Partial Regulatory Impact Assessment

Early Years Foundation Stage

Objective

1. The Government seeks to establish a single coherent phase of development for all young children (Early Years Foundation Stage (EYFS)), as announced in the 10 year strategy for childcare ‘Choice for parents, the best start for children’. The EYFS will provide a flexible system that fosters and supports children’s development from birth to five, where they will interact with adults that are appropriately trained and experienced; in environments that are safe, caring and loving. The EYFS will ensure that the approach of practitioners will be age appropriate, through making sure that there are different activities for children of different ages and at different stages of their development. Through the EYFS parents can feel secure knowing that all early years settings will allow children to progress at a pace that’s right for them as individuals, taking account of any particular needs they may have.

Background

2. Following the publication of Every Child Matters, which put children at the centre of service delivery, the Government introduced its 10 year strategy for childcare. The Childcare Bill takes forward the legislative commitments made in the 10 year strategy. In the Ten Year Strategy, the Government proposed to create a single quality framework for services for children from birth to five.

3. Currently those who care for children from birth to three have to follow the non-statutory guidance Birth to Three Matters to support children in their earliest years, and those who caring for children aged three to five and in receipt of funding for the free entitlement have to follow the statutory Curriculum guidance for the Foundation Stage, to support children from three to end of the reception year.

4. As well as these educational frameworks, there are 14 national standards for day care and childminding set by government. They represent a baseline of quality below which no registered childcare provider may fall. There are 5 sets of standards documents containing the same 14 standards, but with slight variations in the supporting criteria depending on the type of care setting. The standards and supporting criteria are additionally supported by guidance from Ofsted.

5. The 5 sets of standards cover:
   • childminding
   • full day care
   • sessional day care
   • crèches
   • out of school care.
6. Each Standard has supporting criteria which gives pointers about how it can be met. Providers must have regard to these detailed criteria when deciding how they will meet the Standard.

**Childcare Bill**

7. The Childcare Bill provides for the creation of the Early Years Foundation Stage, to be launched in 2008 and to be compulsory for all Ofsted registered early years providers as well as independent, maintained and non-maintained special schools with provision for children from the age of 3 to the end of the academic year in which they turn 5.

8. The EYFS will bring together the current non statutory Birth to three Framework, the statutory Foundation Stage and elements of the statutory National Standards for under 8s daycare and childminding into a single framework. The EYFS will rationalise the detailed criteria contained in the current national standards and create a level playing field across all providers. The EYFS will cover children’s development and learning experiences from birth to the 31st August following a child’s 5th birthday (or, if the child turns 5 on 31st August, on that day). The Childcare Bill will give the EYFS the same legal status as the Foundation Stage currently has under the National Curriculum, whilst also removing the Foundation Stage from the National Curriculum. Removing it from the National Curriculum will not mean that schools (in particular reception classes) are exempt from delivering the Foundation Stage as they will still have to deliver the new EYFS.

9. All these provisions under the Childcare Bill are currently being examined and debated in the Houses of Parliament and are subject to the Bill achieving Royal Assent

**Rationale for government intervention**

10. The EYFS should help raise quality and standards in all settings and respond directly to research that highlights the key quality factors that contribute to better outcomes for all children by providing a practical framework from birth to five that integrates care and learning and betters reflects the way in which children learn and develop.

11. By bringing together the current non statutory Birth to three Framework, the statutory Foundation Stage and elements of the statutory National Standards for under 8s daycare and childminding into a single reference point, the EYFS should make it easier for practitioners to know what is expected of them.

12. Furthermore, with all providers following the same statutory framework, the EYFS will help to create a level playing field between maintained, voluntary and private sectors, ensuring a consistent, high quality experience for all children, regardless of which setting they attend.

13. The EYFS will take as its starting point the five outcomes set out in Every Child Matters and the Children Act 2004:

   • Be healthy
   • Stay safe
• Enjoy and achieve
• Make a positive contribution; and
• Achieve economic well-being.

14. This outcomes framework has been developed since the publication of Birth to Three Matters and the Foundation Stage, and therefore, some reworking in structure, but not in basic content, is necessary to ensure a coherent outcomes-based approach. The Government will continue to provide a framework that supports providers in the delivery of learning and development experiences, tailored according to each child’s age and stage of development.

