

REPORT FOR DMT

Preferred Date of DMT Meeting:	April 30 2013
SUBJECT:	<p>'More Great Childcare; Raising quality and giving parents more choice. ' update</p> <p>The consultation on proposed changes to the role of the local authority in early education and childcare</p>
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Is the report confidential?	No

1.	Purpose
	<p>The purpose of this report is:</p> <ul style="list-style-type: none"> • To provide an update to DMT on the report 'More Great Childcare: Raising quality and giving parents more choice.' • To provide information on and to gain approval for, the proposed local authority response to the consultation on the proposed changes to the role of the local authority in early education and childcare issued on 25 March 2013.
2.	Background / Context
	<p>'More Great Childcare Raising Quality and Giving Parents More Choice'</p> <p>On 29 January 2013 Elizabeth Truss MP, Parliamentary Under Secretary of State (education and childcare) launched the report '<i>More great childcare: Raising quality and giving parents more choice</i>', through a speech hosted by the think tank Policy Exchange. The report includes the government's response to Professor Cathy Nutbrown's review of early education and childcare qualifications.</p> <p>A summary of the proposals is given in Annex 1; however the following are the key points from the report:</p> <p>The government wants to make more great childcare available for parents and children, because there is clear evidence to show that high quality qualifications and well-trained staff have a positive impact on both social and behavioural outcomes and subsequent achievement at school.</p>

The report states that whilst there has been progress in recent years in the quality of early years settings, including the introduction of Early Years Professional status (EYP) in 2007, a number of challenges still remain with the current system. These are identified as;

- low pay relative to other professions and other countries and perceived low status of what is seen as a very important role
- lack of rigour and depth in a confusing range of qualifications, leading to employer concerns over quality and low expectations of literacy and numeracy
- a confusing regulatory regime, with Ofsted's role duplicated by local authorities, and with too much focus on process not practice
- parental choice is limited
- quality and availability vary too much across the country

The government will seek to deliver its identified aims by:

- raising the status and quality of the workforce
- freeing high quality providers to offer more places
- improving the regulatory regime; and
- giving more choice to parents

These elements are detailed below;

1. Raising the status and quality of the workforce

The government aims to raise the status and quality of the workforce through improving early years qualifications and imposing tougher entry requirements' and by introducing the following:

- **Early Years Teachers** will be introduced to build on the strengths of the Early Years Professional (EYP) programme. They will specialise in early childhood development and meet the same entry requirements and pass the same skills tests as trainee school teachers. The first Early Years Teachers will start training from September 2013.
- **Early Years Educators** will train at level 3 and will be required to have at least a grade C in GCSE English and maths. Only the best qualifications, which meet rigorous criteria set out by the Teaching Agency, will earn the 'Early Years Educator' title. Building on the richer content and standards recommended by Professor Nutbrown, the Teaching Agency will publish new, tougher criteria for the new qualifications early in summer 2013; and awarding bodies will need to develop compliant qualifications for introduction from September 2014.

The government has responded to the recommendations of Professor Cathy Nutbrown and has accepted 12 of the 19 recommendations, has not accepted two, is keeping one under review and is still considering a further three. The final recommendation required no action from government.

One of the key recommendations that was not accepted was to introduce a new early years specialist route to QTS, specialising in the years from birth to seven. The government wants more high quality graduates to consider a career in early education but does not consider a route to the award of QTS is necessary to do this (see above re introduction of Early Years Teachers).

COMMENTS

We support the raise in status and quality of the workforce. We would welcome the development of further Early Years Educator qualifications to increase the depth and rigour of Level 3 training. However, clear pathways for EYPs to gain accredited and specialist graduate status (QTS) need to be established. Just stating that the new EYT will be seen as equivalent to QTS is not sufficient. What is essential is a QTS route that integrates the EYP programme in working with children and families from birth and includes assessed teaching practice as with other teachers.

There are concerns that there will be insufficient finance in the system to support employees to access the qualifications and then retain them. A well-trained and highly motivated workforce, EYP status included, already exists who are only too willing and able to deliver excellence for children. It does not seem to make economic or educational sense in these times of austerity to waste time and resources inventing a new process when the outcome for children is already robust, as proven by hard evidence.

