

Building Blocks

A report on the state of the childcare and early years sector in England



Extended version

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Introduction

The soaring costs of childcare regularly make the headlines – and for good reasons. The cost of childcare places a huge strain on family finances and makes it difficult for those who would like to return to work or study. The need to improve access to childcare has also been highlighted in the media recently with figures revealing that less than half of councils offer sufficient childcare provision.

However, we know that it is high quality childcare that really makes a difference for children, especially for those from disadvantaged backgrounds. The benefits of high quality childcare have been well-documented and driving up quality was rightly included as one of the main recommendations in the recent report from the House of Lords Select Committee. Despite all this, the quality of the care children receive gets little attention from policy makers and needs to become a priority for the new Government alongside issues of cost and accessibility.

Now that the Government has committed to an extension of the number of free early education places, the challenge remains how to ensure the childcare sector is supported to deliver these places at the level of high quality that children deserve. But our survey shows a childcare workforce at tipping point – highly motivated by the work they do, and highly respected and relied upon by parents, but on the verge of making decisions about whether their businesses are viable for the future.

PACEY wants to see a sector-wide strategy that supports childcare professionals to improve their skills throughout their career, and encourages them to do so through increased recognition, status, and the right level of funding. Our survey results demonstrate the direct link between investment in skills development and business confidence. Commitment to a workforce development programme would help grow a confident and motivated workforce able to deliver the Government's ambitious targets to increase access to high quality childcare.

For an overwhelming majority of childcare providers, the growing focus on structured learning rather than learning through play was named as their main concern for the children they care for. PACEY wants to see the Government focus on a policy agenda that is underpinned by the kind of child-focused, play-based care and education that has been proven to most effectively support children's whole development.

As the Professional Association for Childcare and Early Years, we are dedicated to supporting childcare professionals to deliver the very highest standards of care and learning for the children they look after. We provide training, resources and publications, and offer advice and peer support through our nationwide network of PACEY local volunteers.

Our Building Blocks survey gives a detailed picture of the state of the childcare profession across England. Our aim is to identify the main challenges childcare workers are facing for the future and also to assess the level of confidence in the sector. Our largest and most comprehensive survey to date, it involved registered childminders, nannies, nursery workers and managers as well as parents. A shorter version of this report is also available from pacey/buildingblocks.

The survey looked at five key areas that we believe form the "building blocks" of a sustainable and effective early years childcare sector. These areas are:

1. A funding system that incentivises quality
2. Regulation that can be relied upon and trusted
3. A workforce strategy that supports professionals throughout their career
4. High quality, flexible childcare across a range of settings
5. A confident and optimistic profession – focused on quality.

In addition, and uniquely for a survey of this kind, the survey aimed to paint a picture of confidence in the sector – both from a providers' perspective, but also from the point of view of parents. We also asked providers for their views on what the priorities for change are – both to improve their experience of being a childcare professional, and to improve the experience of childcare for children.

The survey was conducted during February 2015. Responses were collated from 2,442 respondents including 2,080 childminders and 285 childcare professionals working in group settings across all nine regions of England. Responses were also received from 180 parents. The full profile of respondents is given below.

Profile of respondents

Provider profile		
	Response (%)	Response Count
Childminder	84.7	2068
Childminding assistant	0.5	12
Nanny	3.2	77
Nursery worker	3.0	74
Nursery manager	3.6	87
School nursery worker	0.7	17
School nursery manager	0.4	10
Pre-school worker	1.8	44
Pre-school manager	2.2	53

Regional breakdown		
	Response (%)	Response Count
East of England	8.9	218
East Midlands	8.8	216
London	11.4	279

North East	4.1	99
North West	10.6	260
South East	30.1	735
South West	10.4	255
West Midlands	7.1	174
Yorkshire and Humberside	8.4	206

Ofsted grade at last inspection		
	Response (%)	Response Count
Outstanding	21.0	407
Good	60.3	1169
Satisfactory/Requires Improvement	6.9	134
Inadequate	0.8	16
Met	1.1	22
Not met	0.4	8
Yet to receive an Ofsted grade	9.4	183

Chapter 1: A funding system that incentivises quality

Costs are increasing and the system is complex

The increasing costs of childcare regularly make headlines for good reasons: the cost of childcare for under-5s has risen by at least 27 per cent in the last five years, with the cost of an average part-time nursery place breaking £6,000 a year for the first time (1). This places a huge burden on families, often meaning some parents cannot afford to go back to work when they wish to.

The cost of childcare has rightly received much debate, but the efforts the majority of childcare providers make to keep down costs for parents are often overlooked. Childcare providers have been resistant to increase their fees, with many providers freezing their fees for a sustained period despite their own business costs growing year on year (2).

Equally, the debate on costs often fails to acknowledge the impact of funded early years education places (EYE), with providers having to make up the shortfall themselves (3). Many home-based settings simply cannot afford to offer more than one funded EYE place. In turn, this restricts the number of places available to families who would benefit from the flexibility of home-based childcare. Larger, group settings offer the majority of funded EYE places. Many of these settings are being forced to cross-subsidise their free places through higher fees, or retracting the number of funded places, both undermining Government's aim to increase the affordability, accessibility and quality of early years education (4).

The process by which parents and providers access payments is complex, and for parents, particularly, it can be confusing. The three main forms of childcare funding (employer-supported childcare vouchers (ESCVs), childcare tax credits (CTCs) and free government funded early years education (EYE) places) are all monitored and delivered in different ways and are managed by different Government departments. None of these funding streams are linked in any way to the quality of care a childcare setting offers.

The link between funding and quality

We know that high quality childcare delivered by well-qualified staff in small adult to child ratios has numerous benefits for young children, particularly those from disadvantaged families. But this high quality is expensive to provide and current funding streams do not recognise this nor do they offer financial incentives for providers to improve.