15. The existing legal framework makes a distinction between childcare and education, with separate requirements for each. Many providers offer both childcare and nursery education and are therefore subject to both regimes. In future, settings will be registered and inspected once against the EYFS- removing unnecessary duplication.

16. Furthermore for young children, care and learning reinforce one another. Recent research\(^1\) has shown that settings which fully integrate care and education, promote better intellectual and social development in children and the EYFS will reflect this research. Therefore EYFS aims to make care and education mutually reinforcing providing a system that not only better reflects the way children learn best but reflects current practice within early years settings.

**Consultation**

**Within Government**

17. The Government has consulted within and shared early thinking with 10 year strategy partners including HMT, Department for Health and Department of Work and Pensions. The Government have also consulted the Office for Standards in Education, in their role as the regulator of childcare and inspectorate of early education. The Government also consulted across Whitehall on the Childcare Bill which contains the legislative framework for the EYFS, including a Regulatory Impact Assessment for the Bill as a whole.

**Public consultation**

18. The success of both Birth to Three Matters and the Foundation Stage has been largely due to the early years sector’s involvement in their development. The Government has continued this approach during the development of EYFS.

19. Groups of practitioners, heads of centres, headteachers and national organisations have all already contributed to thinking on the early direction of the EYFS. In addition discussions have been held with local authority early years staff and lead early years staff from higher and further education. The Department shall continue to work with as wide a range of partners as possible so as to inform policy and material developments from April 2006 and beyond.

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\(^1\) The Effective Provision of Pre-school education research project 1997-2004
20. A formal consultation on the detailed content of the EYFS will take place in spring 2006. In order to ensure appropriate debate, a wide range of events have been organised and are being planned over April 2006 to July 2006. At these events the Government will aim to share a more detailed outline on the EYFS and share resource materials as they are developed. This Regulatory Impact Assessment will accompany this consultation. In addition, to ensure the Government secure the views of parents, a range of settings in four local authorities are being funded to seek the views of both children and parents.

Options

Option 1 - Maintain the existing regime

21. The Childcare Bill places a duty on the Secretary of State to specify ‘learning and development requirements’ and ‘welfare requirements’ which are together to be known as the EYFS. Therefore the option to leave the Birth to Three Framework as a non statutory document, the Foundation Stage as part of National Curriculum and the elements of the National Standards for under 8s day-care and childminding as separate frameworks is not viable if the Bill gains Royal Assent. The Regulatory Impact Assessment for the Childcare Bill examined options for progressing the plans outlined in the 10 Year Strategy – these ranged from maintaining the existing system, to using primary legislation and full regulation. The summary of the cost benefit analysis is contained within this Regulatory Impact assessment for reference.

Option Two- Full EYFS Statutory Framework

22. In considering the content of statutory regulations and guidance the Government have carefully ensured that we maintain the existing core content of the statutory Foundation Stage guidance and the national standards and appropriately reflect the widely welcomed aspects of the Birth to 3 Matters Framework. The new framework will ensure settings maintain and improve their provision for young children in an integrated way. The content of the legislative core document will therefore ensure:

• That there is a continuity of approach covering integrated care, learning and development opportunities from birth to the end of the Foundation Stage. This will help raise the quality of provision for our youngest children.

• That providers are clear about the regulatory requirements that they must meet, as well as having additional guidance to make use of and enhance the quality of the experiences provided for children;

• That early years providers and others can see how their work with children in their earliest years contributes to them achieving the early learning goals at the end of the Foundation Stage.

• That observation and assessment takes place to inform early learning and development opportunities from birth to 5 and support planning to meet and respond to the individual needs of children throughout the day. This will also support more effective earlier identification and intervention for children with special educational needs and/or disabilities.
• That settings work in partnership with parents to support the best possible outcomes for children.

Specific changes being made through secondary legislation and statutory guidance

Learning and development requirements

23. All early years providers will be required to deliver the EYFS and this may be a challenge for some providers, particularly those that are not familiar with the delivery of the Foundation Stage. However, at the same time many settings are already delivering high quality, integrated early education and care in line with the existing frameworks. If settings continue to work with LAs in raising standards and quality there is no reason why these settings including childminders and playgroups should not make the successful transition from the existing frameworks to the EYFS in 2008. Nevertheless, we would not expect the diverse range of early years settings to implement the new framework without appropriate training and support.

