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# Driving high quality childcare: the role of local authorities

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# Acknowledgements

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The authors wish to express their thanks to the many local authority staff that took the time to respond to the survey on which this paper draws. We are particularly grateful to Lynn Linsell at Camden Council, Sally Jaeckle at Bristol City Council and Gill Holden at Calderdale Council for participating in extended case study interviews. We would also like to thank members of the National Quality Improvement Network for sharing their work in recent years with the Family and Childcare Trust and staff at the National Children's Bureau for their continued support for the network. All views expressed in this paper are of course those of the authors and any errors are our own.

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# 1. Executive summary

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Quality is central to an early years system that has the confidence of parents, delivers both positive experiences and good outcomes for children, and helps to narrow the gap between the most disadvantaged children and the rest. Evidence shows that while high quality childcare boosts children's outcomes, childcare of average quality adds no value in the long-term, while poor quality care puts children's wellbeing and development at risk.

The Government's commitment to providing 30 hours of free childcare to working families from 2017 means that it is likely that in the future more children will spend longer hours in formal childcare. We now have a responsibility to make sure that these children are spending their time in high quality care that supports child development. This will require additional funding and a strategy for quality improvement with clearly defined roles and responsibilities for the agencies involved, including local authorities.

Quality has improved in recent years as measured by Ofsted inspection grades: 85 per cent of providers on the Early Years register held 'Good' or 'Outstanding' grades in 2015 compared to only 68 per cent in 2010 (Ofsted, 2015). However, some 14 per cent of settings still deliver substandard provision with 'Requires improvement' or 'Unsatisfactory' grades and there is substantial variation in performance between areas: for example, 26 per cent of children attend free early education in low quality early years settings in Bradford compared to four per cent in Wigan.

There are also questions about the adequacy of Ofsted inspection grades, which are a relatively broad-brush snapshot of provision, in capturing quality as it relates to the impact of care on children's development (Mathers et al, 2012). Key drivers of quality include both structural factors such as knowledgeable and capable practitioners supported by strong leaders and process factors such as the quality of staff-child interactions and the success of a setting in engaging families (Mathers et al, 2014a; 2014b). Relying on Ofsted grades alone is not a route to changing outcomes. Rather, quality must be driven by a broad-based strategy to support structural quality factors, encourage reflective and continuously improving practice and integrate provision with local early years services.

The stark context for this debate is that only 66 per cent of children reach 'a good level of development' at age five, with a persistent gap of 19 per cent between average outcomes for children eligible for free schools meals (an indicator of material disadvantage) and the rest.<sup>1</sup> Early years provision is just one of a range of influences on children's development, secondary to family resources, parenting and the home environment, but it represents one of the key opportunities available to policy makers to support children's development and help those from less fortunate beginnings to 'buck the trend'. When early years provision is done well, it genuinely makes a difference. There is therefore no room for complacency about the quality of early years services.

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1 Department for Education First Statistical Release: Early years foundation stage profile results in England, 2015

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## Executive summary

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Funding is the critical influence on quality. The Family and Childcare Trust report *In for a pound* (Maughan et al, 2015) found that early years settings graded 'Outstanding' by Ofsted paid staff an average of £1.45 more per hour more than those graded 'Inadequate' or 'Requires improvement' and £0.93 more than those graded 'Good'. Not all well-funded providers deliver high quality care but without sufficient funding it is extremely hard for providers to do so.

Local authorities are responsible for funding free childcare using a locally designed early years funding formula. This formula has a defining influence on the nature of the services providers can deliver. Early years teams within local authorities also have statutory responsibilities under the Childcare Act 2006 to provide information, advice and support to early years providers, which support strategic duties under the same act to improve outcomes for children in their areas. Three good practice case studies provided as appendix to this report set out how local authorities are meeting these duties.

In recent years, local authorities have experienced growing challenges in supporting high quality care. Funding for free early years provision allocated by central Government has declined in real terms, leaving local authorities with little flexibility to invest in local services. Falling central local authority budgets have also reduced the resources available to early years teams, many of which have experienced staffing reductions. A deregulatory central Government agenda has also contributed to uncertainty for local authorities about their strategic role in the early years.

This report seeks to show how local authorities in England influence the quality of early years provision, shed light on the strengths and weakness of current approaches, and make recommendations for future policy and practice to drive higher quality provision. The report is based on an analysis of the structure of each local authority's early years funding formula and a survey of local authority early years quality improvement teams.

### Key findings:

- ▶ Local authorities do not have a consistent approach to funding early education:
  - Almost half of local authorities (70 of 152) use a quality supplement of some kind in their early years funding formula.
  - The most common reason for providing a quality supplement was to support graduate-led care, followed by a supplement for providers that achieved a 'Good' or 'Outstanding' Ofsted grade. A small number of local authorities linked a supplement to a quality matrix reflecting multiple factors.
  - The average rate of the quality supplement was 14 per cent of the base rate but varied significantly from 1 per cent to 22 per cent, with a median of 9 per cent. The average rate of supplements linked to graduate qualifications was higher than the rate linked to Ofsted grades (19 and 10 per cent of the base rate respectively).

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- ▶ Funding formulas that are structurally complex may not be effective in raising quality. Complex formulas are well-intentioned and usually seek to target resources at the most disadvantaged children and incentivise quality. However, a child who attracts relatively generous funding will not receive high quality care if they attend in a setting that is otherwise under-funded. A simple evidence-based early years funding formula that meets the cost of high quality care is preferable to a complicated formula where minimal supplements may have little impact on setting-wide quality or individual children's experiences.
- ▶ There is distinct inconsistency in funding decisions and practice between local authorities. In some cases a local authority is providing less per hour with a quality supplement than a neighbouring local authority that is not providing a quality supplement. Each funding formula has a unique local context reflecting budgetary priorities and a distinct pattern of early years provision. However, the level of variation raises questions about how effectively early years funding is being used as a lever to improve quality. The absence of a consistent, well-evidenced approach to funding free early education is likely to be a structural constraint on efforts to improve quality in the early years.
- ▶ Evidence shows that early years graduates have a significant impact on the quality of early education but carry an additional cost where they are employed. Only 33 local authorities (22 per cent) report using funding to encourage graduate-led care. While the proportion of children accessing graduate-led care has increased overall in the last three years, one fifth of local authorities have seen the proportion of children receiving graduate-led care fall.
- ▶ The majority of local authority early years quality improvement teams now concentrate on supporting early years providers with 'Requires improvement' or 'Unsatisfactory' Ofsted grades. This approach ensures that scarce resources are targeted on poor quality providers but staff pointed out there are also significant downsides:
  - many local authorities have a limited ability to spot and respond to quality problems at an early stage, so intervene late rather than early;
  - many providers now have limited engagement with support and training that can help them to improve practice; and
  - many local authorities do not have a strong platform to engage with providers in order to meet duties to reduce inequalities between children in their area.
- ▶ The local authority role in the early years is particularly critical in supporting early years providers to deliver flexible and high quality care to children with special educational needs and disabilities (SEND). There is wide variation in practice among local authorities and significant gaps in strategic capacity to support providers. Early years teams lack clarity about their responsibilities to support inclusion among private and voluntary early years providers. As local authorities are under severe funding pressures and tend to focus on delivering clear statutory responsibilities, this lack of clarity contributes to limited support for inclusion in the early years.

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- ▶ Many local authority early years teams have successfully evolved and innovated to meet the challenges they face. For example, a number of local authorities now facilitate 'light touch' collaborative networks of providers that foster information sharing and self-directed continuing quality improvement. There is no one size fits all approach to quality improvement but effective models appear to have in common some key characteristics: they are properly resourced; they involve contact with all providers, not just those that are failing to meet quality standards; and they involve working with providers through collaborative, non-stigmatised relationships.

The strategic role of local authorities in the early years remains crucial. There are widely shared policy objectives in the early years centred on improving developmental outcomes for children and reducing inequalities. For the time being, the early years regulatory and funding framework does not of itself ensure children will access care that contributes to these objectives. There is also a complex matrix of early years services spanning early education, children's centres and health and social care. Integrating these disparate services into a coherent local offer and ensuring each component contributes to wider policy objectives requires pro-active and joined up leadership. The local authority role in system leadership must evolve but it remains as relevant as ever, if not more so.

In recent years quality has slipped from the early years policy agenda. We risk complacency about the extent to which early years provision is meeting its potential to influence good outcomes for children. As early years funding is reformed and the roll out of the 30 hour offer increases children's use of formal care, it is crucial that the Government refreshes its commitment to supporting high quality early years provision.

## Recommendations:

- ▶ **The Government should use the forthcoming Life Chances strategy to clarify and strengthen the strategic role of local authorities in closing the gap in the early years.** The early years are a critical opportunity to change life chances before inequalities are entrenched. The Government gives local authorities a strong remit as system leaders to support and improve the quality of local early years provision and improve outcomes for children. As early years funding reform proceeds, the Department for Education should ensure that it is clear how local authorities will be funded to meet statutory duties in the early years.
- ▶ **Local authorities should prioritise early years quality improvement.** In order to drive improvements in outcomes in the early years, local authorities must develop and maintain a coherent strategy to support high quality provision that informs decisions about early years funding and the capacity of early years teams. Ongoing cuts to early years teams and a retrenchment towards the minimum viable activity is likely to be counter-productive in the long term.



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- ▶ **The Department for Education should increase funding allocations for free early education to meet the costs of delivering high quality care.** The Department should use examples of outstanding practice to identify the cost implications of quality, such as the out of ratio time needed to monitor children's development and plan care and the cost of continuing professional development, and ensure that minimum funding rates meet the cost of care. Funding allocations should be increased automatically as the proportion of qualified staff and graduates working in the sector increases.
- ▶ **Local authorities should improve the evidence base they use to fund early education.** To support well-evidenced funding allocations at a national and local level, local authorities should routinely collect evidence on provider costs. Local authorities with complex funding formulas should consult with local providers and give consideration to simplifying funding with an emphasis on raising setting-wide quality.
- ▶ **A dedicated fund should be re-established to support local authorities to increase the proportion of children receiving graduate-led care.** Local authorities need flexible funding to increase graduate leadership, for example to cover the cost of care whilst non-graduate early years staff earn a degree or postgraduate qualification, and to support graduate leaders for childminder networks and sessional providers where funding allocations to providers are unlikely to be sufficient.
- ▶ **The Department for Education should dramatically improve the strategic policy and funding framework to support inclusion of children with SEND in private and voluntary early years settings, recognising inclusion as a critical element of achieving high quality.** This can be achieved by requiring and funding local authorities to:
  - Ensure the availability of specialist advice and training to early years providers through qualified early years special educational needs coordinators.
  - Set out clear, simple and timely arrangements for top up funding to develop inclusive capacity within settings and support the needs of individual children with SEND.
  - Provide a widely accessible training offer designed to build the capability and confidence of non-specialist early years professionals to identify and meet the needs of children with SEND.



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## Executive summary

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### Glossary

Early Years Foundation Stage (EYFS) framework – The EYFS framework is the statutory guidance that sets out the standards that early years providers must meet for the learning, development and care of children under five.

Early Years Single Funding Formula (EYSFF) – Since 2011, regulations issued under the Childcare Act 2006 have required local authorities to fund free early education through a single formula developed locally in line with the national statutory guidance.

Ofsted – The Office for Standards in Education, Children’s Services and Skills registers and inspects early years services such as schools, nurseries and childminders in England. Most early years settings are inspected once in each four year inspection cycle but settings that receive poor grades, or about which concerns are raised, are inspected more often.

Portage – Portage services provide a home visiting service for pre-school children with special education needs and disabilities and their families. Portage staff typically visit a family each week or fortnight and work with parents to support their child’s development through play and learning activities. Portage staff often also play a role in making service referrals and coordinating multi-agency support.