One in six 3-and 4-year-olds and disadvantaged 2-year-olds still receive their free place in a setting rated less than Good by Ofsted (5). This is unsurprising, as local authorities are not required to target this funding (beyond withholding it from those graded Inadequate).

In recent months, the Government and Ofsted have both championed maintained early years settings as being more likely to offer high quality provision, but those settings generally receive a higher rate of funding than the private, voluntary and independent (PVI) settings which offer the majority of childcare places in England (6).

Our survey asked providers about the cost of providing care and how that has changed in the last 12 months. We also asked both providers and parents about their experience of the funding process.

What our survey told us about costs and funding

The survey reveals a complex picture of childcare funding which can be difficult for childcare providers and parents to understand. It also highlights both the real and perceived financial sustainability of the sector.

1. Costs are rising. Over half of both group and home-based childcare providers reported that costs increased for *all elements* of care provision over the last 12 months. In particular, during the past 12 months:

- 75 per cent of group providers reported that the cost of staffing had increased, and
- 80 per cent of home providers reported that the cost of food provided for children in their care had increased.

The average income *before costs* for group providers in the last 12 months was £167K pa, and for home-based providers it was £14K pa. Of those who responded, one in five group settings and one in 15 childminding settings reported a loss in the last 12 months.

This corresponds with research commissioned by the Department for Education which reported that 46 per cent of full day care providers and 64 per cent of sessional settings break even or make a loss. This presents a worrying picture in terms of the long-term sustainability of the sector.

2. The future feels uncertain. Just over a quarter of both group and home-based providers felt less or much less confident about their future business than 12 months ago. Fifty-nine per cent of group settings and 69 per cent of childminders said that they had no plans to grow their business in the next 12 months. This stasis poses a major threat to delivering against government targets of increasing access to and uptake of early education, in particular by children from disadvantaged backgrounds.

3. The funding system is complex. With the three main forms of childcare funding all managed and delivered in different ways, the process of accessing payments is complex. For parents, in particular, it can be confusing. None of the funding streams are linked in any way to the quality of care a childcare setting offers.

ESCVs were rated the easiest to use, and had the fewest childcare providers and parents reporting problems in the last 12 months. When problems arose for providers, they were most commonly associated with the payment process, such as late payments by voucher providers.

Free EYE places received a more positive rating from parents than providers. This is to be expected since the administration of places is mainly carried out by providers. Around a third of providers reported problems with the free early education entitlement (EYE) funding, with insufficient rates, delayed payment and excessive administration all listed as common issues encountered by providers.

Tax credits were unambiguously rated as the most difficult scheme by both providers and parents alike. A third of parents who claimed tax credits reported problems in the last 12 months. This is significant as lower-income families who would most benefit from support for childcare costs disproportionately use tax credits.

“Make 2–3 year-old funding easier for childminders to offer (paperwork is made for schools/nurseries; only able to receive money back in arrears whereas parents pay me in advance).”

“Free entitlement payments [need to] reflect actual cost of provision.”

“I would like parents to understand that while they want affordable childcare they also want to trust their children to well-qualified staff and this costs money. I would like the government to truly appreciate how crucial the early years is and commit to it.”

PACEY recommends that the Government

- Simplifies the childcare funding system and streamlines administration across Government departments. A single point of payment for childcare would reduce confusion for parents and reduce the administrative burden for childcare providers.
- Commits to a regular assessment of childcare provider finances, in the same vein as the existing childcare and early years providers survey. Childcare providers cannot be supported to grow and improve the quality of their services without an understanding of their financial position and sustainability.
- Reviews the level of funded EYE places as a priority so that funding fully supports a diverse, high quality childcare offer for children and addresses the current shortfall in funding. Proposals to increase the number of free early education hours for 2-, 3- and 4-year-olds will place an added burden on providers. Evidence shows the biggest

impact on a child's development is the quality of care they receive and not the amount of hours a child spends in childcare.

- Improves the commercial, consumer and regulatory incentives to improve quality by (a) tying funding to quality improvement, such as minimum staff qualification levels, commitment to ongoing professional development and restricting delivery of EYE to settings rated good or outstanding, and (b) committing to improved information provision about childcare to parents, not only about funding but also regarding the importance of quality. When we asked parents what they looked for first in their childcare choices, proxies for quality such as qualifications and Ofsted grading came in lower down the list than proximity, cost and opening hours.

Chapter 2: Regulation that can be relied upon

Trust in the inspection system is critical

Children, parents and funders all require assurances that childcare provision is of high quality and delivered by competent professionals, in an appropriate setting. They need to have confidence in the mechanisms that regulate and inspect the care children receive.

Importantly, the settings that are being inspected also need to have confidence in the regulatory system.

A single inspection system for childcare

Since 2008 there have been two significant changes to the regulation and inspection of childcare in England which have helped to unify the system across different types of providers and support greater recognition for early years provision.

The Early Years Foundation Stage (EYFS) sets standards for the learning and development of children from birth to 5 years old in England. All Ofsted-registered early years providers must follow the EYFS, including childminders, preschools, nurseries and school reception classes. The introduction of a shared framework has initiated a welcome recognition of small, often individual, providers as professionals.

Ofsted has been given a wider responsibility for regulating and inspecting all childcare providers. The Government appointed it as “the sole arbiter of quality” in 2012. While this move further excluded the role of local authorities in assessing the quality of childcare providers, it means Ofsted’s remit is now broad enough to encompass nearly all providers of childcare (7).

The right framework for inspection

Previous surveys of PACEY members have highlighted the concerns PVI providers have with inconsistent inspection, with two out of five respondents raising this as an issue (8). We wanted to further explore providers’ views about the changes to the inspection regime and

the degree of confidence that they place in this new system. We were also keen to find out what parents felt about the current inspection system.

What our survey told us about the inspection system

The survey reveals that there are concerns across the sector about the consistency of inspection judgements and in particular concerns about the complaint procedure. Ofsted has reviewed its complaints procedure in the last two years and it was not clear whether respondents were commenting on the old or new system.