24. The Government aims to develop specific training to support the effective implementation of the EYFS in advance of 2008. The Children’s Workforce Strategy also sets out the key steps we plan to take to ensure all those working in the early years have the necessary skills and qualifications, in particular the development of the Early Years Professional Status and the Transformation Fund – see costs.

Welfare requirements

25. The Childcare Bill allows that welfare requirements (currently articulated in the National Standards) to be included in EYFS. For each of these areas, EYFS sets out the outcome which providers are required to meet, the requirements which they must comply with which go towards meeting those outcomes, and additional guidance and good practice. These requirements will be defined in regulation which will be put before parliament. The Government plan to recommend these regulations include requirements around:

• Safeguarding and Promoting Children’s Welfare;

• Suitable People;

• Suitable Premises, Environment and Equipment;

• Organisation.

26. The Childcare Bill was intended, in part, to be a deregulatory bill, providing greater coherence and simplification to the Regulation and Inspections system ensuring consistency and high standards whilst removing repetitious and parallel systems. As such, under the EYFS the Government does intend to revise the requirements currently in the national standards, stripping out those requirements which are unnecessary because of the learning and development requirements.
27. In particular, staff requirements will be more flexible. Applying the same ratio requirements across all settings except reception classes will lead to a more level playing field. The approach the Government are pursuing will not tighten the requirements on any provider, but will allow providers to apply more flexible ratios for 3 and 4 year olds if they have appropriately qualified staff.

28. The EYFS core document will set out the learning and development requirements and welfare requirements to be set out in one document, to ensure coherence and simplicity for providers, The Government intends to ensure that this document is accessible to a range of professionals working with families and children and that it should reflect the range of provision, including home based care, such as that offered by childminders.

**Costs and benefits**

**Option One – Maintaining the Existing Regime**

The summary of the cost benefit analysis contained in the Regulatory Impact Assessment for the Childcare Bill- published November 2005 is replicated below for reference

<table>
<thead>
<tr>
<th>Option</th>
<th>Benefits</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintaining the Status Quo</td>
<td>No clear benefits- as complexities would remain and serve to undermine the expansion of extended schools and children’s centres</td>
<td>Annual costs currently at £88 million but likely to increase as market grows</td>
</tr>
<tr>
<td>EYFS- Reform and Simplification-recommended</td>
<td>Deliver a system which concentrates on child outcomes by reducing bureaucracy and ensuring regulation is proportionate</td>
<td>Initial estimates suggest £66.5 million - £72.5 million annually (savings of 10-120%)</td>
</tr>
</tbody>
</table>

**Option Two – Full Statutory EYFS framework**

**Benefits**

29. **Practitioners** - For early years practitioners, a statutory EYFS will provide them with the crucial support they need to provide an effective range of play-based activities that provide children with the key skills needed for all future learning and provided in stimulating, safe and secure environments. The learning and development materials will provide practical guidance on what practitioners should do in observing and assessing children’s progress, planning for their individual development and the effective practice required to deliver the learning and development requirements effectively. The EYFS document will covers what providers must do in order to deliver early years provision. Covering both learning and development and welfare requirements, it describes how practitioners are expected to plan for effective care and education of children in the diverse early years sector.

30. The document will reduce bureaucracy for providers who are currently subject to both of the separate existing sets of requirements for care and education. The
EYFS will bring together the existing separate registration and inspection arrangements for childcare and nursery education in a coherent and seamless way. The Government will aim to look at reducing the administrative burdens on providers in line with the administrative burdens measurement project. Furthermore, without integration of the Every Child Matters framework into the EYFS, providers may find it more difficult to ensure coherent outcomes based on their early year’s provision. Likewise OfSTED inspect against the ECM outcomes and the EYFS will make it easier for providers to ensure that they are in line with this inspection framework.

31. The Government are taking forward a significant training programme and the Children’s Workforce Strategy sets out the key steps we plan to take to ensure all those working in the early years have the necessary skills and qualifications. The Government shall also ensure that we meet the specific training and development needs of early years practitioners responsible for delivering the new EYFS.