Special Education Needs Coordinator (SENCO) – Every maintained school must, by law, designate a ‘suitably qualified’ person as a SENCO. Every new SENCO must have a masters level national qualification (or gain one within three years of taking up the post) that meets learning and development outcomes set out in guidance by the National College for Teaching and Leadership.<sup>2</sup> Early years settings other than schools are not required to designate a qualified SENCO. However, each setting is required to designate a member of staff as a ‘SEND coordinator’. A SEND coordinator typically liaises with specialist SEND services and coordinates support rather than providing advice, training and support themselves.

Special educational needs and disabilities (SEND) – There is no single definition of SEND but broadly a child or young person has SEN if they have a learning difficulty or disability which calls for special educational provision to be made for him or her.

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<sup>2</sup> National College of Teaching and Leadership (2014) *National Award for Special Educational Needs Co-ordinator: learning outcomes*. [www.gov.uk/government/publications/national-award-for-sen-co-ordination-learning-outcomes](http://www.gov.uk/government/publications/national-award-for-sen-co-ordination-learning-outcomes)

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## 2. Background

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Quality is at the heart of successful early years provision. First and foremost, ensuring the safety and wellbeing of children is central to an early years system that offers good experiences to children and has the confidence of parents. Moreover, there is strong evidence that only high quality early education has a positive effect on children's outcomes (Parker, 2013). Formal early education is vital to improve outcomes for the most disadvantaged children but poor, or even average, quality care will add no value in the long-term.

Early years provision consists of a range of services. Broadly, school-based nursery classes are more common in less affluent areas where parental employment is lower, while private, voluntary providers are more common in areas where parental employment is higher and there is a more vibrant market for paid daycare services and childminders (Brind et al, 2014). As a result, there are two common pathways for children through early years provision: children living in less affluent areas are more likely to access free early education in a school nursery class, whilst children with working parents are more likely to access care in a PVI setting and then transfer to a school-based reception class at age four.

This pattern has been disrupted somewhat by the free early education offer for the most disadvantaged two year olds: schools have not historically offered care for under-threes and most children eligible for the offer have attended in PVI (private, voluntary and independent) settings. Many children also attend more than one early years setting. Working parents who do not use a daycare provider typically put together a patchwork of care using a nurse class and a childminder, nanny or informal carer.

### Defining quality

'Quality' in early years childcare is a complex concept. We consider quality to mean two things. First, care must ensure that children are safe, well and have positive experiences. Overall, the Ofsted inspection framework has been effective in reducing the incidence of genuinely poor quality care (Ofsted, 2015). However, there are limitations on the Ofsted inspection process, which in many cases involves inspecting providers every four years, and local authorities continue to have an important role in monitoring provision to spot and address serious quality problems at an early stage. As this report describes, however, it is less clear than it should be who has responsibility for monitoring quality and how this critical responsibility should be met.

Second, high quality care must contribute to good developmental outcomes for children. To improve outcomes, care must meet an extremely high standard that includes well-trained, experienced staff able to identify and respond to children's needs and work in partnership with parents; a good social mix of children; and strong links with early intervention services. We do not concentrate on this latter point in this report, which is a complex issue in its own right and touches particularly on the role of the children's centre programme.

Ofsted grades alone cannot be relied on as a benchmark of quality. In fact, many areas with high proportions of 'Good' and 'Outstanding' settings have a poor record of narrowing the

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achievement gap between the most disadvantaged children and the rest. This issue does not necessarily reflect a flaw in the Ofsted inspection framework. Delivering care that makes a difference to children's outcomes requires a combination of well-evidenced structural factors, such as experienced, well-trained staff, alongside reflective practice and the application of tailored local early intervention strategies. It is difficult and perhaps impossible to capture all of these elements of high quality care in an inspection process. Local quality support arrangements are vital because they target not only structural aspects of care but the behaviours, values and processes that impact on children's outcomes.

Many children do not receive high quality care. Maintained providers such as nursery classes in schools and nursery schools, which offer graduate-led care, are more common in the most disadvantaged areas. As a consequence, the majority of disadvantaged children are most likely to access graduate-led care, which is linked to improved outcomes (Mathers and Smees, 2014). However, PVI early years settings in less affluent areas tend to be lower quality and fewer than half offer graduate-led care. Children who access these settings – which includes most two year olds and between a third and half of three year olds, depending on the area – may therefore miss out on high quality early education. The concentration of disadvantaged children in maintained settings also has a potentially detrimental impact on quality as resources may be stretched thinly and children experience interaction with a less diverse peer group (Pascal and Bertram, 2013).

## The changing role of local authorities

This report looks at the two most important ways local authorities influence the quality of early years provision: through funding allocations for free early education and through the work of early years teams to support providers through advice, support and training.

The role of local authorities in childcare has undergone substantial evolution and change over the past twenty years. Prior to the introduction of a national early years regulatory framework in the early 2000s, most forms of formal childcare were subject to regulation by local authorities, which registered providers, set minimum standards and monitored quality. Following the 1997 election, the incoming New Labour government introduced an ambitious agenda for expanding and improving the supply of childcare with the aim of delivering on its pledge to support families and substantially reduce child poverty. Its two key objectives, set out in the first National Childcare Strategy, were improving outcomes for children and supporting parents to balance work and family life (Department for Education and Skills, 1998).

The strategy recognised that good quality provision was central to improving outcomes for children. The 1998 green paper identified disparities in the quality of existing provision as a major concern, highlighting research which demonstrated the long-term benefits that high-quality childcare has on the social and intellectual development of children, particularly those from disadvantaged backgrounds. It emphasised that enabling parents to move into work was

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dependent on ensuring they could be confident that their children were being cared for in the best possible environment.

The 1998 strategy prompted a number of actions to strengthen the regulation and promotion of quality in childcare, including transferring regulatory responsibility for formal childcare from local authorities to a national regulator, Ofsted. However, local authorities maintained a remit for assuring and improving quality in local childcare provision through their role in facilitating local childcare partnerships, which had been established to deliver part-time places to all four year olds from 1997. From 1998, these partnerships were required to develop a strategy for quality enhancement and support for childcare providers, including informal carers, in their plans. A further 2002 strategy paper gave local authorities a more explicit strategic role in shaping and improving local childcare services (Department for Education and Skills, 2002).

The 2004 ten year childcare strategy extended and strengthened local authority duties, which were put on a statutory basis through the Childcare Act 2006. The duties on local authorities include:

- ▶ reducing inequalities between young children (section 1);
- ▶ securing provision of free childcare for eligible children (section 7);
- ▶ assessing childcare provision in their areas, and ensuring that there is enough childcare locally to enable parents to work, or to enable them to undertake training which could be expected to lead to work (sections 6 and 12); and
- ▶ securing the provision of information, advice and training for childcare providers, and prospective providers, in order to promote high quality early education (section 13). Local authorities may charge a reasonable fee for these services.

When these duties were put in place, central Government established an Early Years Quality Improvement Support Programme policy framework to guide local authorities in supporting early years providers (Department for Children, Schools and Families, 2008). Key elements of this framework were working with all providers in a quality improvement cycle, funding only providers with a 'Good' or better Ofsted rating as far as possible, and prioritising intensive quality improvement work with providers that do not have a 'Good' or better rating. The Childcare Act 2006 duties remain in place and guide local authority work in the early years. However, the role of local authorities has evolved as Government policy has put more emphasis on the autonomy of providers in the early years and the role of Ofsted as the sole arbiter of quality.

## Local authority funding to providers

Local authorities primarily influence quality in childcare through funding arrangements for free early education. Since 2011, local authorities have been required by regulations to fund free early education through an 'Early Years Single Funding Formula' (EYSFF). The EYSFF was

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intended to introduce 'a standardised, transparent method for setting the basic unit of funding per pupil', to be adapted and applied by each individual local authority to fund the entitlement to free childcare (Children, Schools and Families Committee, 2010). The formula sought to create greater consistency and fairness in the approach local authorities used to fund free childcare. The process of preparing the formula also required local authorities to gather data on provider costs, in principle creating a stronger link between funding and the actual cost of care.

In practice, local authorities allocate funding to the early years providers delivering free childcare in line with a locally designed formula. Statutory guidance requires that local authorities set a single hourly base rate for providers (which may vary for providers of different types) and must provide a deprivation supplement. Local authorities may then provide additional supplements, for example to promote quality or flexibility, but are not required to do so.

Statutory guidance discourages local authorities from using more than one base rate or providing additional supplements for the two year old offer. This approach reflects the greater funding allocated per place for two year olds and the strong expectation set out in statutory guidance that the rate offered to providers will be sufficient to deliver high quality care. Minimum staff-child ratios for two year olds are consistent across providers (unlike three and four year olds) removing a further potential rationale for formulas that use multiple base rates.

### Figure 1: Early years single funding formula structure

#### Three and four year olds:

Base rate	Mandatory deprivation supplement	Optional additional supplements
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#### Two year olds:

Single base rate
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From 2010, the coalition Government pursued a policy of deregulation in the early years. Until 2014, local authorities were able to place conditions on access to funding for free early education. For example, this might include the requirement for providers to participate in a quality monitoring and improvement scheme. Local authorities may now only place funding requirements on providers that have received 'Requires improvement' or 'Unsatisfactory' Ofsted grades.<sup>3</sup> Through the Children and Families Act 2014, more flexibility was also introduced in the local authority role in supporting providers. Local authorities must provide advice and support to lower quality providers (those with 'Inadequate' or 'Requires improvement' Ofsted grades) but are not required to provide assistance to providers with 'Good' or 'Outstanding' grades, though they may do so.

<sup>3</sup> Department for Education (2014) *Early education and childcare statutory guidance for local authorities*

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## Background

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### Central government funding to local authorities

Local authorities are allocated funding by central government for free early education through the Dedicated Schools Grant (DSG), which consists of three 'blocks': the early years block, the schools block and the high needs block. The DSG is ring-fenced – it must be spent on a prescribed set of services – but local authorities may shift funding around within the grant, for example spending more than the amount allocated within the high needs block on services for children with additional needs.

The EYSFF is not the only way that local authorities fund early years providers. Providers may also receive support from local authorities such as additional funding to employ graduate staff, advice on matters such as implementing the Early Years Foundation Stage framework and access to free or subsidised training. This support may be funded through the DSG but also through general local authority funding (in the past, the Early Intervention Grant, now rolled in to the business rates retention scheme). In practice, the narrow statutory duties local authorities have to support registered early years providers under the Childcare Act overlap with wider duties and aims to close developmental gaps and support the most disadvantaged families.

The Department for Education recently published a consultation on the future of schools funding. The Department proposes that in future a fourth 'central' block of the DSG will be created to fund central schools services (and local authorities will not be able to 'top slice' the other DSG blocks). However, the future of funding for central early years services is not yet clear. The schools funding consultation will be followed by a further consultation later in the year on early years funding in which the Department proposes to set out proposals for a single national early years funding formula. This process of funding reform will therefore reshape both the funding formula for early years providers and the funding available centrally to local authority early years teams.

The central policy priority for the current Government is to extend the coverage and flexibility of free childcare by increasing the current offer of 15 hours a week (or 570 hours a year) to 30 hours a week (1140 hours a year) for children with working parents. International experience shows that ambitious extensions of access to formal childcare can come at the cost of quality as resources are stretched more thinly (Lloyd, 2014). Maintaining and increasing quality alongside the planned extension of care is therefore a key strategic challenge for early years policy makers.

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## Background

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## Methodology

Section 251 of the Apprenticeships, Skills, Children and Learning Act 2009 requires local authorities to collect information about their expenditure on education and children's social care. The Department for Education collates and publishes this data, including the funding formula used by each local authority. We have used this data to examine each local early years funding formula.

We have focused on funding arrangements for PVI (private, voluntary and independent) early years providers. Nursery classes in schools and nursery schools must employ qualified teachers to lead care and, by convention, usually employ qualified nursery nurses in supporting roles. In practice, these requirements drive local authority funding arrangements for maintained providers, so funding reflects rather than influences staffing arrangements. It is common practice for schools to cross-subsidise early years provision from the wider school budget. It is therefore difficult to compare funding arrangements for maintained and PVI providers.