1. There are concerns about the consistency of inspections. More than 1 in 7 registered providers believe their last inspection was inconsistent with that of other similar settings and confidence in Ofsted's complaint procedures in particular is low.

- Two out of five (41 per cent) providers who received a less-than-good grading that they believed was inconsistent complained to Ofsted. Of those complaints, 5 per cent led to a change in grading.
- "Improving consistency of inspection" received the second highest ranking when respondents were asked what one thing would improve their experience as a childcare provider.

"[We need] consistent inspections by Ofsted as it is subjective to the individual assessor on the day."

It should be noted that other respondents reported a positive experience of inspection:

"The inspector came from a childcare background and was very knowledgeable. She was interested in how settled and confident the children were and the opportunities they had."

2. There are concerns about Ofsted's complaint procedures. Confidence in Ofsted's complaints procedure is low (respondents scored 42 out of 100 on our confidence scale). Over a third of providers (38 per cent) said they felt complaining about their inspection could negatively affect their relationship with Ofsted in the future. Thirty per cent felt it would have no effect.

“I feel it would stay on record and count against me in future.”

“I am pretty confident that Ofsted deal competently with complaints, I have seen friends go through the procedure and Ofsted seem able to sort out the nonsense from the relevant pretty well. I have had cause to make a complaint myself to Ofsted and I believe it was handled adequately.”

3. Parent views on Ofsted gradings are very mixed. When asked how much they agreed with the statement, “a good Ofsted grading will mean the same standard of care and education for my child regardless of what type of registered childcare setting it refers to”, approximately one third of parents agreed and a third disagreed. The survey also showed that parents do not regard Ofsted ratings among the most important factors to consider when making their childcare choices. Ofsted rating ranked fifth, below proximity, cost and opening hours.

4. The new Common Inspection Framework offers an opportunity to boost trust in the system. A recurring theme in comments from respondents was a desire to see more consistency across settings. This suggests that the forthcoming Common Inspection Framework offers Ofsted an opportunity to communicate a fair and transparent system for all settings.

“I would like Ofsted to be more transparent as to their requirements. No more guessing what Ofsted is looking for please! Standards should be standards across the board, there is too much variation at the moment.”

“Please acknowledge the domestic setting – we are not the same as nurseries and can be professional but offer a unique, family-based setting. This never seems to be either acknowledged or valued by external agencies or the EYFS but is actually the reason parents choose us.”

PACEY’s calls for action

PACEY recommends that in order to strengthen confidence in the inspection system, and ensure we have a robust framework against which to measure quality, the Government and Ofsted should:

- Ensure that clear guidance is given in the introduction of the Common Inspection Framework, recognising the early years as a distinct educational stage.
- Review the evaluation criteria so there is a closer association with children’s outcomes. Currently, Ofsted gradings have not been found to be predictive of any outcome measures (9). Ofsted gradings have been found to be only weakly associated (10) with other assessments of childcare quality and not at all associated with those focusing on care for very young children (11).
- Place the inspection of early years on an equal footing with schools, and bring all early years inspections in-house at the earliest opportunity. Early years is too valuable to be the “poor relation” in terms of inspection. The Inspection Service Providers (ISPs) (Tribal and Prospects) are responsible for selection and training (12), but the requirements for their inspections are not as rigorous as those for an early years HMI.

- Be more open about how Ofsted quality-assures its outsourced ISPs and their inspectors. The Policy Exchange (13) has highlighted the serious problem of “twice removed” layers of accountability and HMCI has commented that “inspection is just too important for third-party arrangements”.
- Ensure the inspection regimes are consistent across different types of provider. For example, Ofsted only carry out fast-tracked inspection for “requires improvement” nurseries, but not for childminders or registered nannies that “require improvement”.
- Raise awareness amongst parents of Ofsted’s role in assessing the quality of childcare across all settings as well as the importance of professional development as a marker of quality.

Chapter 3: A workforce strategy that supports professionals throughout their career

A continuously developing profession

Over the last decade, there has been significant progress in raising standards and strengthening the professionalism of the early years workforce. The childcare sector has benefitted from a succession of national funding programmes, including the Transformation Fund and Graduate Leader Fund. This has enabled significant numbers of staff to gain relevant childcare qualifications. New entry requirements have been set for nurseries and new Level 3 qualifications (EYE) introduced demanding Maths and English GCSE as a precursor to starting the course. All types of childcare setting have improved qualification levels. Childminders, for example, have made marked improvements in accessing qualifications: the number with no qualifications fell from more than a third in 2008 to less than a sixth in 2013 (14).

However the focus has been on entry requirements alone with little attention given to ongoing professional development to support settings to rise to new challenges (for example, caring for disadvantaged 2-year-olds), taking on new responsibilities (for example, working with health visitors to deliver the new integrated review) or evolving their practice in light of new knowledge or understanding.

However, over the last Parliament, investment has been in sharp decline. The Graduate Leader Fund no longer exists, the Children's Workforce Development Council has closed down and wider cuts to local authority budgets make it harder for childcare professionals to access ongoing training and development. As a result, providers are increasingly turning to less formal, less rigid forms of continuing professional development activities to enhance their practice.

We were keen to see how childcare providers were accessing training and development, and their perceptions of the benefits further training offered. We also wanted to find out

parents' views on the importance of qualifications and professional development in selecting their childcare provider.

What our survey told us about skills development

Our survey reveals that while childcare providers are highly motivated to develop their own professional skills, there is a real risk that rising costs of training, lack of availability and flexibility will impact on childcarers being able to develop their own practice and progress their careers. More importantly, lack of access to professional development risks undermining the confidence of the sector – which poses a significant threat to whether businesses can expand to meet the Government's targets for wider access to childcare.

The cost of getting a childcare qualification has increased. Overall, the cost of qualification courses has increased substantially for both home- and group-based providers.