32. **Children** - The early years are a crucial stage in children’s learning and development. EPPE (Effective Provision of Pre-school Education) has shown that pre-school has an important impact on children’s development. Disadvantaged children in particular can benefit significantly from good quality pre-school experiences. The EYFS will be a distinct and coherent birth to five phase, and will better reflect the way in which children learn and develop and will therefore help improve the quality of a child’s pre-school experience. EPPE found that integrated settings (those centres that fully combine education with care) tend to promote better intellectual outcomes for children and the Government want to build upon this. Care cannot be considered to be of good quality unless it provides opportunities for children to learn and develop. Conversely, learning cannot be considered to be of good quality unless it is provided within an environment where all children feel safe, secure and included. At the moment there is an unhelpful distinction between the two which may impinge on beneficial outcomes for children and without this formal integration of care and learning children may miss out on an appropriate level of quality in their early year’s provision.

33. **Parents** - The EYFS will provide an opportunity to embed the most effective approaches as identified in research and highlight the importance of the involvement of parents in this process. Working in partnership with parents will be a crucial part of the EYFS and key in planning to meet the individual needs of children. It will help raise standards in supporting early learning and development and support practitioners to help children attain competence in a number of key skill areas together with supporting their confidence, opportunity and desire to use them.

34. By applying the same system to all providers the Government will ensure a level of consistency and quality across all settings which should give parents confidence that all settings are operating to the same high level of quality. However, the EYFS will focus on outcomes for children and will be flexible enough to allow practitioners to also follow their own philosophy or methods. It will not introduce a prescriptive curriculum and should not be seen as requiring formal education for children below compulsory school age. The choice and diversity of early years providers available to parents should not be adversely affected. In addition, the Bill will introduce powers for providers to be exempted wholly or partially from delivery of elements of the EYFS, and for providers to exempt individual children wholly or partially at parental request. However, we anticipate that this exemption will be used only in
exceptional circumstances as the EYFS is fully flexible to accommodate the range of early years philosophies and inclusive of all children including children with SEN and/or disabilities.

Costs

Learning and Development

35. All settings which offer provision for children from birth until the point when they begin Key Stage 1 will be required to deliver integrated care and education in line with the EYFS. Any settings already deliver high quality, integrated early education and care in line with the existing frameworks. If settings continue to work with LAs in raising standards and quality there is no reason why they should not make the successful transition from the existing, rigorous frameworks to the EYFS in 2008.

36. Nevertheless, we would not expect the diverse range of early years settings, including playgroups and childminders, to implement the new framework without appropriate training and support.

37. The core costs to secure the delivery of the learning and development requirements will be to cover training and development. A key priority will be to support practitioners with limited experience and/or qualifications to deliver the EYFS effectively. From 2004-2006 local authorities received £144 Million to invest in improving the children's workforce. From 2006 to 2008, local authorities will be able to access the £3 billion invested in the sector through the General Sure Start Grant, one of which objectives is workforce training. In addition there will be £250 million available to local authorities from April 2006 to August 2008 within the Transformation Fund.

38. The Government aim to develop specific training to support the effective implementation of the EYFS in advance of 2008. The National strategies plan to develop these stand alone training modules. The proposal is for 6 modules (one for each element of the published Key Elements of Effective Practice - KEEP). There will also be an overview of the key messages around EYFS which will be delivered in Autumn 06 and Spring 07 in different ways at the following events;

- Events for LA lead FS advisers
- Events for Foundation Stage consultants
- HE/FE events
- Events for training providers including independent trainers

39. The Children's Workforce Strategy also sets out the key steps the Government plan to take to ensure all those working in the early years have the necessary skills and qualifications. The estimated figures for people training for Early Years Professional Status are: 770 for 06-07 and 6,174 for 07-08 (the year of course completion for these students will vary depending on the levels of qualifications and experience levels of the practitioners/students). However these figures are provisional and are likely to change as the CWDC develops the EYP standards and related training routes over the course of the next few months.
Transformation Fund