To complement this analysis, we also sent a survey to local authority early years teams to ask about the work they currently do to monitor and support early years providers. Of 152 local authorities in England, 89 (59 per cent) responded to the survey. The second part of this report summarises the survey responses. We also interviewed three local authority early years teams with a track record of improving standards in early years provision to discuss their work in more detail. Case studies based on these interviews are provided as an appendix to the report and are useful in offering a description of the work of a variety of local authority early years teams.



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## 3. The Early Years Single Funding Formula

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Early years funding remains relatively complex despite efforts at simplification. This complexity reflects the fragmented nature of early years provision: there are a number of different provider types (maintained, private and voluntary) with different service types (daycare, sessional and childminder provision) that may each require a different level of funding.

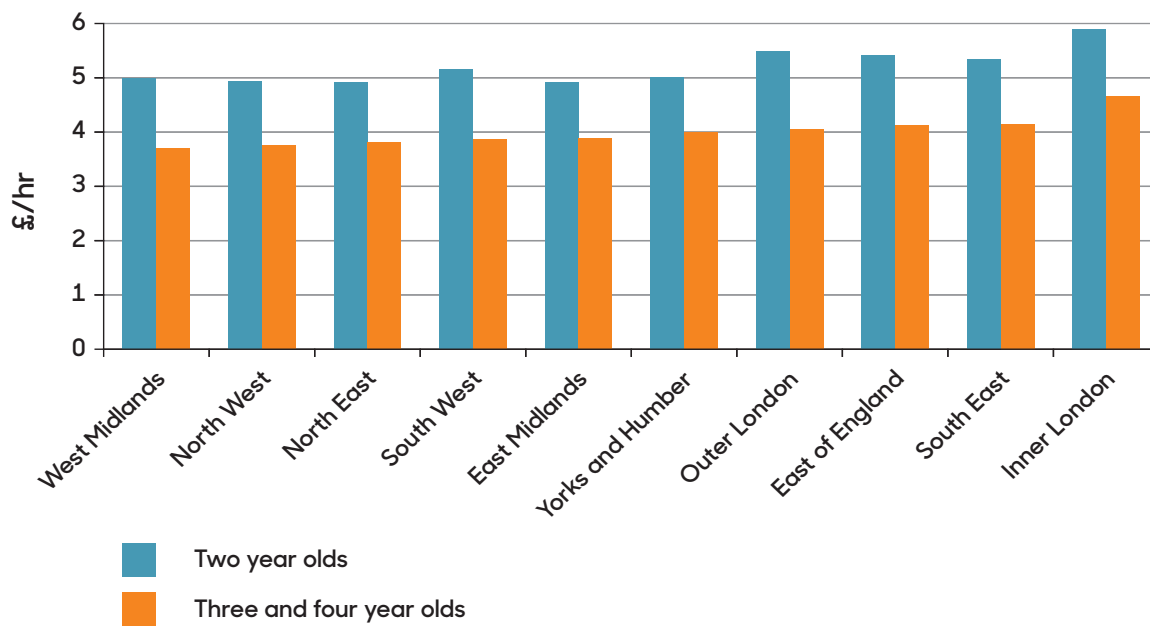
In this report we look specifically at the EYSFF and PVI providers. Maintained early years services are required to employ a teacher or early years graduate to lead care. Funding therefore follows from a clear 'high quality' model. Schools experience funding challenges in the early years; most, for example, subsidise early years provision from the general school budget in spite of more generous early years funding rates (NAHT, 2015). However, an analysis of the type we outline in this paper is not suited to probing the specific quality challenges schools face. PVI services have much more flexibility in staffing arrangements and the quality of care these services deliver is therefore influenced directly by the EYSFF.

Since 2013, funding rates for three and four year olds have been based on local authorities' planned spending per child. Prior to this, allocations reflected historic spend. Nationally, local authorities spend £233 million more each year on free early education for three and four year olds than they are allocated by central Government (National Audit Office, 2016). National funding per child has been frozen since 2013/14, resulting in a 4.5 per cent cut in funding in real terms. Allocations for two year olds are based on a baseline national allocation adjusted in line with the general labour market area cost adjustment figures provided by the Department for Communities and Local Government.

Figure 2 shows the average allocation to providers across regions in England. Staffing costs constitute the greatest cost for early years providers at around 77 per cent of costs (Department for Education, 2012). It might be expected that allocations are correlated to some degree with local wage levels. Figure 4, however, shows that this does not appear to be the case. This is consistent with the findings of a 2012 National Audit Office report on delivering the free entitlement, which found that only 20 per cent of the variation in average funding per hour was driven by known factors such as median wages (National Audit Office, 2012).

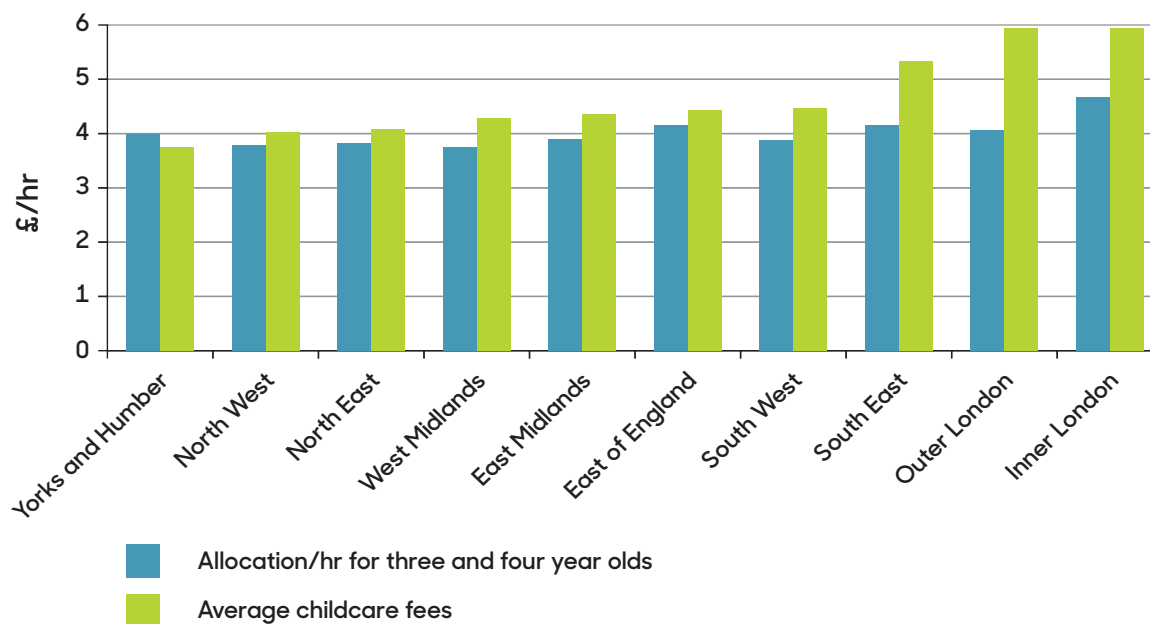
## The Early Years Single Funding Formula

Figure 2: Average allocation per hour to PVI providers by region



Source: Department for Education (2015) Early years funding benchmarking tool 2015/16

Figure 3: Average allocations to childcare providers and childcare costs



Sources: Department for Education (2015) Early years funding benchmarking tool 2015/16; Rutter, J. (2016) Childcare Survey 2016. London: Family and Childcare Trust.

## The Early Years Single Funding Formula

Figure 4: Local authority allocations for free early education for three and four year olds and local wages



Sources: Department for Education (2015) Early years funding benchmarking tool 2015/16; ONS Annual Survey of Hours and Earnings 2015 data

### EYSFF structure

Most local authorities (118, or 78 per cent) had a single EYSFF base rate for the three and four year old offer for all PVI providers. However, 28 local authorities (18 per cent) offered a second rate for childminders and seven (five per cent) had a separate rate for pre-schools (sessional providers). Where offered, the rate for childminders was generally higher than the rate for daycare providers, on average by £0.60. However, eight local authorities provided a lower base rate for childminders. In many cases the higher rate for childminders was available only to childminders with a level three early years qualification. The rate for sessional pre-schools was on average £0.21 lower than the base rate for daycare providers, with only one local authority offering a £0.20 premium for pre-schools.

Thirteen local authorities varied the base rate using further criteria. Among those local authorities that provided details, the most common reason was a structure that offered different rates for providers of different sizes. There were also several reasons for varying the base rate used by individual local authorities, such as a higher rate for providers that provide access to outside space standards, a lower rate for providers using shared premises and a higher rate for the summer term.

## The Early Years Single Funding Formula

Figure 5: Number of EYSFF base rates

	Single base rate	Multiple base rates
No additional rates	117	5
+ Additional rate for childminders only	15	8
+ Additional rate for sessional pre-schools only	1	0
+ Additional rates for both childminders and pre-schools	6	0
<b>Total</b>	<b>139</b>	<b>13</b>

Source: Family and Childcare Trust analysis of section 251 data

All local authorities used supplements to compliment the EYSFF base rate. Following the mandatory deprivation supplement, the most common supplement was for quality (70 local authorities), followed by flexibility (37), inclusion (17) and looked after children (6). Figure 6 sets out how local authorities structure the EYSFF. The most common structure for the EYSFF was a base rate and a deprivation supplement (70 local authorities), followed by a base rate, a deprivation supplement and a quality supplement (40 local authorities). The national gap between the average actual allocation to PVI providers and the average base rate – i.e. the average amount of the supplements added to the base rate – is £0.34, or a 9.3 per cent increase from the base rate.

Figure 6: Structure of EYSFF by local authority

Structure	Number of local authorities
Deprivation supplement only	70
Deprivation and quality supplements	40
Deprivation, quality and flexibility supplements	25
Deprivation and flexibility supplements	8
Deprivation and inclusion supplements	5
Deprivation, quality and inclusion supplements	2
Deprivation, flexibility and inclusion supplements	1
Deprivation, quality, flexibility and inclusion supplements	1
<b>Total</b>	<b>152</b>

Source: Family and Childcare Trust analysis of section 251 data

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## The Early Years Single Funding Formula

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Thirty two local authorities recorded miscellaneous additional supplements (which are not recorded in Figure 6). These supplements in some cases reflect ad hoc support that local authorities might not be expected to record in detail in the section 251 return because it falls into a grey area between an EYSFF supplement and funding for discrete local early years programmes or projects. This information may not therefore be a complete picture of the ad hoc financial support providers receive. The reasons for miscellaneous additional supplements included:

- ▶ A sustainability lump sum payment or hourly supplement for PVI providers, most often for small settings or those serving rural areas (15)
- ▶ Management and administrative costs (3)
- ▶ Free school meals payment for PVI providers (3)<sup>4</sup>
- ▶ Ad hoc payments to implement a minimum funding guarantee (3)<sup>5</sup>
- ▶ London fringe supplement (1)
- ▶ Summer term supplement (1)
- ▶ Healthy snacks supplement (1)
- ▶ Support to implement the Every Child a Talker programme (1)
- ▶ Lump sum for 20 hours training per setting (1)

The early education and childcare statutory guidance asks local authorities to use a single base rate and avoid using supplements for the free offer for the most disadvantaged two year olds. Accordingly, almost all local authorities provided a single base-rate for the two year old offer with no supplements. Only three local authorities provided details of supplements specific to the two year old offer: one offered a higher rate for providers delivering graduate-led care, one provided different rates in autumn and summer, and one included an amount equivalent to the early years pupil premium (the EYPP is provided to three and four year olds but not two year olds receiving free childcare).

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4 Children attending PVI settings do not have a statutory entitlement to free school meals but some local authorities fund an equivalent offer in PVI settings.

5 Maintained schools are subject to a 'minimum funding guarantee' that ensures their funding does not decrease by more than 1.5 per cent year on year. Some local authorities have applied a similar guarantee for PVI settings when the amount of the EYSFF has decreased.

