrition. Workforce initiatives — bonuses, new qualifications, recruitment campaigns — will not succeed without structural funding reform that enables providers to invest in their staff. We see that prestige follows pay and professional parity.

Affordability and access for families

The UK has one of the most complex and expensive childcare systems in Europe. Even after considering the maximum available support under the 30-hour support, a working family earning £34,000 annually will need to spend an estimated 11% of gross wages on childcare (Pollard & Stephens, 2025). By comparison, in most European systems, parental contributions rarely exceed 10% of household income, and fee caps protect family budgets (OECD, 2023); Denmark caps parental contributions at 25% of costs with exemptions for low-income families while in Slovenia, parents pay between 0% and 77% of costs depending on their income (ECEC Rapid Review). The UK's mix of free hours, tax credits, and benefit top-ups creates administrative burden and instability for both parents and providers.

We believe that this is not just a technical problem, but rather a reflection of a conceptual difference. The UK frames ECEC primarily as a means of supporting parental employment, while many European systems view it as an education entitlement that benefits all children, and so society as a whole. A child-outcomes-centred model links investment directly to long-term social and educational returns. We see this elsewhere in Europe — for example, Finland's system, which entitles every child to early education from infancy and caps fees based on family income, or Denmark's publicly funded pedagogue model, where investment in the ECEC workforce and capped parental fees are seen as yielding social and educational returns.

Our rapid review found:

- In Finland: ECEC is publicly funded and decentralised, with municipalities required by law to provide early education from around 9–10 months old. Fees are proportional to family income and capped at €311 per month, and about half of children access completely free provision. Investment in staff qualifications and continuing professional development is state-funded, linking public spending directly to educational and social outcomes (ECEC Rapid Review).
- In Denmark: Around 75% of ECEC costs are publicly funded, with parental fees capped at 25%. The state supports professionalised pedagogue training through public universities and

provides financial support for students, reflecting a long-term investment in child wellbeing and workforce quality (ECEC Rapid Review).

While childcare is treated primarily as a labour-market tool rather than an early-education entitlement, policy will continue to focus on short-term affordability fixes rather than the sustained investment that drives quality, inclusion, and workforce stability.

Inclusion and sustainability

We believe that issues of inclusion and system sustainability stem from the same underlying cause: a funding and delivery model that relies too heavily on market mechanisms to deliver what is, in essence, a public good. Despite increased government spending, evidence suggests that the current approach is not financially sustainable for many providers, nor is it designed to ensure equitable access for all children.

- While the UK's early years system has expanded in terms of places and entitlements, the balance of provision has shifted towards medium and large commercial chains, often financed through private equity. These organisations now provide the largest share of childcare places in England (Miller, 2020). This consolidation has introduced new financial pressures into the system, with sustainability driven by debt financing and profit margins rather than by child outcomes.

- This market-led structure has created instability. Closures have been reported across both the private and voluntary sectors, particularly in disadvantaged areas, despite public investment. These are the same areas where providers face higher costs due to increased incidence of SEND/ASN, but operate with tighter budgets and less flexibility to pay competitive wages or fund specialist training (IFF Research, 2024). This results in uneven provision and widening inequality between communities.

- In contrast, countries that achieve more equitable outcomes treat sustainability and inclusion as design features rather than discretionary goals. Our rapid review finds that "predominantly public provision, or tighter public control of private providers, may offer more stable and equitable outcomes." Whereas in England around 70% of group-based providers operate privately and approximately 57% of all provision is delivered by for-profit companies (DfE, 2024), the European comparators demonstrate a markedly different balance. In Denmark, municipal facilities account for over 70% of provision, and in Finland this rises to 82%, ensuring predictable funding, universal access, and a coherent public guarantee. Even in

Spain's mixed system, more than 80% of provision for children aged 3–6 is state-led. Where private provision exists, it typically operates under tight public control through concession frameworks (as in Slovenia and Spain) or is primarily delivered by non-profit organisations, such as in Austria, where 58% of provincial funding is channelled to non-profits, or in France, where over 40% of under-3 provision is delivered by parent associations and social sector groups (ECEC Rapid Review).

These models show that when early years provision is recognised as part of the education continuum — publicly led, transparently funded, and oriented towards child outcomes — systems achieve greater equity, stability, and inclusion than those built around market competition (Larsen & De La Porte, 2022; Moss & Mitchell, 2024).

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