50. From April 2006 all EYFS practitioners can apply to their local authority for reimbursement of costs for staff undertaking training to acquire relevant Level 3 or higher qualifications. This can include training towards the Early Years Foundation Degree. Eligible costs are the same as for training funded through GSSG main revenue. It will also cover reimbursement of costs for staff undertaking training to work with disabled children and those with special educational needs. Again, eligible costs are the same as for training funded through GSSG main revenue. From September 2006, if you already employ a Level 5 or 6 graduate in a relevant subject, early years settings can apply to your local authority for a Quality Premium of £5,000 per annum (more in London) to spend mainly on additional professional development of staff. Practitioners can also apply to the Children’s Workforce Development Council (CWDC) for reimbursement of fees, bursaries, mentoring, travel and supply cover for your Level 5 or 6 leader of professional practice to undertake approved training to acquire Level 6 Early Years Professional Status.

Transformation fund allocations to CWDC over the next 2 Financial Years to support graduate level incentive

<table>
<thead>
<tr>
<th>2006-07</th>
<th>2007-08</th>
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<tr>
<td>£15.7m</td>
<td>£36.1m</td>
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Transformation fund allocations to LAs over the next 2 Financial Years

<table>
<thead>
<tr>
<th>2006-07</th>
<th>2007-08</th>
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<tbody>
<tr>
<td>£67.1m</td>
<td>£87.1m</td>
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General Sure Start Grant (GSSG)

51. Local authorities have been informed of their General Sure Start Grant (GSSG) allocation for 2006/08. The GSSG, totalling over £3 billion overall for 2006/08, includes all funds made available to Local Authorities (LAs) by the Sure Start Extended Schools and Families Group, with the exception of the Transformation Fund. In line with this, local authorities are required to ensure all early years education and childcare workers receive appropriate training, development and support from 2007 onwards that will enable them to successfully deliver the EYFS from 2008. In delivering the EYFS, the Government would want local authorities to decide how best to strategically plan and cascade training to the sector that meet local needs, ensuring same standards apply across the maintained and non-maintained (private, voluntary and independent – or PVI) sector.

LSC Funding

52. Under the Learning and Skills Act 2000, the Learning and LSC has funding and planning responsibilities for all post-16 education and training other than higher education. The LSC supports a range of provision for young people and adults including Skills for Life, Apprenticeships, Adult Learning particularly level 2 and level 3, Adult Community Learning, Business Support Skills and Investors in People. The LSC supports the sector through a range of funds including
mainstream LSC funds, European Social Funds, Local Workforce Development Funds and National Pilot/initiative funds e.g. Employer Training Pilot, Sector Pilots, Management Development and Leadership, Small Firms Initiatives and Level 2 Learner Entitlement trials in the South East and North East. LSC funds are not ring-fenced for sector activity; they are driven by local sector needs and demands. LSC colleagues work closely with Local Authorities/Early years Teams to meet the shared L2 and L3 targets. Over time we would expect EYFS requirements to be embedded within accredited qualifications for those joining the sector or wishing to become better qualified and the LSC will play its part in delivering such qualifications.

LSC funding over the next 2 Financial Years

<table>
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<tr>
<th></th>
<th>2006-07</th>
<th>2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£10,458.290m</td>
<td>£10,976.755m</td>
</tr>
<tr>
<td>2007-08</td>
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</tr>
</tbody>
</table>

Welfare Requirements

53. The Government envisages that the removal of the national standards and the creation of the welfare requirements will not result in a net increase in costs to most settings. This is because most changes are clarifications that do not require additional financial input, but may require providers to do things slightly differently in the organisation of their setting. In addition, the Government is proposing to strip out the duplication and overlap that currently exists between the national standards and the current learning frameworks (Birth to 3 Matters and the Foundation Stage). Some proposals will enable some providers to make savings.

54. However, since at full occupancy approximately 65% of a setting’s expenditure is on staff, it is changes to ratios and qualifications requirements which in financial terms would vastly outweigh other changes. The Government is not proposing to make changes that would affect the other large areas of expenditure, such as rent and rates.

Ratios and Qualifications

55. Our current modelling suggests the wage bill for the whole system is in the region of £5.6bn p.a., covering schools and the PVI sector. If the ratios requirements are changed in the way suggested, savings could be in the region of £100m p.a. Most of these savings would accrue to the PVI sector. However, if settings need to increase graduate salaries to draw more graduates into the market, this saving would fall. Further modelling work is proceeding on this but the changes will be supported by the transformation fund. In addition, full day care providers that already meeting the current requirements would not need to change their setup – but the opportunity is there if they wish to employ fewer but better qualified staff.