- The cost of level 3 courses has increased sevenfold in the last three years, from £250 in 2012 to £1,900 currently.
- Just under half (44 per cent) of group setting respondents who weren't currently studying, and had received their last qualification over two years ago, said that the expense was the key reason why they weren't studying.
- The percentage of those receiving local authority support has also dropped from a half to a third. Support that once equated to almost twice the course cost (181 per cent) is now less than four-fifths (79 per cent), indicating providers are in the main having to fund training themselves.

“Bring back free local training. Especially for safeguarding – there are not enough courses available.”

2. Childcare providers are becoming more qualified. The proportion of childcare providers with relevant qualifications is on the rise – and shows a steep level of increase when compared with data from the last Childcare and Early Years Provider Survey 2013. Over

three-quarters of both home-based (78 per cent) and group providers (84 per cent) responding to the survey hold at least a level 3 qualification. Fewer than 1 in 10 (8 per cent) home-based providers had no qualifications and were not currently studying formal qualifications. Whilst the survey was a self-selecting sample, these figures compare favourably to the last available data in the Childcare and Early Years Provider Survey 2013 (15) which showed that the proportion of childminders with at least a level 3 qualification rose from 59 per cent to 66 per cent between 2011 and 2013.

- Over a quarter (26 per cent) of group providers and 15 per cent of childminders have a qualification of level 6 or above. This is a huge increase on the latest government data which indicates that 7 per cent of childminders had level 6 or above and 12 per cent of staff in sessional settings.

However, our fear is that trend for improvement will stall as we know that the introduction of GCSE requirements for level 3 early years qualifications has led to a substantial drop in applications, with some training providers reporting a drop in new applicants of 80 per cent for some courses.

3. Childcare providers are committed to continuing professional development (CPD) to enhance their knowledge. Survey respondents demonstrate they are using the flexibility and affordability offered by CPD to access training. This includes training, workshops and reading sector information.

- 94 per cent of group settings offer staff CPD, and 86 per cent of home-based providers currently undertake CPD.
- Just under half (44 per cent) of both group and home-based providers who had not studied for a qualification in more than two years reported that they undertook CPD as an alternative to additional qualifications.

The survey also highlights the degree to which providers are using CPD to enhance their specialist knowledge.

Type of specialist training	Group (%)	Home (%)
Children with SEN	97	60
Children with other disabilities	29	33
Looked-after children	23	31
EAL children	43	25
Nutrition	30	34
Child mental health	12	12
Allergens (food and environmental)	41	52
Other	8	17

Expense was the biggest obstacle for those who didn't undertake any CPD. Seventy-eight per cent of group providers and 38 per cent of home-based cited this as a barrier to undertaking further CPD. Other common barriers to accessing further qualifications and CPD mentioned by group providers were that training took staff away from work, while a third of home-based providers said it was hard to find the time and one in five said that there was a lack of available courses.

“Easier access to training and information, most training courses take place during school hours when childminders are unable to attend.”

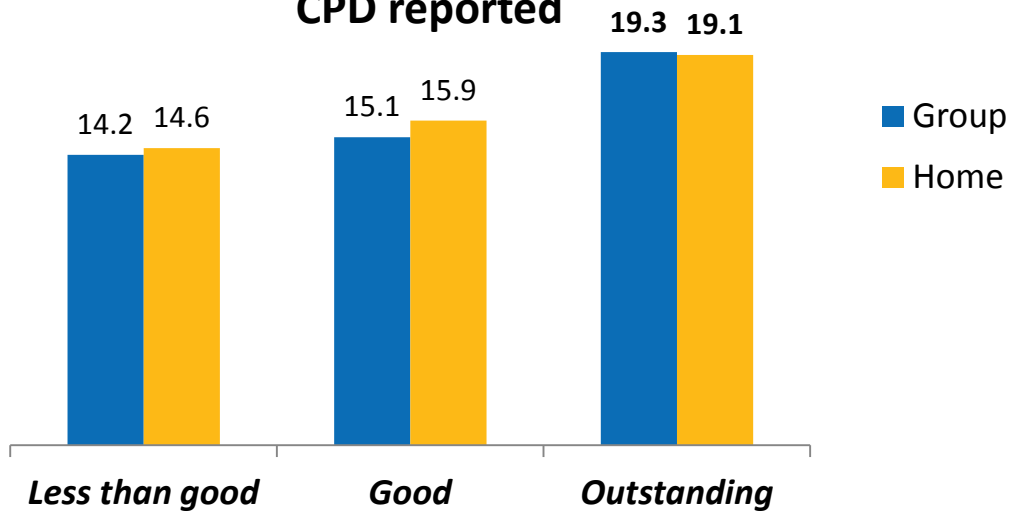
4. Providers are unanimously positive about the benefits further qualifications can bring. The highest ranking benefit listed by both group and home-providers was improved confidence (group – 89 per cent and home-providers 74 per cent) But it is notable that the group providers report greater benefits from additional qualifications than home-based providers for *all* elements of their work.

The effect of gaining qualifications		
Reported improved or greatly improved:	Group settings (%)	Home-based settings (%)
Confidence	89	74
Everyday practice	88	56
Recognition of professionalism	71	68
Career	56	43
Income	33	25

These results correspond with other recent surveys which have shown that giving providers access to qualifications and training enables them to reflect on their practice, develop new skills and work better with their colleagues and support families and children (16).

Finally, those providers with better Ofsted gradings were more likely to have undertaken CPD.

Ofsted rating compared to hours of annual CPD reported



5. Parents do not value the professional qualifications of staff or their commitment to CPD as a proxy for quality. When parents were asked to rank factors that they take into account when choosing childcare, they ranked whether the setting staff undertake any CPD activities bottom, indicating that more needs to be done to explain to parents the contribution of trained staff in providing high quality care for their children.

What is important for parents in choosing childcare (listed in order of most important to not important)?