## The Early Years Single Funding Formula

Figure 7: Proportion of local authorities using supplements 2015/16

	Quality	Flexibility	Inclusion	Looked after children	Other
Local authorities	70	37	17	6	32

Source: Family and Childcare Trust analysis of section 251 data

## Deprivation supplements

Local authorities are required by statutory guidance to provide a deprivation supplement for the three and four year old offer. Accordingly, all local authorities included a deprivation supplement in the EYSFF.<sup>6</sup> The majority of local authorities – 81 per cent – provided an hourly supplement, with the remaining local authorities offering a monthly, weekly or termly supplement.

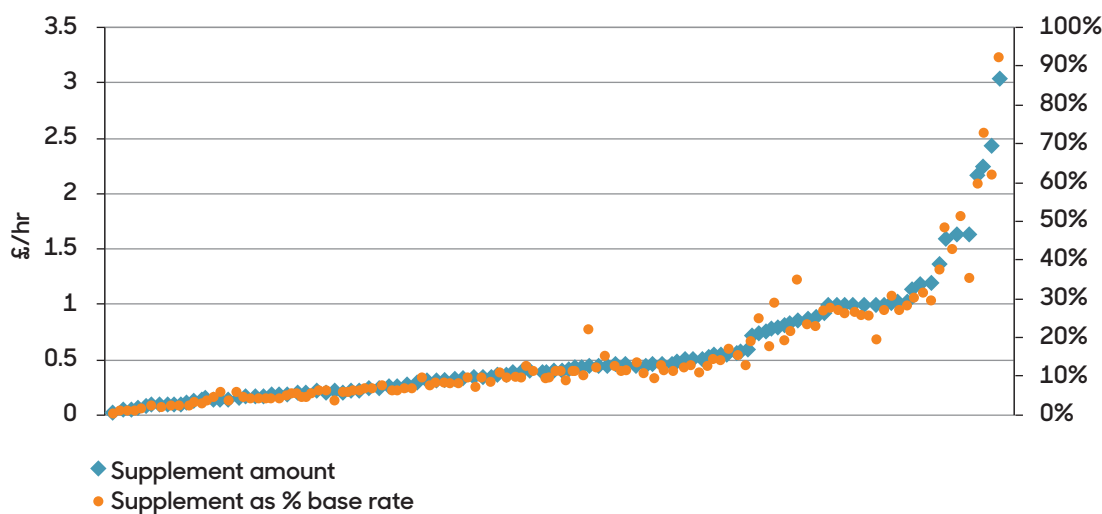
Approaches to delivering the deprivation supplement varied somewhat: 57 per cent of local authorities provided a flat rate deprivation supplement for all PVI providers and 43 per cent provided a banded supplement. On average, the deprivation supplement was £0.59 per hour, or 15 per cent as a proportion of the base rate.<sup>7</sup> Figure 8 shows the wide distribution of the amount of the deprivation supplement. The maximum deprivation supplement available ranged from £0.05, or 1.39 per cent of the base rate, to (exceptionally) £3.05, or 92 per cent of the base rate. For the local authorities that used a band for the deprivation supplement, the difference between the minimum to the maximum rate was on average £0.51, ranging from £0.05 to £2.12.

<sup>6</sup> Five local authorities did not provide clear information on the structure of the deprivation supplement. The figures in this report are based on the formulas outlined by the remaining 147 local authorities.

<sup>7</sup> Where local authorities used a banded supplement, we used the highest rate to calculate this average.

## The Early Years Single Funding Formula

Figure 8: EYSFF deprivation supplement (maximum available)



Source: Department for Education (2015). Section 251 data tables, Budget detailed level: early years table 2015 to 2016 (data from 112 local authorities using an hourly deprivation supplement)

Among the 74 local authorities that provided details, the majority – 67 local authorities – used the Index of Multiple Deprivation (IMD) data to target the deprivation supplement. The remaining local authorities used alternative measures including the ACORN demographic classification system, Mosaic (Experian) wealth data, Early Years Pupil Premium or free school meals eligibility criteria, or tax credit data.

## Quality supplements

Seventy local authorities (46 per cent) reported using a quality supplement as part of the EYSFF. The most common criteria for the supplement was to support staff with a graduate qualification (49 per cent of those local authorities which provided details). A further 25 per cent linked the supplement instead to Ofsted grades (usually either a 'Good' or 'Outstanding' grade). Eleven per cent of local authorities provided two supplements, linked to both qualifications and Ofsted grades. Another 11 per cent linked a quality supplement to a quality monitoring system operated by the local authority (this system might in turn, however, draw on Ofsted grades and the qualifications of staff). Two local authorities reported quality supplements provided to support continuing professional development.

The scale of quality supplements varied widely (see Figure 9), ranging from £0.05 to £2 per hour. The average rate of the quality supplement was 14 per cent of the base rate. The average rate of supplements linked to graduate qualifications and Ofsted grades was 19 and 10 per cent respectively. Half of local authorities using a quality supplement used more than one band. The difference between the highest and lowest band of the supplement across local authorities using this approach ranged from £0.03 to £0.53 per hour and was on average £0.26.



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## The Early Years Single Funding Formula

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Between 2007 and 2011, the Government provided national funding through the Graduate Leader Fund to support local authorities to increase the number of early years graduates working in PVI early years settings. The funding was typically used in two ways: to support 'home grown' staff in settings to gain a graduate qualification, for example by covering the cost of replacement staff whilst attending a course, and to incentivise settings to employ graduates through lump sum payments or an hourly supplement to help providers meet additional salary costs (Ranns et al, 2011). The Graduate Leader Fund came to an end in 2011. However, the Department for Education encouraged settings to use the Early Intervention Grant (now incorporated into the business rates retention scheme) to continue to support early years graduates.

The majority of local authorities that recorded a graduate supplement (26) provided an hourly supplement while seven recorded an annual lump sum ranging from £1,000 to £7,000. Two local authorities cited funding they provide to support early years graduates in their response to our survey but this funding was not included in the relevant local authority's section 251 return. There is some uncertainty about the proportion of local authorities that provide funding to support early years graduates outside of the EYSFF: we noted that at least one local authority did not record 'lump sum' graduate funding in its section 251 return. However, the survey we sent to local authorities asked specifically about sources of graduate funding and this appears to be an isolated example.

The average rate of an hourly quality supplement linked to graduate qualifications was £0.60. Recent research suggests the average difference between the annual salary of a non-graduate and graduate staff member is approximately £6,000 (Ceeda, 2014). A setting would need to care for around 18 children claiming the full 15 hour free entitlement (570 hours a year) to receive an additional £6,000 in funding. It appears therefore that where a quality supplement is provided specifically to support graduate-led care, the supplement is often under normal circumstances sufficient to fund additional graduate staff in the setting. However, given the variation in base rates and the amount of the graduate supplement in individual local authorities, the benefit of this funding to individual providers may vary.

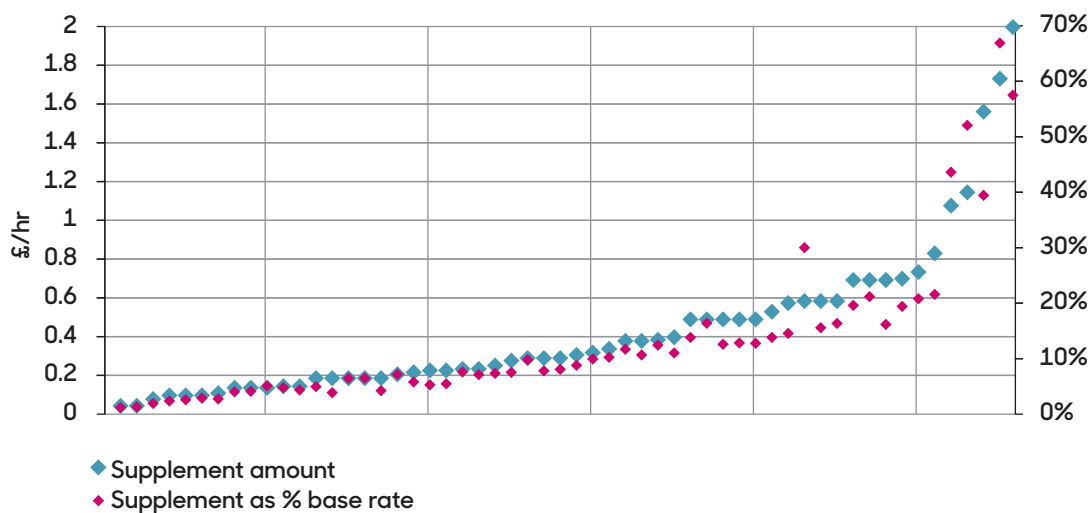
Fourteen per cent of the local authorities that responded to the project survey reported providing bursary funding outside the EYSFF to support staff to acquire an early years graduate qualification. The main purpose of these grants is to cover the extra costs for providers when staff spend time 'out of ratio' to participate in training. Just under half of these local authorities planned to end this funding in 2015/16 or 2016/17. Five further local authorities mentioned that they had provided such funding in the past but had now ceased to do so.

Overall, the average proportion of children accessing free early education in PVI settings whose care is led by a graduate rose by eight per cent between 2012 and 2016, from 41 per cent to 50 per cent. However, there was significant variation in trends among individual local authorities (Figure 10). The proportion of children whose care is led by graduates rose in 121 local authorities by an average of fourteen per cent. The proportion of children whose care is

## The Early Years Single Funding Formula

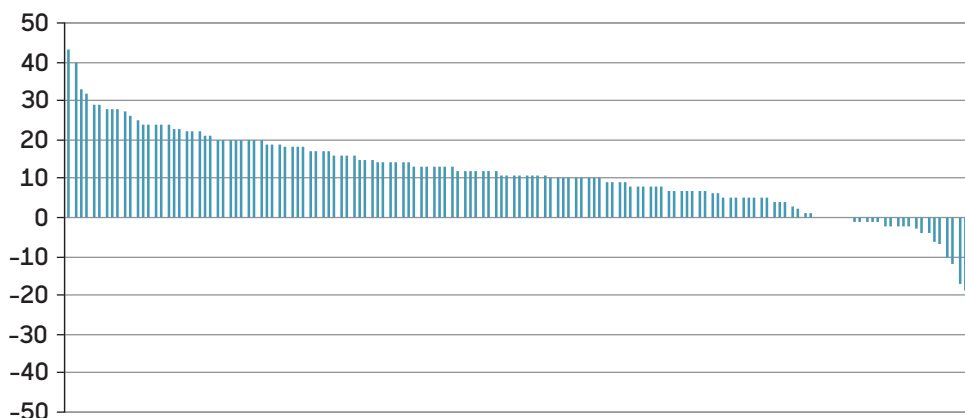
led by graduates stayed the same or fell in 21 local authorities by an average of six per cent. Figures for remaining local authorities are excluded because complete data for 2012 to 2016 is not available. There may be a number of factors that bear on these trends, including the EYSFF, any other financial support provided by a local authority, provider policies, the number of students entering Early Years Professional training courses and trends in the pattern of services at which children attend free early education.