56. As the Government is applying one framework as far as possible across all settings, the qualification requirements for sessional care will be brought into line with those for full day care. The current requirement for full day care is that a supervisor has to be qualified to level 3, and half of all other staff to level 2. In a
sessional care setting, only the manager needs to be qualified to level 3, and all other staff to level 2. This will result in an increase in costs for some sessional settings which have supervisors other than the manager, as all supervisors will need to be qualified to level 3. Research consistently shows the impact that qualifications have on child outcomes, and the Government feels that this is an appropriate and affordable change to secure improved outcomes.

57. In 2005 there were 28,800 supervisory staff employed in sessional care settings. 74% (21,300) of them had at least a level 3 qualification. 90% (25,900) had a Level 2 (so 10% are currently below the necessary requirement.)

58. The regulation change would require 26% of staff (7,500) to improve their qualification to Level 3. At up to £1,200 per training course to convert Level 2 to Level 3 staff, the total cost will be in the region of £9m. These costs would be covered through the General Sure Start Grant detailed above.

Small Firms Impact Test

59. The majority of childcare is provided by small voluntary and private sector providers, with a few large firms having a relatively small share of the market. According to the latest available data from the December there are 107,243 providers, broken down as follows:

<table>
<thead>
<tr>
<th>Setting</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full day-care</td>
<td>12,851</td>
</tr>
<tr>
<td>Sessional Day Care Playgroups</td>
<td>9,857</td>
</tr>
<tr>
<td>Out of school clubs</td>
<td>10,344</td>
</tr>
<tr>
<td>Childminders</td>
<td>71,514</td>
</tr>
<tr>
<td>Crèches</td>
<td>2,677</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>107,243</strong></td>
</tr>
</tbody>
</table>

60. A key question is the impact the EYFS will have on the Childminding sector who, up until the implementation of EYFS, have not been required to formally deliver an integrated framework of care and education for children from birth to five. Childminders are often the main provider for children who are aged birth to three and have a crucial role to play in providing young children with an adult/child relationship that most closely mirrors that of a parent and child in the home (Attachment). These Childminders may have concerns over the EYFS, however whilst the birth to three matters was not statutory, good childminders will have used the birth to three matters framework in their practice and will recognise many of the elements from this framework in the EYFS.

61. Childminders who provide for older children may have concerns over how the EYFS will apply to them. Childminders have a crucial role to play in providing supporting provision for slightly older children and with this in mind, the Government does not necessarily expect each setting a child attends to cover the whole of EYFS. Providers must though collaborate to ensure that, between them,
they provide children with a broad range of experiences which, taken together deliver the whole of EYFS. The work of each setting should be complementary to the child’s other experiences, drawing on the strengths of each type of provision, the rhythm of the day and any other relevant factors to maximise the impact on their development. For example, some children may start the day with a childminder and go back to the childminder’s house after playgroup, nursery or school. Childminders, nurseries and parents should work together to plan children’s experiences across the whole day, continuing ‘themes’, where appropriate, in which children have become interested and involved. The hours spent at the childminder’s house will complement the children’s experiences at the other setting but may, for instance, involve breakfast, stories and cuddles, lying on the sofa, having snacks, feeding the rabbit and many other worthwhile activities. These activities and approaches are all part of the EYFS and important for children’s learning and development.

62. The EYFS will be structured to be inclusive of childminders, but the government will also make sure that effective delivery is linked to wider levers for quality improvement over time. The language used throughout the document will be accessible and the organisation of the documents make clear exactly what childminders have to do to meet the requirements, and it will also include case studies and training for small group (2/3 children) and one-to-one activities — as well as increasing guidance on how to plan effectively in different settings. By enabling a practitioner undertaking EYFS training to use that as a stepping stone to a Level 3 qualification, the Government are also increasing incentives for long term workforce improvement.

**Competition assessment**

63. Consideration has been given to the potential impact of the EYFS on competition. It is not envisaged that the number or size of firms would change significantly as the result of EYFS. Settings are already delivering the learning and development content in the form of the Foundation Stage and Birth to Three Matters and the welfare requirements in the form of national standards. All settings will be able to access training equally to bring them up to the correct standard if they need support in delivering the EYFS.