1. My impression on visiting the setting/meeting the provider
2. Safety of the setting
3. The opening hours of the setting

4. Cost of the provision
5. The setting's Ofsted grading
6. The time it takes to get there
7. The setting staff's qualifications
8. Whether the setting staff undertake any continuing professional development (CPD) activities, such as training, workshops and reading factsheets

PACEY's calls for action

We need a clear and accessible pathway for continuous professional development of the childcare and early years workforce – from apprentice level right through to qualified teacher status. It is an investment that will not only improve outcomes for children but also support a more sustainable sector. This is critical not only for the country's economic future, but also to ensure that a highly trained workforce can help close the gap in achievement for those children from disadvantaged backgrounds, and give all children the best start in life.

PACEY therefore recommends that the Government should:

- Set an appropriate level for the free entitlement funding so that businesses can invest in development and training for their staff.
- Work with the sector to map out a CPD pathway that supports childcare professionals to develop in their chosen profession, progress in it or move to other parts of the children's sector.
- Revisit PACEY's calls for action from Cathy Nutbrown's sector review to look at improving the quality of teaching and placements; improving course content and

opening clear channels through which registered childcarers could attain qualified teacher status.

- Review the impact improvement initiatives have on the number of new entrants to childcare qualifications courses. Entry requirements should include functional skills alongside GCSE qualifications.
- Raise the profile of professional development, including CPD amongst providers as well as parents. The link between CPD, qualifications, particularly specialised training, and provider quality is well established, and recognised in both the EYFS and Ofsted inspection criteria (17) (18) (19). However the importance of professional development is not widely recognised as an indicator of quality by parents, so more needs to be done to raise awareness of the importance of high quality care in the early years.

Chapter 4: High quality, flexible childcare across a range of settings

Diverse, flexible childcare is needed in every area

Demand for childcare places continues to outstrip supply with one in three parents reporting that there are not enough places in their local area (Huskinson, et al.). This demand has continued to grow despite England witnessing a near seven-fold increase in available childcare places since 1990 (from fewer than 300,000 in 1990 (20) to more than 2 million places today).

Families who work atypical hours are more likely to experience difficulties accessing childcare. Local authorities consistently report lower childcare sufficiency for parents who work atypical hours, for example because of temporary work, self-employment or zero hours contracts (21). In addition to this mismatch between parents' childcare needs and available provision are the well-known differences in individual children's sensitivity and preferences for different childcare environments (22) (23).

Boosting sufficiency through schools

In the last year or so, the Department for Education and Ofsted have been promoting the expansion of early years provision based in schools. In particular, there has been an emphasis on enabling schools to take on children as young as two, including the removal of requirements for schools to register separately for 2-year-olds and a "demonstration project" of schools expanding their provision to include 2-year-olds.

However, the findings from the demonstration project suggest that the current landscape of funding and other support is inadequate for schools to take on these new responsibilities on a national scale. For example, two-thirds of those involved in the pilots reported the process of developing facilities for 2-year-olds as "not easy" (24), with many reporting concerns around finding and affording suitably qualified staff (25).

Currently, around 96 per cent of eligible 2-year-olds have taken up their funded early education place with a private, voluntary or independent (PVI) childcare provider (26). Moreover, the majority of PVI providers are already equipped with settings and staff suitable for the needs of 2-year-olds.

However, it is clear that the landscape is changing, with schools set to play a greater role in delivering education for 2-, 3- and 4-year-olds in the future. The challenge is for policy makers to understand how to sustain diversity of current provision so that parents have a choice of high quality of care in a variety of settings, so children get care suited to their age, stage of development and personal needs and preferences, and that this is balanced with the practical needs of the family.

Partnership working

The Government has recently introduced measures to encourage other, non-school settings and schools to work together. This has included funding for teaching schools to work with local nurseries and new legislation enabling childminders to work in non-domestic settings, such as schools, for up to half their time. These proposals sit within a wider emphasis on partnership working, including recent changes to the system of support for children with SEND, integrated reviews for 2-year-olds, the changing role of children's centres and how local childcare provision in some areas is being brought together in childcare hubs.

For our survey, we wanted to uncover how successful childcare providers have been in working in partnership with schools and other professionals and also how childcare professionals perceive they are viewed by other professional groups.

What our survey told us about partnerships between providers

The survey reveals growing partnerships between childcare providers and other stakeholders. However, the quality of these relationships is variable with childcare providers reporting a wide range of satisfaction of working with external partners.

Both group and home-based providers are partnering with local schools

This has led to information sharing, visits between settings and supporting children's transitions. While 70 per cent of group settings are currently working with schools, less than half (42 per cent) of home-based providers are.

Providers report a mixed response from the schools they'd like to work more closely with. Group providers were more positive about a school's willingness to work with them, but approximately one fifth of both group and home-based providers felt that schools were unwilling to work with them.

Group providers

“We use them [teachers] as advisers, in particular for working with the older children. Qualified teachers have skills less qualified early years workers struggle to attain or develop. Schools enable us to benchmark ourselves.”

“We are based next to a school and they are very supportive. They allow us to use their resources and their outdoor space. We also have rising fives sessions for children going to school.”

“Transitions, some schools visit our children when they are due to start school. We send transition reports to the schools, we invite the teachers to visit. We also ask for photos of key areas in the school, old uniforms we can use in our setting to help with transition but have never received anything.”

“Schools and pre schools work together in a committee for the local sure start centre.”

Home-based providers

“We take our minded children to weekly ‘Learning together’ sessions for the children due to start school the following September. Reception class teacher visits setting regularly”

“We have a communication book so that information about a child who has autism can be shared easily. School advises me of any problems the child has had during the day or any achievements in case it impacts on the child’s behaviour whilst with me.

“I have asked the schools for current subjects being taught so that I can support after school children in my setting.”

Providers are proactive in making approaches to schools. Of those who were not currently working with schools, 37 per cent of group providers and 13 per cent of home-based providers had approached a school to work with them in the last 12 months. Again, the school’s response to being approached appears to have been ambivalent: 42 per cent of home-based providers rated the schools’ response as negative or very negative, compared to 23 per cent of group providers.