Continued professional development is also required to ensure that the workforce remain up to date with current practices. There is no detail in the report itself as to how this will be financed or provided. If providers are expected to pay for statutory and mandatory training this will not enable a reduction in costs for parents.

2. Freeing high quality providers to offer more places

The Government wishes to enable providers with higher qualified staff to offer more places through proposed changes to the staff:child ratios. This change will apply to both nurseries and child-minders. The changes will increase the number of children to staff ratios across the age ranges. These ratios will be maximum legal limits and no settings will be obliged to use higher ratios. This higher ratio is already in existence for three and four year olds if a qualified teacher is employed, however very few early years providers implement this. Proposals are also to increase the number of children that 'suitably qualified staff' can look after to four children aged under two to each adult, and to six two year old children to each adult. The government is consulting on the detail of the new flexibilities.

COMMENTS

We believe that flexibility in ratios is a different issue to the qualifications of staff. The impact of higher qualifications enhances the quality of learning opportunities, but does not necessarily impact positively on safeguarding, healthy and safety requirements and children's need for physical and emotional support. Young children still need a high level of adult support in the early years for their well being (safety) as well as their learning in terms of personal, social and emotional development and their communication abilities. We would strongly argue that children will need the same levels of adult to child ratios as outlined in the current framework to effectively support their learning and development.

In their early years, practitioners do not just work with children in their care but also with families and this needs to be taken into account when considering ratios. We are concerned that changing ratios will impact on those children with additional needs, who require greater and sometimes individual support. There is concern around increasing ratios in early years settings, which will undoubtedly reduce the quality time professionals, have to work with young children. Increasing the ratio of children per qualified member of staff will mean there will be fewer opportunities to spend focused time with each child.

There is strong feeling among the sector that changes in ratios would impact on quality, and possibly place staff in compromising situations. Weakening the rules around ratios would stretch childcare workers 'beyond reasonable limits'. When parents drop their child off at nursery they have the right to know that they will be as safe as possible. Cutting the number of people looking after children as they play and learn could make accidents and incidents more likely.

A consultation on the ratio element has been launched and the Birth to Five Service has collated responses through working with providers at the spring term Managers Briefing sessions. The consultation ended on the 26th March 2013.

3. Improving the regulatory regime

Regulations need to focus on quality and safety and the government believes Ofsted should become the sole arbiter of quality in the early years, focused on identifying under-performance. The government proposes to:

- **End duplication in inspection** – making Ofsted inspection rating the sole test of whether a provider can offer funded early education for two-, three- and four-year-olds. Local authorities will no longer need to undertake this role.
- **Reform Ofsted's early years inspections** – ensuring there is more involvement in the early years by Her Majesty's Inspectors, from September 2013. Weaker providers will be inspected more frequently and providers will also be able to request a paid-for, early re-inspection if they believe they have improved since their previous inspection. Her Majesty's Chief Inspector will set out in more detail, in the spring of 2013, his plans for further improvement of early years inspection.

COMMENTS

Removing regulatory responsibility from local authorities has serious implications. Many Local Authorities provide excellent support to early years providers, providing training and quality support – not inspection as the report indicates. The majority of Local Authorities have a far greater knowledge of the strengths and weaknesses of a setting than Ofsted and have established quality control measures because a snapshot inspection every four years is not enough. Local advisory staff provide ongoing support and ensure that recommendations are carried out.

There is a huge risk of loss of expertise and local knowledge if LAs are completely excluded from their role in supporting early years settings. There is a concern that there will be a drop in quality due to the lack of awareness of local issues which would be addressed by a LA consultant. Providers have high staff turnover and leadership and management is often very fragile with governing committees frequently changing every two years. There are many examples in the county where quality would have declined significantly without the early intervention of the Birth to Five Service. The Service operates a 'prevent and cure strategy' rather than 'find and fix' approach. Any drop in quality has a significant impact on outcomes for children, especially the most vulnerable and those from poorer backgrounds. This risks a nullification of the progress many LAs have made in narrowing the gap through early intervention.