**Equality and Diversity**

64. The DfES believes that everyone should have an equal opportunity to meet their aspirations, realise their full potential and improve their life chances. The Department, under the Race Relations (Amendment) Act, has a general duty to assess the likely impact of policies that we are proposing to introduce on race equality. To this effect a Race Equality Impact Assessment is included in this RIA in Annex A

**Enforcement, sanctions and monitoring**

65. All providers will be subject to inspection by Ofsted. Ofsted will inspect the quality of the delivery of the EYFS and how well providers are meeting the welfare and learning and development requirements. Where relevant and necessary, Ofsted will be able to remove a registration or to require action to be taken to improve.
There will be certain regulations which, should they be breached, may result in a person committing an offence. A provider will commit an offence if they:

- Use physical punishments;
- Provide childcare whilst disqualified;
- Employ someone who is disqualified;
- Breach a condition of registration.

### Summary costs and benefits table

<table>
<thead>
<tr>
<th>Option</th>
<th>Total benefit per annum: economic, environmental, social</th>
<th>Total cost per annum: - economic, environmental, social - policy and administrative</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>2</td>
<td>The EYFS will be a distinct and coherent birth to five phase, and will better reflect the way in which children learn and develop. Furthermore, with all providers following the same statutory framework, this will help to create a level playing field between maintained, voluntary and private sectors, ensuring a consistent, high quality experience for all children, regardless of which setting they attend. For early years practitioners, a statutory EYFS will provide them with the crucial support they need to provide an effective range of play-based activities that provide children with the key skills needed for all future learning and provided in stimulating, safe and secure environments. It will also reduce bureaucracy for providers who are currently subject to both of the separate existing sets of requirements for care and education.</td>
<td>The costs to secure the delivery of the <strong>learning and development requirements</strong> will be to cover training and development for local authorities and settings. These costs will be delivered through a series of different funds, listed below. The GSSG, totalling over £3 billion overall for 2006/08, includes all funds made available to Local Authorities (LAs) by the Sure Start Extended Schools and Families Group, with the exception of the Transformation Fund. In line with this, local authorities are required to ensure all early years education and childcare workers receive appropriate training, development and support from 2007 onwards that will enable them to successfully deliver the EYFS from 2008. From April 2006 all EYFS practitioners can apply to their local authority for reimbursement of costs for staff undertaking training to acquire relevant Level 3 or higher qualifications. Transformation fund allocations to LAs over the next 2 FYs.</td>
</tr>
<tr>
<td>Option</td>
<td>Total benefit per annum: economic, environmental, social</td>
<td>Total cost per annum: economic, environmental, social, policy and administrative</td>
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<tr>
<td></td>
<td>Furthermore providers should be able to accrue savings from the changes to the ratio requirements. Most of these savings would accrue to the PVI sector. Our current modelling suggests the wage bill for the whole system is in the region of £5.6bn p.a., covering schools and the PVI sector. If the ratios requirements are changed in the way suggested, savings could be in the region of £100m p.a.</td>
<td>2006-07</td>
</tr>
<tr>
<td></td>
<td></td>
<td>£67.1m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LSC funding over the next 2 FYs</th>
<th>2006-07</th>
<th>2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£10,458.290m</td>
<td>£10,976.755m</td>
</tr>
<tr>
<td>2007-08</td>
<td>£10,976.755m</td>
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We envisage that the removal of the national standards and the creation of the **welfare requirements** will not result in a net increase in costs to most settings. However, since at full occupancy approximately 65% of a setting’s expenditure is on staff, it is changes to ratios and qualifications requirements which in financial terms would vastly outweigh other changes. There may be some costs to sessional providers as we are applying one framework as far as possible across all settings, the qualification requirements for sessional care will be brought into line with those for full day care. The current requirement for full day care is that a supervisor has to be qualified to level 3, and half of all other staff to level 2. In a sessional care setting, only the manager needs to be qualified to level 3, and all other staff to level 2. This will result in an increase in costs for some sessional settings which have supervisors other than the manager, as all supervisors will need to be qualified to level 3. The regulation change would require 26% of staff (7,500) to improve their qualification to Level 3 and this would cost -----------

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Annex A

Early Years Foundation Stage (EYFS) - Race Equality Impact Assessment

Introduction

1. The Department has a general duty to assess the likely impact of policies that we are proposing to introduce on minority ethnic groups. The DfES believes that everyone should have an equal opportunity to meet their aspirations, realise their full potential and improve their life chances. Providing that equal opportunity will make for a fairer and more prosperous society. We will work with our partners to ensure our policies and services recognise and respond to the diverse needs of all children, young people and adults, and to ensure that excellent learning experiences are universally available.