Partnerships between group providers and health professionals are commonplace

Seventy per cent of group providers are currently working with health professionals, but only 13 per cent of home-based providers reported that they are currently working with health professionals.

A wide range of health professionals are working with childcare providers, including speech and language therapists, educational psychologists, physiotherapists and GPs. These professionals are offering support in a number of areas including baby weigh-ins, 2-year-old checks and supporting children with SEND.

Both settings report a more positive experience of approaching health professionals than schools. Approximately a third of both groups reported that health professionals were “fully” willing to work with them. Both home-based and group providers also appear more positive about the reaction from health professionals to being approached: over half (54 per cent) of home-based providers, and 26 per cent of group providers, said health professionals were positive or very positive about being approached.

3. Perceptions of childcare professionals prevent strong partnerships. A significant proportion of providers also mentioned *without prompting* that they experienced difficulties working with schools and health professionals. Almost 1 in 6 providers (17 per cent of group and home providers) reported difficulties in working with their local health professionals. Schools also appear to be reluctant to engage with childcare providers, with 1 in 7 of group providers spontaneously reporting schools’ unwillingness to work with them and 1 in 5 of home-based providers. In general these difficulties centred on the schools’ and health professionals’ lack of time, or a perception that they did not value the childcare providers’ experience and expertise.

Group-based

“We moved to the school site five years ago and have tried to gain their trust building a relationship with them. The reception teacher has minimal contact with us however we do use their hall and have visited classes in the past. I do not believe they really know or appreciate what we do.”

“We liaise at times of transition but feel that they do not consider us as valuable or important to maintain contact with as the local pre-schools. Lack of time is probably a major factor for both us and schools in this situation.”

Home-based

“It is hard to get the schools to work in partnership with me. They are reluctant to share information and regularly refer to me as the babysitter.”

“It's very hard to get the local schools to work with me, they still think of my profession as inferior.”

“Childminders [should be] put on an equal footing with nurseries over free care as Governments may be set to increase such [free care] and minders will be put out of business, good ones. With cuts our local childminding services have all but ceased to exist. This is not right. We are very important to working parents, our flexibility, unique small settings, generally cheaper fees, wrap around nursery/school care. The unique one-to-one key person with each child is really very important in formative years. We need including more and on every occasion. We are a big part of childcare yet Government and media seem to think not.”

Working with schools		
	Group settings	Home-based settings
Currently working with schools	70%	42%
Rate schools' willingness to work with them out of 100	61.8	57.4
Spontaneously reported difficulties in working with schools	1 in 7	1 in 5
Have approached schools in last 12 months if not currently working with them	37%	13%
Rate the schools' response to approach (-2 to +2)	0.18	- 0.27

Working with health professionals		
	Group settings	Home-based settings
Currently working with health professionals	70%	13%
Rate health professionals' willingness to work with them out of 100	72.8	64.1
Spontaneously reported difficulties in working with health professionals	1 in 6	1 in 6
Have approached health professionals in last 12 months if not currently working with them	30%	8%
Rate the health professionals' response to approach (-2 to +2)	0.3	0.5

PACEY's calls for action

Children and parents need flexible, diverse and high quality childcare provision that meets their own particular family needs, and is suited to their child's age, stage of development and personal needs and preferences.

PACEY believes that the Government needs to act now to ensure that the focus on school-based provision does not deny families access to a choice of high quality childcare across a range of settings.

In particular, the Government needs to:

- Ensure that all providers are equally incentivised to fill their latent spaces for children, including for two-year olds. Distributing the financial support more evenly across childcare settings would meet the needs of a wider set of parents and children, and build on the excellent provision already carried out by the diverse childcare sector. Moreover, the majority of PVI providers are already equipped with settings and staff suitable for the needs of 2-year-olds, and as self-funding businesses they respond well to incentives.
- Act on the feedback from the demonstration schools. Many schools provide excellent care for young children, but the feedback indicates that significant systemic investment is required to adapt school settings and staffing sufficiently to effectively meet the needs of 2-year-olds.
- Introduce a clear framework for interaction between professionals around individual children, which includes childcare professionals. Our survey indicates that there are still substantial barriers to co-operation between childcare providers and other professionals, particularly for home-based providers. Home-based providers are experiencing a poorer response from schools and have limited interaction with health professionals. More than half a million children are estimated to attend home-based settings in England, and they must be able to benefit from interaction with other professionals.
- Ensure that work is undertaken by the Departments of Education and Health to dispel misconceptions about childcare provision amongst school and health

professionals where they arise. While recent moves to improve collaboration and establish partnership working are welcome, more could be done to recognise the valuable knowledge and insight of childcare providers, and in particular highlight the benefits of partnership working, for instance in delivering the new integrated review.

- Establish local networks to bring professionals together and promote partnership working under the under the auspices of local authorities' new public health requirements.

Chapter 5: A confident and optimistic profession, focused on quality

Childcare professionals have witnessed substantial changes to their sector in recent years. Most of these changes have been positive and have led to a marked increase in the number of qualified staff. This professionalisation of the sector has resulted in consistent improvements in child outcomes and increased level of qualifications over time. As skills have increased, so have policy makers' expectations of childcare professionals. Just some of the recent changes childcare professionals have had to respond to include the changes to the system of support for children with SEND and delivering the new integrated reviews for 2-year-olds.

We know from our regular contact with childcare providers that the continued lack of adequate funding for providers to cover the cost of delivering the early years entitlement, as well as cuts to local support in the context of further expected cuts to public services are increasing the strain felt by childcare providers.

Through the survey, we wanted to investigate these concerns further. Uniquely for a survey of its kind, the survey asked providers about their level of confidence in the future of the profession. We also asked parents about their own confidence in the sector.