Figure 9: EYSFF quality supplement by local authority



Source: Department for Education (2015). Section 251 data tables, Budget detailed level: early years table 2015 to 2016 (data from 56 local authorities)

Figure 10: Change in % children in PVI settings receiving graduate-led care 2012-14 by local authority



Source: Early Years Benchmarking Tool; Department for Education (2016) Provision for children under five years of age in England, Jan 2016

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## The Early Years Single Funding Formula

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### Inclusion

Participation in high quality early education is an important part of a strategy to close the gap in outcomes between the most disadvantaged children, who disproportionately have additional needs, and the rest. All children have a statutory entitlement to a free early education place. A 2015 survey of parents with children with special education needs and disabilities (SEND), however, found that 25 per cent of families with young children with SEND were not accessing the free offer and a further 15 per cent were using less than the 15 hour entitlement (Contact a Family et al, 2015). Some of the key barriers cited by providers and parents include:

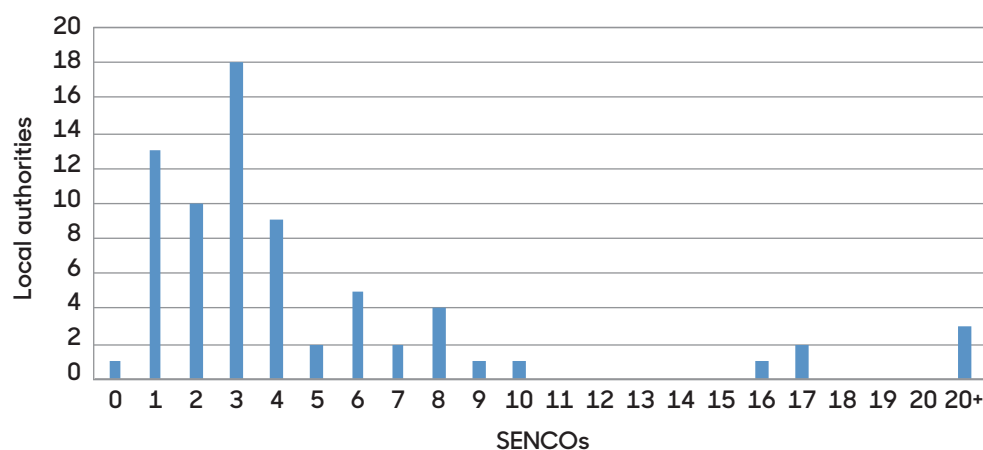
- ▶ Insufficient training and knowledge among mainstream providers to meet a child's additional needs.
- ▶ A dependence on a small number of maintained settings, which are often overstretched and cannot offer full 15 hour places to all eligible children with SEND.
- ▶ Insufficient additional funding for PVI providers to deliver one-to-one care where appropriate, purchase equipment or materials, or access specialist training.
- ▶ A lack of clarity for both parents and providers regarding the legal duty to make 'reasonable adjustments' to meet a child's needs and to what extent any additional costs should be absorbed by a provider.
- ▶ The limited specialist advice and support available to early providers from central local authority early years services, particularly through qualified SENCOs.

Relatively few local authorities – 14 in total (11 per cent) – recorded a supplement for children with additional needs within the EYSFF. Seven local authorities provided an hourly supplement ranging from £0.05 to £7. The remaining local authorities provided additional funding in the form of a lump sum termly payment ranging from £205 to £2,350. Funding for SEND is not always consistent. For example, one local authority provides a SEND supplement for two year olds but not three and four year olds (in this case, older children may instead be eligible for targeted support through an SEND assessment process). Most local authorities did not record eligibility criteria for the SEND supplement. Those that did referred either to a child receiving School Action or School Action Plus support or having an education, health and care plan.

Overall, it appears that local authorities are allocating tailored support to children with SEND based on each child's needs rather than through a supplement within the EYSFF. This child-centred approach has merit and is borne out by research into effective approaches to inclusion in the early years (Parish and Bryant, 2015). However, this approach may also contribute to patchy access to mainstream childcare for children with SEND. In the absence of a clear policy framework, children, parents and providers are dependent on local authority arrangements for supporting inclusion, which in practice are of variable scope. If PVI settings do not expect to cater to children with high needs, strategic capacity within the sector may also fail to develop.

## The Early Years Single Funding Formula

Figure 11: Number of early years area SENCOs in each local authority



Source: Family and Childcare Trust survey of local authorities, March–April 2016. Figures rounded to nearest whole number where roles are reported as less than FTE. (72 local authorities.)

The majority of local authorities continue to employ early years area SENCOs or have comparable arrangements to provide specialist inclusion advice to PVI settings. Area SENCOs have a critical role in assessing the needs of children, training and advising staff and coordinating support packages. A scarcity of area SENCOs contributes to delays in assessment and limited support, training and guidance for non-specialist staff and ultimately a lack of access to care for children with SEND.

Guidance on the early years area SENCO role does not appear to have been updated since 2002.<sup>8</sup> At that time, local authorities were advised to maintain a ratio of one area SENCO for every 20 early years non-maintained childcare settings. However, while the requirement for maintained settings to employ a qualified SENCO has been put on a statutory basis, the requirement for local authorities to employ sufficient early years areas SENCOs to support non-maintained settings has not. As a result, there are wide variations in practice.

Figure 11 sets out the number of early years area SENCOs in each local authority. Local authorities are applying a variety of approaches to supporting inclusion in early years settings:

- ▶ A number of local authorities continue to employ a substantial number of early years area SENCOs: 19 per cent of local authorities employed more than five SENCOs. Only a small proportion, however, employ the number implied by the 1:20 ratio: four local authorities employed more than 15 SENCOs.

<sup>8</sup> Department for education and Skills and Department for Work and Pensions (2002) *Area Special Educational Needs Co-ordinators (SENCOs) – Supporting Early Identification and Intervention for Children with Special Educational Needs: Guidance for Local Education Authorities and Early Years Development and Childcare Partnerships*. London: Department for Education and Skills; Ofsted (2005) *Removing barriers: a 'can-do' attitude: A report on developing good practice for children with special needs in early years childcare and education in the private and voluntary sectors*.

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## The Early Years Single Funding Formula

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- ▶ Twenty-five per cent of local authorities had incorporated the SENCO role with another post or team. This included a range of roles such as early years quality advisors, officers and support workers; specialist early years teachers and educational psychology staff. Three local authorities had incorporated the role of early years SENCOs into a portage team providing universal support in the early years. One local authority described a 'key worker' system where inclusion staff were assigned to children and stayed with them through their journey from an early years setting to school and further education.
- ▶ There were also tailored approaches mentioned by local authorities. Two local authorities employ a small number of early years area SENCOs but also maintain a bank of consultants or inclusion support workers who support settings for short periods of time (usually up to 12 weeks). One local authority stated that its approach was to identify and invest in specific 'inclusive' settings, outside of maintained provision, to create a network of services accessible to children with SEND – there were 12 such settings in the local authority to date. Another local authority had incorporated SEND support for settings within its early years quality network arrangements, with SEND surgeries and a specific SEND network linking settings.

Five local authorities reported that they did not employ any early years SENCOs (one of these local authorities planned to recruit one staff member to this role later in the year) and did not provide details of alternative arrangements for supporting inclusion in PVI settings.

One explanation for the limited number of early years SENCOs in some areas is that the Children and Families Act and the statutory SEND Code of Practice may have encouraged local authorities to shift the burden of support to providers and the 'SEND coordinator' in each setting. This approach may have benefits in encouraging settings to develop their own SEND expertise and capability, but could also leave settings under-supported when they admit or seek to admit children with high needs.

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## The Early Years Single Funding Formula

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This shift in emphasis was not the intent of the policy of asking every early years setting to identify a SEND coordinator. While it is for local authorities to decide what are appropriate qualifications and experience for an area SENCO, the expectation is that they will have a specialist postgraduate level qualification in special educational needs or extensive professional experience working with children with SEND. The role of the area SENCO is primarily (though not exclusively) to provide expert assessment, advice and training to support individual children and build local strategic capacity. The role of the SEND coordinator within a setting is envisaged differently, with some responsibility for leading care but with an emphasis on liaison with specialist services. The roles are not therefore interchangeable and SEND coordinators are unlikely to be an effective substitute for the specialist SENCO role.

### The SEND code of practice

The Children and Families Act 2014 sought to reform the provision of care and support for children and young people with SEND. The Act put in place a framework which requires local authorities to keep SEN provision under review, co-operate with their partners to plan and commission services and publish a 'Local Offer' setting out the services available. Statements of SEN were replaced by new Education, Health and Care Plans and parents and young people given new rights to express a preference for a school or college. The Act also sought to give parents and young people greater control over the way support is provided through involvement with local authorities in reviewing services.

A statutory code of practice published under the 2014 Act sets out the responsibilities of early years providers and local authorities to support children with SEND. In summary:

- ▶ All early years providers must have arrangements in place to support children with SEND. These arrangements should include a clear approach to identifying and responding to the needs of children with SEND.
- ▶ Maintained settings must designate a teacher as a SENCO, who has a prescribed SEN qualification or equivalent experience, and have both an SEN policy and accessibility plan.
- ▶ Other group settings must designate a member of staff as a SENCO (but there is no prescribed qualification or experience for this member of staff).
- ▶ Childminders are encouraged to identify a person to act as a SENCO. Childminders in a network or agency may share the SENCO role.
- ▶ Local authorities should ensure that there is sufficient expertise and experience amongst local early years providers to support children with SEN and must ensure that all providers delivering free early education places meet the needs of children with SEN and disabled children.

Sources: Department for Education and Department for Health (2015) *Special educational needs and disability code of practice: 0 to 25 years*; Department for Education (2015) *Early years guide to the 0 to 25 SEND code of practice*; National College for Teaching and Leadership (2014) *National Award for SEN Co-ordination: Learning Outcomes*

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## 4. Survey of local authority early years teams

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Local authority early years staff have faced an uncertain period. The Childcare Act 2006 established a clear remit and framework for local authorities to monitor and where appropriate to intervene to support quality. However, this role has been diminished somewhat by recent changes to legislation as noted and the reduced resources available to local authorities. Despite these changes, the responses to our survey show that local authorities are still actively supporting the quality of local childcare.

### Quality monitoring and improvement

Almost half (49 per cent) of local authorities that responded to the survey stated that they make use of quality ratings scales other than Ofsted grades as part of their quality improvement activity, the most common options being Environmental Rating Scales (25 per cent) and RAG categorisations (15 per cent).

#### Environment rating scale measures

An 'environmental rating scale' is a tool for measuring and improving quality in early years settings which focuses on the interactions that take place between children and their surroundings, conducted primarily through observation. The Early Childhood Environment Rating Scale (ECERS) and the Infant Toddler Environment Rating Scale (ITERS) closely reflect the scope of the Early Years Foundation Stage framework, the statutory early years curriculum, and were promoted in 2008 as a recommended audit tool by the then Department for Children, Schools and Families as part of a local authority's Early Years Quality Improvement Support Programme. A number of studies have shown childcare quality as measured by these tools to be related to children's developmental outcomes (Mathers et al. 2012).

Survey responses indicate that local authorities are using ECERS/ITERS to supplement the quality monitoring done by Ofsted, though there is some variation in how the scales are employed. In most cases the assessment is conducted in partnership with settings as an audit tool to allow local authorities to identify areas for improvement, develop action plans, and set a baseline against which future progress can be measured. Respondent comments suggest that their use has been scaled back so that they can be employed in a more targeted way, although a small number of local authorities stated that they were considering making more use of ECERS/ITERS or were training staff in preparation to do so.

“We have in the past had a Quality Improvement Strategy and used ECERS and ITERS as a quality measure. We still use these tools when required or requested but not in a formal planned way as we had done before.”

Local authority response



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## Survey of local authority early years teams

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Fifteen per cent of respondents reported using RAG (Red, Amber or Green) ratings to categorise early years providers according to the quality of their provision and the level of support they are likely to require. A further 11 per cent stated that they use another system to categorise or prioritise settings in order to help focus their support according to need. Unlike ECERS/ITERS, responses indicate that systems of categorisation are used across all settings in order to highlight risks, monitor progress and inform decisions concerning the allocation of resources. A variety of different information is used by local authorities to inform the RAG ratings or categorisations, including but not limited to Ofsted grades; other sources include self-evaluations from settings, locally agreed criteria, stability of Ofsted grades over time, EYFS requirements, risk assessments and ECERS/ITERS ratings.