The EYFS Statutory Document

2. The EYFS has been developed to ensure all children have equal access to the range of integrated care and learning and development opportunities in early years provision. The EYFS has been developed with the intention of being fully inclusive of all children regardless of their ethnicity, culture, religion or belief, home language, family background, gender or ability. The primary focus of the EYFS is to meet the individual needs of children and there is significant flexibility to provide learning and development activities in a way that reflects the needs and circumstances of every child. For example the EYFS will value linguistic diversity and support practitioners to provide opportunities for children to develop and use their home language in learning through play.

3. The EYFS will seek to close the gap in early outcomes that can be observed from an early age. Many of these inequalities fall along lines of ethnicity (see FSP data 2002-2005) or are linked to disability or SEN. The EYFS will support practitioners in guiding young children through early learning experiences that are particularly beneficial to disadvantaged children (those experiencing economic disadvantage or at any disadvantage due to unmet needs).

4. Children from minority ethnic backgrounds will therefore benefit from the EYFS if effectively delivered, and tailored to needs. Disabled children and those with SEN will benefit from tailored learning arrangements that will help to minimise regressive conditions and development delays.

5. The EYFS will facilitate the provision of safe and supportive learning and caring environments, free from harassment, in which the contribution of all children is valued and where ethnic, religious, disability and gender stereotypes are challenged. All children will learn to value difference and diversity and to respect others. It will ensure settings demonstrate awareness and understanding of the requirements of different groups and reflect and respond to the culture, language, ethnicity, gender and ability of children. All settings that fall under the EYFS will be required to plan to meet the needs of boys and girls, children with SEN, children who are more able, children with disabilities, children from all social, cultural and religious backgrounds, children from different ethnic groups including travellers, refugees and asylum seekers, and children from linguistic backgrounds.
Support for Early Years Provision

6. In addition to the general funding being made available to support the early years workforce (please see Costs in the Partial EYFS Regulatory Impact Assessment) inclusion is part of the core business for LAs. They are already bound by clear duties through both the amended Race Relations Act and the Disability Discrimination Act. Funding to support settings develop inclusive early years environments is available within both the Direct Schools Grant and the General Sure Start Grant. In addition, the Transformation Fund can be used to train more staff across the early years workforce as a whole to work with disabled children and those with SEN.

Families not accessing services

7. £538M has been made available for capital investment and £487M for revenue investment in children’s centres services, focussing on the most deprived areas. The Sure Start Children’s Centre Practice Guidance provides valuable information to help improve service design and provision in a number of ways. It outlines the greater emphasis on outreach and home visiting needed to ensure that disadvantaged and excluded families who may be less likely to access services, do take-up and benefit from children’s centres. It also gives clear advice on how to reach all groups and how to involve them in service consultations.

8. The latest draft of the Code of Practice highlights that Local Authorities should seek to maximise take up of the free offer by looked after children and children at risk of becoming looked after. LAs also have a responsibility to identify and reach out to particularly disadvantaged and hard to reach groups within their local community with a view to maximising take up of the free entitlement and improving outcomes.

9. Local Authorities receive sufficient funding to enable them to provide free early education for all three and four year olds through Direct Schools Grant. This ensures that children are funded at the same basic rate (with top ups for deprivation and other local factors) regardless of whether their parents choose to take up their free entitlement in the maintained or non-maintained sector.

Next Steps

10. We will carry out further assessments as initiatives and policies to support the implementation of the EYFS are developed. The consultation on the EYFS document will include questions around meeting the diverse needs of children.

11. We aim to ensure that the final EYFS document will reflect the responses from the planned extensive consultation and through early years settings we aim to consult with parents and children.