4. Giving parents more choice

The report states that too few parents currently have the choice of a good childcare provider and this is particularly true in more deprived areas. The number of childminders has almost

	<p>halved over the last twenty years; parents can also struggle to find traditional nursery classes led by teachers. Parents will be offered more choice through a variety of providers:</p> <ul style="list-style-type: none"> • Childminder agencies – to relieve childminders of some of the burdens of setting up their own business, provide training and match childminders with parents. • Encouraging schools to take younger children – making it easier for schools to teach younger children by removing the requirement on schools to register separately with Ofsted if they wish to provide for children under three. The current statutory processes for schools to change their age range will be reformed to make it easier for schools to offer early years provision for two-year-olds. • More traditional nursery classes – focusing regulation and inspection on quality and outcomes to encourage private and voluntary nurseries to use existing flexibilities which allow them to have graduates leading classes of 13 children per adult. <p>COMMENTS</p> <p><i>We are concerned about how the quality of the proposed Childminder Agencies will be validated, how they will maintain standards and quality across their networks and about the plan not to inspect all childminders if they are part of an agency. There is also a potential danger in the creation of a two tier system with Agency Childminders providing just childcare and individual childminders being required to provide childcare and education.</i></p> <p><i>The needs of two year olds are significantly different to the needs of three year old. Schools will require increased expertise to support the very youngest children. The development of this provision may take the Senior Leadership focus from the quality of teaching and learning for statutory school age children. There is also a concern that the reasons schools will admit two year olds will be for sustainability rather than quality.</i></p>
3	<p>Options/Conclusions</p>
	<p>The Local Authority should have serious reservations about many aspects of these proposals. There is a very real chance that the excellence we have achieved in this area will be jeopardised. A number of proposals are poorly developed and required further clarification before a definitive response can be given.</p>
4	<p>Recommendations</p>
	<p>It is crucial that the Local Authority makes its views about the proposals known to the Department as they threaten ongoing and significant progress in Early Years development that is fundamental to our preventative strategies.</p> <p>DMT is urged to note and approve the attached response (Annex 2). (DMT may need to decide whether to submit as an officer response now, or as an LA response with approval of the lead member, by 6th May, in view of purdah)</p>

Summary of Proposals

The Department for Education consultation on the proposed changes to the role of the local authority in early education and childcare sets out changes as to how local authorities will be expected to work with early years providers, alongside draft statutory guidance, which will come into force in September 2013.

The consultation makes it clear that the Government ‘values the local authorities’ important role as ‘champions’ of disadvantaged children and their families’. The supporting documentation states that it *‘wants local authorities to focus on ensuring that all two, three and four-year olds, particularly the most disadvantaged, take up their entitlement to funded high-quality early education.’*

There is clarity that the Government *‘anticipates that local authorities will continue to play an important part in supporting existing providers to improve the quality of their provision and to encourage more high quality providers to expand into these areas.’*

The Government is proposing to make the following changes, either by introducing legislation at the earliest opportunity, or through statutory guidance to:

- Guarantee an offer of funding for all providers of a quality assessed by Ofsted, or an inspection body approved by the Secretary of State, as ‘satisfactory’, ‘good’ or ‘outstanding’ where there is an eligible child wanting to take up an early education place;
- Guarantee an offer of funding for new early education providers, which have been registered with Ofsted, prior to their first full Ofsted inspection;
- Limit the extra conditions that local authorities can place on private, voluntary and independent (PVI) early education providers in order for them to qualify for funding to deliver places;
- Remove the existing duty on local authorities to secure information, advice and training for childcare providers, but give local authorities power to offer it;
- Reform the early education funding system, by encouraging local authorities to simplify their funding formulae and to limit the amount of centrally retained spend.

1. Funding guarantee for all providers

It is proposed that Local authorities will only make decisions on whether to fund providers based on Ofsted inspection grades. The guidance will make clear that LAs should not carry out their own separate assessment on the quality of early years provision.