Local authorities are still offering a wide range of support to help develop high quality provision in local settings. Although it is no longer a requirement for them to provide information, advice or training to settings graded 'Good' or 'Outstanding' by Ofsted, survey results indicate that most have continued to offer at least a basic universal service which providers are able to opt-in to. Early years teams generally offer some or all of the below:

- ▶ Email and/or telephone support
- ▶ Newsletters and updates on early years policies and frameworks
- ▶ Access to a programme of training
- ▶ An annual visit
- ▶ Access to quality assurance schemes, various networks and cluster meetings
- ▶ Option to request ECERS/ITERS or other quality assessment

The support offered by local authorities is nonetheless primarily focused on settings which have been graded as 'Requires improvement' or 'Inadequate' by Ofsted, in line with statutory guidance. Early years teams commonly work with these settings to develop an action plan, offering a bespoke package of support linked to issues raised in their Ofsted inspection report. A variety of potential mechanisms for driving improvement were raised in the survey, including:

- ▶ Allocation of a consultant to develop and discuss an action plan for the setting
- ▶ Regular site visits and one-to-one support
- ▶ Quality improvement audit and monitoring (e.g. using ECERS/ITERS)
- ▶ Priority access to relevant training, often free or subsidised
- ▶ Invitations to relevant workshops (e.g. Ofsted 'Getting to Good' seminar)
- ▶ 'Team around the Setting' meetings with representatives from key sectors
- ▶ Facilitating peer-to-peer partnerships and support
- ▶ Commissioning or signposting additional services as appropriate.

Responses suggest there is a significant disparity in the extent to which the cost of quality

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## Survey of local authority early years teams

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improvement services fall on early years providers themselves. For settings rated less than 'Good' by Ofsted, support packages tend to be funded by local authorities up to a defined point, with an option to purchase additional support. Though several respondents stated that they cover the cost of additional training for these settings as part of their quality improvement strategies, this is not the case for all local authorities. For 'Good' or 'Outstanding' settings, access is generally limited to free core support services with some local authorities also offering the option to request or purchase additional assistance, such as ECERS/ITERS quality audits. By contrast, several respondents stated that they offer both targeted and universal packages of support to settings free of charge.

### Training

The vast majority (92 per cent) of local authorities that responded to the survey indicated that they provide some form of subsidised training for early years childcare staff, although there are significant differences in the level of subsidy available and the types of training to which it is applied. The training programmes offered comprise a combination of free and subsidised courses, often also supported through the use of council premises and resources. However, several local authorities noted that they are reviewing the feasibility of continuing to subsidise training, or have already been directed to move towards income generation or full cost recovery as a result of budgetary pressures.

Respondents usually referred to a core set of training which helps settings to meet statutory requirements, including safeguarding and child protection, meeting the needs of children with SEND, meeting the requirements of the Early Years Foundation Stage, first aid and food safety. Local authorities reported different approaches to the funding of this training; some ensure that these courses remain free for providers but charge for supplementary training, while others charge for core courses, albeit at a subsidised rate, but offer supplementary training for free.

*In the current financial climate it is increasingly difficult to continue to provide 'cheap' advice and professional development opportunities. We find that if we sign post to more expensive national programmes the settings cannot afford to send more than one member of the team. Thus, the model relies on cascading information.*

**Local authority response**

Some different approaches to the funding of local authority training programmes also emerged in the survey responses; for example, subscription models where membership of a quality improvement programme entitles the setting to discounted training and a sliding scale for pricing based on the size of the provider. Some local authorities indicated that settings which had been judged as 'Requires Improvement' or 'Inadequate' by Ofsted would have access to free training as part of their targeted support. Several also stated that the training they provide is free of charge to private, voluntary and independent settings.

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## Survey of local authority early years teams

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“Our main challenge has been to ensure settings continue to undertake CPD and professional development. We have experienced a significant decrease in attendance on courses. We are currently working with the PLA [the Pre-school Learning Alliance] and NDNA [National Association of Day Nurseries] to try and give access which is affordable.”

Local authority response

### Supporting childminders and small providers

Respondents commonly stated that childminders and small providers have access to their universal offer of quality monitoring and improvement, although this level of support appears to vary similarly between different local authorities. The Family Childcare Rating Scale (FCCRS) is used by some Early Years teams to assess the home-based care provided by childminders in their quality improvement work, but there are indications that they are being left out of broader processes of audit and risk assessment where local authorities do not have the capacity to sustain the same level of oversight for all individual practitioners.

Though childminder networks have previously been promoted as a mechanism to drive quality among practitioners, only 65 per cent of local authorities that responded to the survey stated that they fund or directly provide (or otherwise support) any childminder networks in their area. Several respondents indicated that their childminder networks had been disbanded, citing financial pressures along with changes to local authority guidance and funding criteria as reasons for stopping (changes introduced in the Children and Families Act 2014 mean that childminders are no longer required to belong to a childminding network in order to qualify for funded early education places). Contrary to the general trend, one local authority did report that it was in the process of setting up a network.

Formal childminder networks are either managed in-house by the Early Years team or commissioned from external organisations such as the Pre-School Learning Alliance, the Professional Association for Childcare and Early Years or, in one instance, a registered childminder agency. Other types of support offered by local authorities include funding for start-up and re-accreditation costs, support from a specialist early years consultant, access to relevant training and use of council venues. They may also offer assistance to informal networks by attending meetings or drop-in sessions, often held in partnership with local children's centres.

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## Survey of local authority early years teams

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“*[The local authority] funds three area based Childminder Hubs...[which are] all led and managed by children's centres and provide an opportunity for networking, professional development, information sharing and one-to-one support, tailored to the needs of local childminders. This has contributed to a significant increase in the percentage of childminders gaining good or better Ofsted judgements.*”

**Local authority response**

Where there is no formal childminder network, responses suggest that some local authorities facilitate regular cluster meetings or forums tailored for childminders, often incorporating training and relevant updates from Early Years teams. Additionally, childminders can typically access the same training programme as other providers, although cost and accessibility are often a barrier for individual practitioners who cannot easily find cover to enable them to attend. In a small number of cases, respondents emphasised that they offered childminders free or discounted training or held sessions on a Saturday morning for convenience.

### Quality hubs

Ninety per cent of respondents stated that they support quality hubs or networks for early years providers other than childminders. These include groups and events directed by local authority staff, such as online forums, SEND networks, cluster meetings, managers' forums and networks targeted at PVI settings or those rated less than 'Good'. There are also training, updates and networks which are linked to and delivered in partnership with children's centres or locality hubs.

Several models of provider-led quality improvement also emerged in the survey responses. Some councils are working in partnership with local Teaching Schools, outstanding education settings that are funded to provide training and development, to develop early years hubs which can provide targeted professional development to practitioners. Initiatives such as 4Children's Early Learning and Community Childcare Hubs and other formal collaborations between providers in the same area also present an opportunity to share best practice and drive quality improvement. Several local authorities reported that they facilitate a 'lead practitioner' system for childminders, where practitioners who have achieved exemplary standards of practice are paid to share their skills and experience with others.

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## Survey of local authority early years teams

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### Local authority views on quality improvement

A number of issues were raised in survey responses which were perceived to have a detrimental impact on the ability of local authorities to develop high quality early years provision. Recent changes to statutory duties were commonly mentioned, with several local authorities expressing the view that their quality improvement role had been restricted or removed, despite ongoing demand for their services. Of particular concern was the withdrawal of powers enabling early years teams to undertake their own assessment of local provision or make receipt of funding conditional on quality standards, which several respondents noted had been an effective tool for encouraging improvement. This is especially relevant in the case of new providers, who are able to offer funded early education places prior to their first Ofsted inspection, as it was reported that in some cases early years teams were required to provide intensive interventions down the line to settings that had not been assessed before receiving funding.

Respondents also expressed concern over the requirement for quality improvement activity to be focused on settings rated as 'Requires improvement' or 'Inadequate' by Ofsted. Some described the difficulty they experience in challenging or engaging with settings which hold a 'Good' or 'Outstanding' rating but about which concerns have been raised. As the period between Ofsted inspections can be up to four years, it was felt that the current arrangements limit the capacity for early years teams to be responsive to the changing needs of providers in their area. It was suggested that local authorities should have both the directive and the resources to maintain contact with all providers, regardless of the grade they currently hold. Some respondents also expressed a wish to develop better links and relationships with regional Ofsted officers in order to share local intelligence and to be able to co-ordinate work with settings between inspections.

*“ An Ofsted judgement does not give the whole picture and things in a setting can change very quickly, so all settings need support and monitoring on a yearly basis. We try to do this for more vulnerable settings, but in fact many more need more regular support. ”*

**Local authority response**

Several problems relating to the amount of funding allocated to early years settings were raised. Survey responses indicated a growing demand for business support, especially from settings struggling under financial constraints or those trying to identify a new provider. Respondents described the difficulties providers experience in meeting the costs of developing quality alongside other budgetary pressures, such as paying the new national minimum wage, rental costs and preparations for the expansion to 30 hours funded childcare. There was

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## Survey of local authority early years teams

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considerable emphasis on the need for local authorities to secure affordable training for early years settings amid concerns that providers do not currently have sufficient funding with which to buy in external support.

“*Make [raising quality] a local authority statutory duty again! Our staff team have been cut to the bare bones and we can only really fire fight not develop quality.*”

**Local authority response**

A lack of funding at the local authority level was mentioned as a point of concern in 26 per cent of the responses received. They reported that reductions in staff and resources were limiting early years teams' capacity to offer support to providers, especially those with an Ofsted grade of 'Good' or above. With the upcoming expansion of the free entitlement to 30 hours focusing attention on early years, respondents were worried about their ability to carry out long-term planning while maintaining ongoing quality improvement. Additionally, it was noted that early years budgets are currently dependent on strategic decision made at the local authority level, leading to varying levels of support across different regions. A number of respondents stated that re-establishing quality improvement as statutory duty would prevent further reductions in funding, while others expressed a wish for the budget allocated for the work to be ring-fenced.

Aside from funding, by far the most common suggestion for supporting higher quality care was for a stronger remit for local authorities from central Government. Many local authorities felt they no longer had a directive from Government. This reduced the leverage early years teams have to ask struggling settings to participate in quality support arrangements. A common suggestion was to clarify that quality support arrangements should extend to all settings. Reasons for this included helping local authorities to maintain relationships with all providers and spot quality problems at an early stage, protecting the capacity within local authorities to deliver support, and reducing any stigma associated with participation in quality improvement arrangements.

Several local authorities highlighted the strong links between business sustainability and quality. Where serious problems arise, it is often the result of a 'spiral' of decline as a manager struggles to provide adequate resources within the setting, morale declines, leadership weakens and staff turnover increases. Even among good settings, many cannot afford to send more than one member of staff on training, which means that most staff members receive training second hand if at all. One local authority highlighted that the cumulative financial impact of the 30 hour offer, the new national living wage, rent increases as property prices rise, new pension requirements and pressure to employ qualified staff could exacerbate these challenges.

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## Survey of local authority early years teams

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The relationship with Ofsted and the regional Ofsted HMI (Her Majesty's Inspector – each region has a lead early years inspector who acts as a liaison with local authorities and settings) was important to local authorities. One role that several early years staff felt was particularly helpful to local early years providers was as a 'user friendly' face for updates to the early years regulatory and inspection framework, particularly when these changes are relatively technical.

A specific issue raised by a number of local authorities was the lack of data to identify the effectiveness of settings in the early years. Several local authorities suggested using the integrated review for two year olds and a reinstated EYFS Profile assessment to track children's progress and proposed that local authorities could collect this data. This would allow settings to understand how well they are contributing to good outcomes for children and the local authority to support individual settings and develop a more effective area-wide strategy to improve outcomes and narrow developmental gaps.



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## 5. Conclusion and recommendations

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The local authority role in supporting quality in early years provision remains crucial for a variety of reasons. Improving the quality of early years provision helps local authorities improve long term outcomes for children and potentially make long term savings. Patterns of local early years services are highly fragmented and require careful, locally designed strategies to promote quality, affordability and flexibility. The majority of early years providers are single site services with modest internal resources in terms of time and money to invest in quality improvement. This means that local authorities continue to be the principle driver of quality improvement through formal partnership schemes and training opportunities. Moreover, local authorities must be able to develop a broad quality strategy in the early years to effectively meet their duties under the Childcare Act 2016 to narrow developmental gaps and support the most vulnerable children.