The survey results indicate a childcare workforce at tipping point – highly motivated by the work they do, and highly respected and relied upon by parents, but on the verge of making decisions on whether their businesses are viable for the future. Without adequate investment, PACEY believes the childcare system will not be sustainable. At a time when there are real economic and social drivers to get more parents into work and provide children from all backgrounds with the best start in life, it is vital that this is addressed as a priority by the Government.

What our survey told us about sector confidence

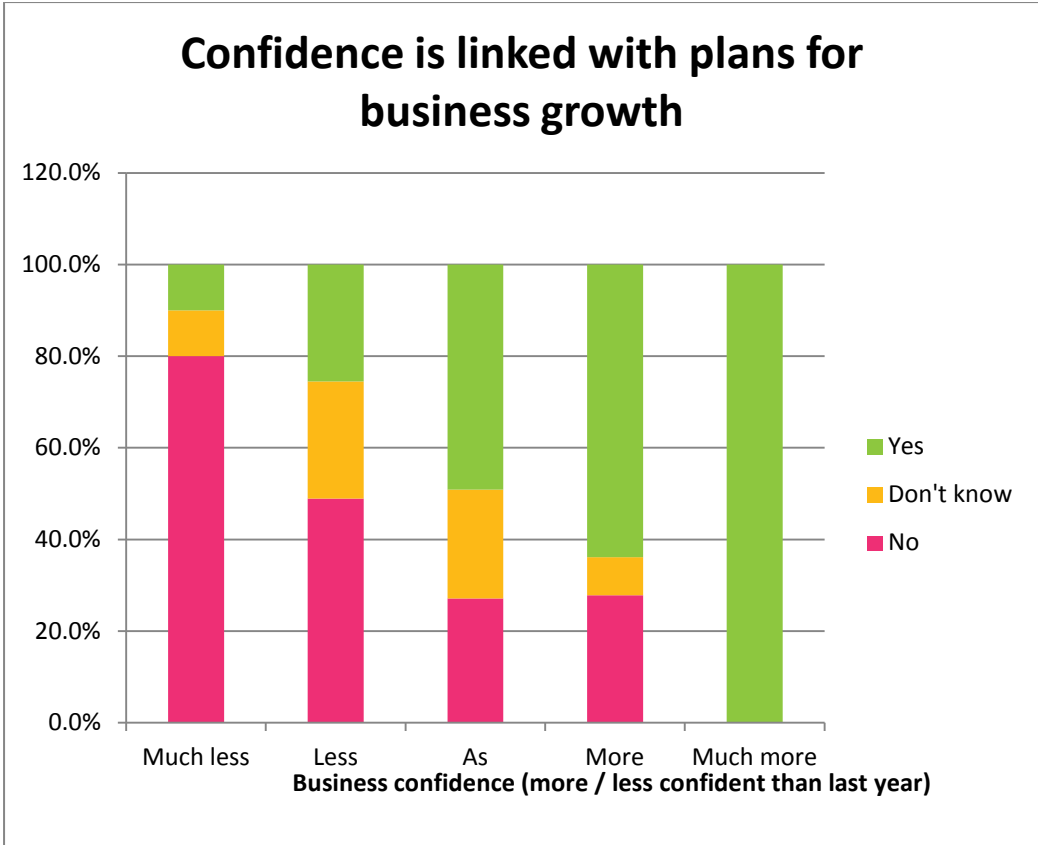
1. There is a significant threat to sustainability of childcare businesses in the next 12

months. Just over a quarter of both group and home-based providers felt less or much less confident about their future business than 12 months ago. This confidence rating was linked closely with a setting's plans for growth and plans to stay in childcare:

- a fifth of home-based providers are unsure whether they'll be working in childcare in 12 months' time, compared with 16 per cent of group providers.
- 59 per cent of group settings and 69 per cent of childminders reported no plans to grow their business in the next year. When the government has stated such ambitious aims this is a real threat to delivery.

2. There is a direct correlation between investment in CPD and plans for business

growth. As the diagram on page 37 illustrates – the more confident a setting is, then the more likely they are to plan to develop their business. All respondents who reported they are much more confident than last year said that they plan to grow their business. As our survey (see Chapter 3) also shows that investing in CPD builds confidence, there is an even greater argument for further investment in CPD.



3. Parents rely on their childcare provider as a source of information about childcare policy changes. Nearly a third (32 per cent) name their childcare provider as their first choice for information, rating them above gov.uk website, local authority and family information service.

Rank	Source
1	My childcare provider
2	The GOV.UK Government website

3	My local authority
4	Family Information Services
5	Friends and family
6	Online parenting forums
7	Childcare organisation websites
8	The Ofsted website
9	My employer

4. Providers are well informed about changes to the sector, but are not confident in explaining these changes to parents.

- Group providers rated themselves as more aware than home-based providers for all of the topics covered except tax-free childcare, and perhaps as expected, providers rated themselves higher in their levels of awareness than their confidence in explaining the changes.
- While most providers are aware of recent changes, many do not feel confident in being able to explain to others what they mean. A quarter of providers do not feel at all confident explaining what the new baseline testing at reception means, and only 23 per cent felt confident explaining the changes to the SEND system.

Ranking	Awareness	Rating	Confidence in explaining	Rating
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1	Changes to SEND system	65.0	Integrated 2-year-old reviews	50.8
2	Integrated 2-year-old reviews	64.3	Ofsted's new common inspection framework	46.5
3	Ofsted's new common inspection framework	63.8	Changes to SEND system	44.9
4	Tax-Free Childcare	55.2	Tax-Free Childcare	41.9
5	Baseline testing in Reception	51.3	Baseline testing in Reception	36.4
6	EYPP	45.0	EYPP	34.3

5. Parents have a high level of confidence in their childcare. Nine out of ten (93 per cent) parents are satisfied or very satisfied with their childcare and 87 per cent are willing to recommend their provider to others.

A shared understanding of high quality childcare

Finally, an important aim of the survey was to develop a shared understanding on what “high quality childcare” actually means. Using PACEY’s Professional Standards as a baseline, we tested out definitions of what high quality childcare provision is, and also what it means to be a high quality childcare professional. The two definitions tested follow.