The law will be changed so that LAs cannot refuse to fund an early education place if a provider has been judged to be of a certain quality. The DfE plans to set out in regulations the level of quality that early education providers will need to reach to be eligible to offer funded places.

The DfE says that currently local authorities hold back £160m of funding from the Dedicated Schools Grant, from a total early years DSG spend of £2.1bn, some of which is spent on duplicating work carried out by Ofsted. To this end, ministers want Ofsted to be the ‘sole arbiter of quality’ for early years settings, as stated in *More Great Childcare*.

2. Conditions required by Local Authorities to qualify for funding

The guidance will be amended so that LAs will not be able to impose quality conditions that providers need to meet in order to qualify for early education place funding. However, they will continue to set conditions in respect of the proper use of public funds – i.e. fraud, misappropriation, securing flexible delivery of funded places and preventing providers from charging top-up fees.

The Government intends to change the law at the earliest opportunity and bring in the revised guidance on local authorities' duties relating to early education and childcare from 1 September 2013. This will supersede existing guidance published last year, which was introduced in September 2012.

3. Information, advice and training

Ministers intend to cut back on local authority duties, as part of a drive to ensure that more of the funding allocated by central Government to local authorities reaches providers. Therefore, from September 2013, local authorities will also no longer be legally required to provide information, advice and training for nurseries and childminders.

Early years settings will be able to 'buy in' training from their local authority or access it from other organisations in the sector, such as nursery chains, early years membership organisations and schools. The Government also wants to encourage new training providers into the market.

The consultation says, 'Early years providers are the best judges of their training and development requirements. At a time when local budgets are tight, it also makes no sense for the Government to compel local authorities to deliver support services to providers that do not need it or do not want it, perhaps because they have other effective arrangements in place. We want to give early education providers greater choice and flexibility over how they access training. In particular, providers should not be required to accept training or support from their local authority in return for early education funding if they believe they can obtain better services elsewhere.'

The Government therefore intends to change the regulations so that they are clear on how local authorities are able to spend their early years Dedicated Schools Grant. LAs will not be able to use centrally retained DSG funding on quality assessment and provider training, but will be able to use it to spend on 'activities to support the important local authority role of improving access and support for disadvantaged children, inclusion and those with special educational needs and other additional needs'.

Ministers are also proposing to stipulate a limit to how much funding from the DSG can be retained. The consultation asks whether a 10 per cent limit would be appropriate and also asks for comments on the impact this would have in comparison to a 15 per cent or 20 per cent limit.

4. Early Education Funding Formula

Ministers are planning to introduce a new national funding formula for all early education places. The Government is seeking to take a new approach to funding early education places for three- and four-year-olds, based on the model used to devise funding allocations for disadvantaged two-year-olds places, published last November.

This calculated an average hourly rate for the two-year-old places for 2013-14, and the Department strongly recommended that local authorities use a flat base rate for all providers with no supplements, as the offer is focused on the most deprived children.

The DfE intends to make this a requirement from 2014-15, but will maintain the option to

fund on a place led basis, rather than solely on participation, while provision is increasing to meet the new statutory entitlement to provide places for 40 per cent of two-year-olds. The consultation proposes simplifying the funding system for providers by removing supplements and banding rates from the Early Years Single Funding Formula, which are 'unnecessarily complex', and moving towards introducing a national funding formula. Supplements used by local authorities include those for quality, flexibility and sustainability.

For three-and four-year-olds the Government proposes:

- to restrict LAs to three base rates;
- to restrict banding within base rates and supplements to two;
- that lump sums should be more focused.

The DfE also asks for views on whether all supplements and formula factors other than for deprivation should also be removed.

5. Other key points

The consultation asks for views on what the earliest point should be after September 2014, when the full two-year-old offer is in force, that providers should be required to be good or outstanding in order to offer two-year-old places. Currently satisfactory providers will be able to offer places for disadvantaged two-year-olds if there is not sufficient childcare in the area that has been rated good or outstanding.

A consultation on proposed changes to the role of the local authority in early education and childcare was launched on 25 March 2013. The proposed Lincolnshire response to the consultation is attached (Appendix 2)