### The Early Years Single Funding Formula

The analysis of the EYSFF in this report highlights that there is no consistent approach to supporting quality in early years provision. Flexibility in the design of early years funding can be justified by variations in patterns of local services and the most pressing funding priorities. However, given the importance of quality in delivering key policy outcomes, a funding system that largely ignores quality is unsustainable.

Three steps would ensure that quality is sustainably built into early years funding. First, the Government should explicitly articulate its quality aims in the early years, ensuring that guidance on funding early education makes reference to the aim of improving developmental outcomes for children. In particular, increasing the proportion of children receiving graduate-led care is currently an implicit aim of Government policy, recognised as important by ministers, but is not incorporated explicitly into policy and funding frameworks. Until the Department for Education explicitly articulates its policy aims, they are unlikely to translate into action and funding at a national and local level.

Second, early years funding must be put on a properly evidenced basis. At the moment, neither the Government nor local authorities understand whether and how the way that free early education is funded supports quality. The starting point for designing early years funding in future should be a requirement that local authorities establish a baseline cost for early education that takes account of the actual cost of delivering high quality care at a local level for different types of providers. Allocations to providers should always cover key elements of high quality care such as qualified, well-trained staff; sufficient time for staff to monitor children's development and plan care; and staff participation in continuing professional development. There are challenges for local authorities in gathering robust data on provider costs due to the fragmentation of the early years market and lack of consistent business practices across settings. The Department should ensure that commissioners have sufficient guidance and tools to gather data and make a credible estimate of the local cost of delivering high quality care.

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## Conclusion and recommendations

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Finally, quality should be explicitly recognised as the key driver of early years funding. We do not recommend mandatory quality supplements linked to Ofsted ratings for several reasons. First, there is insufficient evidence that a good Ofsted grade of itself means that a setting is successfully improving outcomes for children. Linking funding to Ofsted grades would risk creating complacency about the standards needed to improve outcomes for children given the limitations of Ofsted assessments. Second, it is important that funding always covers the cost of high quality care. Providers that are struggling financially have greater difficulty delivering high quality care and can enter a spiral of decline. Linking funding to Ofsted grades risks creating perverse outcomes where the gap between poor and good providers widens. Finally, the infrequency of Ofsted inspections – up to four years for ‘Good’ providers – means that such supplements would be a poor short- to medium-term incentive to improve.

In most cases it is likely that the best approach to funding high quality early education is to use a simple formula that offers sufficient funding to enable settings to deliver high quality care. This does not mean the same amount of funding is suitable for all settings of the same type – settings caring for a high proportion of children from disadvantaged backgrounds should receive additional resources. However, the evidence guiding the design of deprivation supplements must be improved. The EYFFF should be an enabling system that makes it possible for settings to deliver high quality care, with improvement driven by setting leaders, staff themselves and the right support structures through quality networks and accessible training, and ultimately through accountability to Ofsted.

This report highlights that the proportion of children receiving graduate-led care is actually falling in a significant proportion of local authorities. Staff already working in the early years can struggle to access graduate training courses because they cannot afford to work part-time (or their employer cannot offer them a flexible role). Qualified early years graduates can also find that there are no positions available to them because providers cannot afford to offer graduate salaries.

Graduate funding should be incorporated into the structure of early years funding. The current statutory guidance for early years makes no reference to the importance of funding graduate staff or teachers in the early years. The Department for Education should use statutory guidance to require that local authorities meet the cost of graduate-led care through funding allocations and offer funding to support staff working in the early years to access graduate training courses. In turn, the Department must take account of the funding needed by local authorities to sustain and increase the proportion of children receiving graduate-led care.

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## Conclusion and recommendations

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### Early years quality improvement teams

Our survey suggests that early years teams have been vulnerable to funding cuts even as early years provision expands and quality moves up the policy agenda. The Government's strong pursuit of a school-led quality improvement system should not crowd out a more positive approach to local authority work in the early years where the local authority role continues to be crucial. It is understandable that the Government wants local authorities to adapt to its vision of system in which providers have more responsibility and freedoms. However, early years provision remains a fragmented sector dominated by small providers that often do not have the capacity to arrange, fund or access best practice quality improvement arrangements. Moreover, the complex patchwork of early years services requires system leadership to work as an effective, integrated network.

Our survey and interviews with local authorities suggest that early years teams are taking a flexible and proactive approach to adapting to a stronger emphasis on provider autonomy, but are concerned that the current system is leaving gaps in monitoring and support arrangements. There is no reason for an 'all or nothing' approach to local authority relationships with providers. Providers value sensibly designed support from local authorities, particularly when it can help them to deliver higher quality care for children and improve their Ofsted rating. There is a constructive route forward where the respective roles of Ofsted, local authorities and providers are well-understood, recognised and supported.

Given pressures on local authority budgets, any signal from the Government that supporting quality in all early years provision is not a priority risks encouraging local authorities to introduce and increase charges for non-statutory services. In turn, there may be little support and training available to providers that is affordable; several local authorities suggested that this was already a problem in their area. Providers that achieve a 'Good' or better Ofsted rating unfortunately are often not financially well off; excluding these providers from the support offered by local authorities may perversely undermine quality in improving services and store up future problems.

One benefit of early years funding reform is the opportunity to clarify how quality improvement and training will be funded. One route forward would be to create best practice standards covering continuing professional development and quality improvement, incorporate these where appropriate into the EYFS and adjust early years funding allocations to include sufficient funding for this activity. This would empower providers to take responsibility for quality improvement and allow local authorities to focus on their strategic duties. However, without clear guidance and additional funding – particularly for small single site providers and childminders – shifting this burden to providers is likely to lead to lower standards and a diminished focus on quality. The future balance of responsibilities between providers and local authorities requires careful consideration.

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## Conclusion and recommendations

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There is disappointingly little focus in many areas on building inclusion capacity in PVI settings. In many cases, SEND support for PVI settings appears to be threadbare, with maintained settings often relied on to provide services to children with SEND. There is also a potentially problematic confusion and ambiguity in the early years SENCO role. The Department for Education might usefully clarify the responsibilities local authorities have to support early years providers and the distinct role of qualified early years SENCOs. The reality remains that it is extremely difficult for early years providers and local authorities to make progress without proper resourcing of inclusion in the early years.

Lastly, this report has focused on quality in universal free early education but there is a small group of children, such as those who are looked after, where carefully tailored early years provision is often needed. For example, a child settling in new fostering or adoption arrangements might not initially participate in early education but move in the long-term into a place in a setting in which the local authority is very confident of warm, high quality care. We have seen evidence that some local authorities may not always be working in a way that means these cross-cutting links are made, so that some of the children who most stand to benefit from high quality care miss out. One benefit of refreshing guidance on the local authority role in the early years would be that the work of early years quality improvement teams, which to some extent is still shaped by a statutory framework put in place ten years ago, is integrated with wider local authority work.

### Recommendations:

- ▶ **The Government should use the forthcoming Life Chances strategy to clarify and strengthen the strategic role of local authorities in closing the gap in the early years.** The early years are a critical opportunity to change life chances before inequalities are entrenched. The Government gives local authorities a strong remit as system leaders to support and improve the quality of local early years provision and improve outcomes for children. As early years funding reform proceeds, the Department for Education should ensure that it is clear how local authorities will be funded to meet statutory duties in the early years.
- ▶ **Local authorities should prioritise early years quality improvement.** In order to drive improvements in outcomes in the early years, local authorities must develop and maintain a coherent strategy to support high quality provision that informs decisions about early years funding and the capacity of early years teams. Ongoing cuts to early years teams and a retrenchment towards the minimum viable activity is likely to be counter-productive in the long term.
- ▶ **The Department for Education should increase funding allocations for free early education to meet the costs of delivering high quality care.** The Department should use examples of outstanding practice to identify the cost implications of quality, such as the out of ratio time needed to monitor children's development and plan care and the cost of continuing

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## Conclusion and recommendations

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professional development, and ensure that minimum funding rates meet the cost of care. Funding allocations should be increased automatically as the proportion of qualified staff and graduates working in the sector increases.

- ▶ **Local authorities should improve the evidence base they use to fund early education.** To support well-evidenced funding allocations at a national and local level, local authorities should routinely collect evidence on provider costs. Local authorities with complex funding formulas should consult with local providers and give consideration to simplifying funding with an emphasis on raising setting-wide quality.
- ▶ **A dedicated fund should be re-established to support local authorities to increase the proportion of children receiving graduate-led care.** Local authorities need flexible funding to increase graduate leadership, for example to cover the cost of care while non-graduate early years staff earn a degree or postgraduate qualification, and to support graduate leaders for childminder networks and sessional providers where funding allocations to providers are unlikely to be sufficient.
- ▶ **The Department for Education should dramatically improve the strategic policy and funding framework to support inclusion of children with SEND in private and voluntary early years settings,** recognising inclusion as a critical element of achieving high quality. This can be achieved by requiring and funding local authorities to:
  - Ensure the availability of specialist advice and training to early years providers through qualified early years special educational needs coordinators.
  - Set out clear, simple and timely arrangements for top up funding to develop inclusive capacity within settings and support the needs of individual children with SEND.
  - Provide a widely accessible training offer designed to build the capability and confidence of non-specialist early years professionals to identify and meet the needs of children with SEND.

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## 6. Appendix: Local authority case studies

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### Case study: Camden Early Years Quality Improvement Team

The Early Years Quality Improvement Team (EYQIT) in Camden has sought to develop its approach to supporting local providers in the light of the clear signal from the Department for Education that Ofsted should be the sole arbiter of quality in the early years. After reflecting on and identifying clearly what it is that providers need in order to achieve positive inspection outcomes, the team has sought to consolidate a collaborative approach to quality improvement through the introduction of the Camden Early Years Providers' Partnership to local PVI settings from September 2015.

The early years team offers a voluntary partnership agreement to providers holding a 'Good' or 'Outstanding' judgement from Ofsted. The agreement sets out the support and benefits to which settings are entitled, including:

- ▶ access to a fully funded termly continuing professional development programme;
- ▶ access to advice and signposting on policies, procedures and qualifications, accredited courses and drop-in EYFS advice surgeries;
- ▶ regular updates on early years policy and issues, including a termly Ofsted/DfE briefing;
- ▶ support with projects such as Forest Schools, Music Leaders, Process Oriented Monitoring System (POMS), and Movement Play;
- ▶ support with self-evaluation;
- ▶ an annual conference ;
- ▶ access to the Early Years Professional/Teacher Network run with Islington; and
- ▶ access to a register of best practice.

In return for these benefits, members agree to attend the termly briefings, accommodate annual visits from the EYQIT advisors and implement a collaboratively developed action plan. This year's annual visit incorporates an audit of practice, including:

- ▶ a joint observation of teaching and learning using a specifically developed audit tool;
- ▶ a review of the learning environment;
- ▶ moderation of progress tracking, including two year old checks; and
- ▶ a review of welfare requirements.

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## Appendix: Local authority case studies

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The annual visits allow the advisors to review the needs of settings and feedback any concerns and areas for improvement. The joint observation tool has been useful in equipping providers with a language to articulate what the quality of teaching looks like in their setting (some providers have incorporated the tool into their performance management processes). Providers have felt empowered during joint inspections by being able to produce the tool and say to inspectors "this is what we use". The agreement ensures that the early years team maintains contact with all local settings and provides an opportunity to continue good relationships with providers. All qualifying private and voluntary settings in Camden are currently members of the partnership, reflecting the mutually beneficial nature of the agreement.

The partnership helps settings to prepare for Ofsted inspections and achieve good inspection outcomes, but also encourages a sustained approach to quality improvement: monitoring, planning and taking action are not seen as one-off activities but are part of a continuing process where contact and follow up ensures settings and the early years team learn and reflect on the impact of their work.

Settings which are graded as 'Requires Improvement' or 'Inadequate' are invited to join an 'action group' that meets termly and offers a tailored programme of support. The group, which also extends to newly registered settings, has been developed with the aim of encouraging collaborative improvement and ensuring that struggling providers do not feel singled out. Camden has made the decision to advise settings in the action group on which trainings to attend: in the past, the team found that some of these settings were not thinking carefully about who should attend, which courses best met their needs or how learning could be disseminated later back at the setting. Because the training is fully funded it is important that best use is made of it.