A childcare professional delivering high quality care is one that:

- delivers developmentally appropriate care and education
- supports individual children to reach their potential
- continually reflects on and improves their practice
- works closely with parents, and other professionals
- responds to parents' needs.

High quality childcare provision is:

- developmentally appropriate and supports the child as a whole
- based on the latest, and best, evidence of how children learn
- centred on secure, rewarding relationships
- effective communication between providers, parents and other professionals
- provision of safe and stimulating environments, as well as good practice.

1. We received overwhelming support for PACEY's definitions of high quality childcare.

Nine out of 10 providers (90 per cent) and more than 8 out of 10 parents (82 per cent) agree or strongly agreed with PACEY's definition.

2. Providers are confident about their own practice. Nearly two-thirds of providers (63 per cent) (1109 out of 1771) believe their practice *fully* meets PACEY's definition of a quality childcare professional. Two thirds of parents also feel that their childcare provider fully meets the definition of a quality childcare professional.

If you could change one thing?

We asked childcare providers what one thing needed to be changed to improve their experience of being a childcare professional, and to improve the experience of childcare for children.

The results paint a picture of a workforce under considerable strain, with the burden of paperwork identified as an issue for a quarter of respondents. The second highest ranking area for improvement was Ofsted, with concerns about consistency of inspections being frequently mentioned. Other important factors include access to cheaper or more flexible training; greater respect and recognition for them as professionals; increased pay; and fairer funding level for free funded places.

“Less paperwork as that eats into time with the children or my own family time.”

“Focus on the children, not the paperwork.”

“Ofsted providing positive, consistent inspections instead of the complete dread most providers feel with negative inspections. Support not put down.”

“For childminders to be recognised more as professionals – not just someone who looks after children in their own home, it is much more than that.”

“Make training more affordable and easier to access.”

The survey results show overwhelming agreement from childcare providers on what the priority is to improve the experience for the children they care for. For over 50 per cent of respondents, a desire to reduce the emphasis on structured learning and focus on learning through play ranked higher than concerns about funding, child to carer ratios, or Ofsted.

It is clear that there has been a gradual erosion of focus on play in children’s early learning experiences, with recent indications including the omission of “learning through play” from the Early Years Teacher qualification, introduction of baseline testing in Reception and government calls for an increased focus on structured, teacher-led sessions.

The right to play is written into the United Nations Convention of the Rights of the Child as a fundamental, universal right. Yet in this country we have historically scored poorly on UNICEF’s surveys of children’s sense of wellbeing compared to other European countries. Experts say that much of this is due to a lack of opportunities to play. Play is not only vital

for children's wellbeing, but playful and innovative thinking is essential for the twenty-first-century business world. A 2010 study by IBM of 5000 CEOs found that creativity was selected as the "most crucial factor for success in business. Just a few months ago CBI's John Cridland reiterated his view that for employers, "enthusiasm, passion, creativity" was more important than qualifications.

Our survey adds weight to the growing call from practitioners, business leaders and childcare experts to make changes to early years education policy so that our youngest children have the space to play and thrive. PACEY would like to see the next Government focused on a policy agenda that is underpinned by the kind of child-focused, play-based care and education that has been proven to most effectively support children's early learning.

"Let children be children."

"Take the focus away from getting children ready for school and instead believe in their natural curiosity."

"Prepare children to be life ready, not just school ready."

PACEY's calls for action

Our survey shows that childcare professionals are highly motivated by the work they do, and highly respected and relied upon by parents, but without adequate investment, PACEY believes the childcare system will not be able to meet the challenges ahead. At a time when there are real economic and social drivers to get more parents into work and provide children from all backgrounds with the best start in life, it is vital that this is addressed as a priority by the Government. PACEY recommends that the Government should:

- Review the level of funded EYE places and increase early years pupil premium (EYPP) to match the level of school pupil premium so that providers can focus on quality improvement.
- Invest in a workforce development strategy that supports the workforce to improve continually through their career. A more skilled workforce is a more

confident workforce, and this is vital to enable the sector to grow and meet the challenges ahead.

- Conduct a review of reward and recognition to help identify ways to support further development and growth of an effective early years workforce.
- Acknowledge the vital role childcare providers play in keeping parents informed on policy changes, and build this into the Government's behaviour change and information campaigns.
- Take notice of the growing call from practitioners, business leaders and childcare experts to make changes to early years education policy so that our youngest children are supported to have the space to play and thrive. PACEY would like to see the next Government take forward a policy agenda that is underpinned by the kind of focus on the child-centred, play-based care and education that has been proven to most effectively support children's whole development.
- Reverse plans to introduce the baseline assessment for Reception children and instead use the EYFS as a more accurate indicator of the whole child's development. PACEY, as an active supporter of the Too Much Too Soon campaign, has joined other early years organisations and childcare experts to protest against the assessment.

Appendix

Priority improvements for childcare providers

Priority	Proportion of respondents (%)
Less paperwork	24
Improvements to Ofsted (esp concerns about consistency of inspection)	12
Cheaper or more flexible / accessible training (greater flexibility on when they can be taken or cheaper)	8
Greater respect and recognition	8
Increased pay	6
Funding to cover cost of free places	4
Greater support from local authorities	3
Stop constant policy change	3
Improve funding payment system	2
More partnership with others (schools / other providers)	2
Bring back networks / more local support	1
Scrap childminder agencies	1

Priority improvements for children

Priority	Proportion of respondents (%)
Too much paperwork which means less time to play with the children	22
More focus on play / learning through play	17
Less pressure on children / school preparedness	12
Funding for training	6
Better / wider access to funding for parents	6
Improvements to Ofsted (esp concerns about consistency of inspection)	4
Higher level of training for staff	2
Increased pay	1
Ratios: more staff to children	0.5
No 2-year-olds in school	0.5

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