The early years team also facilitate a termly forum for 'Outstanding' settings which identifies sufficiently challenging training for the group, supports contact between these providers and enables them to disseminate best practice. Members of the forum also work with providers from the action group, which benefits new or struggling settings and helps 'Outstanding' settings to generate evidence to put towards maintaining their Ofsted rating. Separately, Camden's nine maintained children's centres and nurseries work together to improve their practice in many ways: a successful example being the Peer Project, facilitated by the EYFS Manager and the two Children Centre Development Managers, where for nine days each year, three clusters of three settings work together in the mornings taking turns to observe and evaluate each other's practice followed by an afternoon session where all nine settings come together for related training.



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## Appendix: Local authority case studies

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One of the tools that the early years team has developed to help settings record children's progress during their time at a setting is the Camden Early Years Foundation Stage Record. Development is measured across the seven areas of learning by observing how children are performing in relation to an expected standard for their age group.

In the maintained children's centres and nurseries, cohort data is collected twice each year and the results are coded on a spreadsheet provided to the setting. The data allows practitioners to reflect not only on the progress of individual children but on the quality of their practice, and is an opportunity for flagging up weaknesses in particular areas of learning or rooms within the setting and plan next steps. For example, one setting using the tool identified a weakness in developing numeracy with its children and sought training for its staff to address the problem. The tool has reinforced the importance of small group work and encourages practitioners to think about what stage children are at in their development and whether this is a good reflection of their capability. In addition to supporting quality improvement across the setting, the tool specifically supports good practice for the Early Years Pupil Premium and the two year old offer. Over a third of private and voluntary settings have also received training in using the tool to date.

A partnership group is also available to childminders in Camden, offering similar benefits and pre- and post-Ofsted inspection support. All childminders are invited to join the partnership irrespective of their inspection outcome. Currently, 87 per cent of childminders have joined the partnership. Childminders are asked to attend at least one forum meeting and one training session each year other than safeguarding or first aid. Training for childminders is organised on Saturdays and evenings (however, weekday sessions for PVI providers are also open to childminders). As well as promoting high quality practice, the partnership has sought to build confidence and raise the profile of childminders in the local area: a code of conduct has been devised in consultation with the childminder forum, children's centres are provided with a file of childminder profiles that can be browsed by parents, and an annual celebratory event is organised for childminders. In future childminders and settings that achieve an 'Outstanding' Ofsted grade will receive a letter and book token to recognise their achievement.

Overall, Camden's approach reflects a strong commitment to ensuring local provision is contributing to good outcomes in the early years alongside a recognition that the early years team must adapt to the changing policy context. By developing a collaborative relationship with providers, the team has been able to meet a strategic need for quality improvement support – contributing to a continuing improvement in the Ofsted ratings of local providers – and maintaining its ability to spot and address problems at an early stage. The latest Ofsted quarterly figures graded 95 per cent of settings and 85 per cent of childminders in Camden as 'Good' or 'Outstanding'.



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## Appendix: Local authority case studies

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### Case Study: Bristol City Council

Bristol City Council has developed an approach to early education which supports service-led quality improvement, delivering a wide range of advice, guidance and training in partnership with a number of private, public and voluntary bodies. Their strategy is centred on improving life chances for children through dedicated leadership and a strong integrated early years offer. A consortium of three nursery schools with teaching school status are funded to co-design and deliver quality improvement services and continuing professional development for practitioners across Bristol. The local authority has a key role in providing the overview and strategy which informs the design of services, as well as facilitating connections between different sectors and groups.

Ongoing quality development can be accessed through three area-based networks, co-ordinated by Network Lead Teachers with contributions from lead teachers in local children's centres. The networks offer an opportunity for training and sharing best practice, planned according to provider need or national priorities, and are supported by early years consultants. Similarly, there are three area-based childminder hubs, led by outreach lead teachers in children's centres, who offer access to services for children and childminders as well as opportunities for professional development. The local authority also offers further training to childminders who wish to provide a service to vulnerable children; for example, providing care for children whose carers are receiving treatment for substance abuse.

In addition, the teaching consortium designates a Specialist Leader of Education (SLE) for topics identified alongside the local authority as being priority areas for early education in Bristol, e.g. early maths, inclusion, birth to threes. Teaching school heads meet with representatives from the early years team roughly every six weeks to scrutinise progress and review Ofsted reporting and other local information in order to highlight areas which could potentially benefit from additional support. They can then deploy the relevant SLE to consult with settings and provide specialist coaching and facilitation to help improve their practice. For settings who have been graded as 'Requires Improvement' or 'Inadequate', the local authority will designate an early years consultant to offer support in a 'team around the setting' model, in addition to signposting ongoing training opportunities.

Bristol has a highly qualified early years workforce (in 2014, 76 per cent of children receiving free childcare in PVI settings were accessing graduate-led care), which can be attributed in part to the research-engaged culture which has been cultivated within local early education services. Action research is promoted as a key driver of quality and a means of empowering staff to develop their own practice and that of those around them. The early years partnership has close links with local universities and is currently working to develop a Masters level module to train specialist leaders in education. All settings also have access to the Bristol Standard, a self-evaluation framework developed by the local authority and based on research from the Effective Early Learning project. The framework provides resources to support a continuous process of

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## Appendix: Local authority case studies

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quality improvement through evaluation and planning, designed to be accessible and practical for all types of provider. Along with enabling practitioners to understand and articulate the impact their work makes, the whole setting approach promoted through the Bristol Standard aims to encourage staff to reflect collectively on their practice and build strong early years teams.

### Case Study: Calderdale Council Early Years Learning and Childcare Service

Calderdale Council's Early Years Learning and Childcare (EYLC) service seeks to be responsive to local need and to address quality concerns as they arise. The team uses Ofsted grades to determine the level of support offered to settings, with those rated as 'Requires improvement' or 'Inadequate' attracting the highest level of support as required by statutory guidance. A multi-agency approach to quality monitoring allows the team to further target their activity using local knowledge, self-referrals and feedback received from other local authority staff. The team holds a weekly 'seniors meeting', bringing together staff from the Quality Improvement and Support team, the Portage and Early Years Support Teacher team and the Early Years Childcare Sufficiency team. There are also monthly Early Years Managers meetings, chaired by the EYLC Service Manager, which include the Business and Finance, Workforce Development and School Effectiveness teams. These meetings ensure that information is shared enabling all teams to deliver effective support where it is most needed. The EYLC team has a robust strategic service plan, including action for improvement of outcomes, which is agreed at DCS (Director of Children's Services) level.

Local settings and schools can access a range of quality improvement activities facilitated by the local authority. Monthly 'sharing good practice' meetings are free to all settings, facilitated by a member of the early years quality improvement and support team. Each meeting has a different focus, such as safeguarding, moderation of assessments, common themes from recent Ofsted inspections and topics such as promoting individual areas of learning and development. A Quality Improvement officer is on hand to respond to any questions and feed further updates or information back to settings. The EYLC team host an annual conference, to which all providers are invited; this is focused on ways to effectively narrow or close attainment gaps and is also used to celebrate examples of good practice from provision across the borough.

Providers will also have access to the Disabled Children's Access to Childcare (DCATCH) service. This is run by the local authority Learning Services in conjunction with other partner agencies. It is designed to support early years providers to meet the individual needs of children with SEND, working on the principle of inclusive care for all children through a holistic approach. It looks at a range of ways to support children's individual needs including partnership working, enhancing staff to child ratios and providing training for early years practitioners to increase confidence in the SEND agenda and raise the quality of inclusive practice. DCATCH are working alongside the Portage and Early Years Support Team to continue to promote and support the

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childcare sector in raising awareness of the 2014 SEND reforms through Basic Inclusion training, SENCO Roles and Responsibilities, Key Working and Additional Needs Support Planning using a Person Centred Approach.

Both PVI and maintained settings have the option to buy into the Steps to Quality programme. Steps to Quality is a quality assurance scheme written and owned by four local authorities in the Yorkshire and Humber region: Calderdale, Hull, North Lincolnshire and York. The scheme has three steps which help settings to develop and build upon good quality practice, progressing from meeting regulatory requirements and identifying aspects of quality towards establishing a holistic and continually reflective quality improvement cycle. Providers who sign up to the basic Steps to Quality package get an introductory visit, four mentor visits and a full assessment visit of up to five hours. A portfolio is submitted prior to the assessment visit in which the setting highlights and signposts how it is meeting criteria across five quality standard areas. On achievement of each Step, providers are presented with a certificate, leaflets for parents and a large vinyl banner to display outside the setting. On achievement of Step 3 settings also receive pin badges for staff and a plaque to display in the setting.

The team aims to contact settings rated as 'Good' or 'Outstanding', and who have not been identified as needing additional support, at least once annually in order to offer a support visit. This year the team are also offering a focused safeguarding visit in order to support settings to complete the safeguarding self-audit and submit the Section 11 audit to the safeguarding board. Additionally, the team will be offering a focused teaching and learning support visit later in the year as this has been identified as an area of need. All settings are also encouraged to invite a member of the early years team to their Ofsted feedback session, so that an action plan can be put in place as soon as possible if concerns are raised. The team will signpost relevant training opportunities or will organise bespoke training to address issues raised by Ofsted.

Settings which hold a 'Good' or 'Outstanding' grade but have been identified by staff as being due an inspection, or potentially in need of further support, are also targeted for focussed support visits from the Early Years Quality Improvement and Support team who will contact the provider to discuss their needs and offer a quality improvement visit. Providers that receive a 'Requires improvement' or 'Inadequate' judgement from Ofsted are offered intensive support until they have addressed the issues brought up in their inspection report and prepared for their next inspection. This process starts by inviting the provider in for a Local Authority Challenge meeting where future Early Education Funding and the appropriate support package are agreed.

Childminders are supported to develop the quality of their practice through targeted support, dependant on Ofsted grade and when inspection is due, and a combination of peer support, learning and development opportunities and a quality assurance programme. Calderdale currently has a fully funded childminder network approved by PACEY which supports practitioners and provides ongoing quality improvement services. The 64 network members can expect four monitoring visits per year, one of which will be unannounced. The EYLC

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team organises general Childminder Support meetings as well as an annual conference and Childminder Day which encourage information sharing and allow practitioners to promote their own specialisms. For example, this year the Childminder Day is focusing on outdoor play; the event is being held in a forest activity centre and childminders specialising in forest school have planned activities for the day.

The EYLC team has also appointed a number of Peer Support Childminders, a role which typically involves working more informally with local childminders to improve the quality of their practice, facilitating drop-in meetings and disseminating information. The peer support approach can be particularly effective for practitioners who are apprehensive about requesting support from local authority staff but may be happy to receive assistance from their peers. Peer Support Childminders receive regular supervision from the early years team and have regular meetings and training to ensure that they can share up to date information more widely amongst local childminders. The role can also be a valuable opportunity for career progression, with some Peer Support Childminders having moved into local authority employment.

Further quality improvement programmes are coordinated by a Narrowing the Gap steering group, chaired by the EYLC Service Manager, which focuses on raising attainment amongst children from vulnerable groups. The group, which incorporates staff from a number of local authority agencies as well as representatives from local schools and PVI providers, meets to evaluate the success of current strategies and projects. Recent work includes overseeing the dissemination of the Making Children's Learning Visible programme, developed by Pen Green Centre, which is designed to help practitioners and parents better engage with and assess the educational progress of all children, including the most vulnerable. The steering group has also supported a project, funded by Public Health England, aimed at improving young children's transitions, both from home into early education and from early years settings into school-based provision. 'Speed dating' type events were organised to allow staff from schools and PVI settings to share information about transitions and have more informal discussions about the issues involved. A package of support was also offered to settings which supply places for vulnerable two year olds, providing training and resources to encourage them to conduct home visits before the children come into the setting.

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