

Title: Amendment to the Early Years Register and General Childcare Register, including threshold for compulsory registration IA No: DFE0050 Lead department or agency: Department for Education Other departments or agencies:	Impact Assessment (IA)
	Date: 19/03/2014
	Stage: Final
	Source of intervention: Domestic
	Type of measure: Secondary legislation
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Summary: Intervention and Options	RPC Opinion: RPC Opinion Status
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Cost of Preferred (or more likely) Option				
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out?	Measure qualifies as Zero Net Cost
£m	£m	£m	Yes	Zero Net Cost

What is the problem under consideration? Why is government intervention necessary?

The Government intends to streamline existing childcare regulations so there is a single set of safeguarding and welfare requirements for providers for children aged 0-7, with some specific duties for the under 5s. Currently, there are two sets of different requirements for providers on the Early Years Register and those on the General Childcare Register. This is unhelpful and confusing as the majority of providers look after children of a variety of ages and have to join both registers. Furthermore, some of the current arrangements are unnecessarily prescriptive and do not effectively contribute to children's safety or the quality of childcare. Providers can be maintained or independent schools, private and voluntary sector organisations.

What are the policy objectives and the intended effects?

The policy objectives and intended effects are to:

- streamline and strengthen measures and accountability to keep children safe
- make it easier for schools and other providers to offer out-of-hours care from 8am to 6pm

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

The broad policy direction for reforming the childcare registration system was set out in "More Affordable Childcare" on 16 July 2013. DfE consulted on a range of detailed proposals intended to streamline requirements, some of which involved removing detailed prescription in regulation. The consultation responses to "The Regulation of Childcare" showed a large majority of respondents (80%) supported the proposal to align the requirements of the two registers. The Government's response was published on 13 February 2014. The measure qualifies as Zero Net Cost on the basis that it has regulatory elements within the package but will also bring significant benefits to business. We are unable to precisely quantify the benefits in particular because we cannot be confident how many providers will take advantage of the new flexibilities and to what extent. However, our estimates of the potential costs and benefits are summarised below and set out in detail in the Annex.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: Month/Year						
Does implementation go beyond minimum EU requirements?			N/A			
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.		Micro Yes/No	< 20 Yes/No	Small Yes/No	Medium Yes/No	Large Yes/No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded:		Non-traded:	

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.

Signed by the responsible
SELECT SIGNATORY:

Dat E TRUSS
e: 6 May 2014

Summary: Analysis & Evidence

Policy Option 1

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year	PV Base Year	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate:

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate			

Description and scale of key monetised costs by 'main affected groups'

Maximum of 5 lines

Other key non-monetised costs by 'main affected groups'

Maximum of 5 lines

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate			

Description and scale of key monetised benefits by 'main affected groups'

Maximum of 5 lines

Other key non-monetised benefits by 'main affected groups'

Maximum of 5 lines

Key assumptions/sensitivities/risks

Discount rate (%)

Whilst we have placed monetary values on costs and benefits, these typically refer to scenarios (e.g. upper bounds), rather than estimates of impact. The benefits are sensitive to how many, or to what extent, providers respond to deregulation. It is typically these 'behavioural impacts' which are uncertain, and on which we lack evidence. The deregulatory elements are more significant than the regulatory ones, so we expect the benefits to outweigh the costs.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs:	Benefits:	Net:	Yes/No	IN/OUT/Zero net cost

Evidence Base (for summary sheets)

The policy issue and rationale for Government intervention

The Government requires regulations to be proportionate and effective so that they do not create unnecessary burdens on providers of childcare whilst assuring child safety.

In practice, most providers look after children of a variety of ages and are required to join both the Early Years Register (EYR) and the General Childcare Register (GCR) which means having to follow two different sets of childcare requirements. The current arrangements include requirements which are unnecessarily prescriptive, which duplicate other legislation and which do not make effective contribution to children's safety or to the quality of childcare. Consequently, providers can find it difficult to know what the law requires and parents find it difficult to make informed decisions when choosing childcare.

The measures are intended to:

- Streamline and strengthen measures and accountability to keep children safe
- Make it easier for schools and other providers to offer out-of-hours care from 8-6pm

The key changes are to:

- Allow providers to operate with a 1:13 staff:child ratio (rather than 1:8) for three and four year olds outside the hours of 8am – 4pm as currently required – see element **A** in the Annex. This measure is **deregulatory** and will potentially impact on private and voluntary sector providers registered on the EYR (because maintained nursery schools and nursery classes in maintained schools already have the flexibility to operate at 1:13 at any time).
- Remove the requirement for out-of-hours providers for those children who are in the Reception year to meet the Early Years Foundation Stage (EYFS) learning and development requirements – see element **B** in the Annex. This measure is **deregulatory** and the potential benefits will mainly be accrued by private and voluntary sector providers on the EYR (because schools which provide out-of-hours care are already following the learning and development requirements during the school day).
- Align the staffing and qualification requirements for out-of-hours care for children in the Reception year and 5-7 year olds with those governing the school day – see element **C** in the Annex. The current staff:child ratio is 1:8 with a manager holding a level 3 qualification and half of all other staff holding a level 2 qualification. This measure is **enabling** and will potentially impact on all providers on the EYR and GCR.
- Remove the requirement for local authorities to approve childminder and first aid training. This will open up the market and improve access to training e.g. from childminder agencies – see elements **E** and **M** in the Annex. This measure is **deregulatory but out of scope** because the direct impact is on local authorities.
- Align the safeguarding and welfare requirements of the EYR and the GCR – see elements **D, F, G, H, I, J, K, L, N, O and P**. These measures are a mixture of **enabling, deregulatory and low-cost regulatory** and in the case of the low-cost regulatory measures will impact on a small minority of providers (the **1.8% of providers** who are registered on the compulsory part of the GCR but not the EYR).

Overview of estimated benefits and costs

The table in the Annex sets out in detail the potential estimated benefits and costs from each of the individual measures in the package. This is a complex package of measures containing a mixture of enabling, deregulatory and low-cost regulatory elements which, when taken together, are designed to streamline and align existing requirements and make it easier for providers to offer childcare from 8am – 6pm.

It has proved challenging to find statistical corroboration of the exact number of registered providers and potential future providers that will take advantage of those measures which are enabling or deregulatory in nature. For example, providers on both the EYR and GCR should benefit from some notional time savings because they will no longer be required to have written policies and procedures for behaviour management (measure O) or be required to carry out regular staff appraisals in the case of EYR providers (measure L); and providers of before/after school care for children aged five to seven on the GCR and of 4 year olds in Reception classes on the EYR can take advantage of the same staffing levels as during the school day instead of the current requirement for one member of staff for every eight children (measure C). But we cannot be sure how many providers will take up these measures and to what extent. Nevertheless, we have used Ofsted Registration Data in order to illustrate the potential impact on provision. These figures are from September 2013.

The regulatory elements of the package are estimated to be **low-cost**. The cost scenarios have addressed the two comments provided through the RPC’s opinion on the RTA (measures **F** and **K**), and still present a conservative scenario well below £1m. The regulatory elements will affect only those childcare providers not already on the Early Years Register which is just under **1.8% of providers**. Using Ofsted’s public statistical release of 30 September 2013 as the baseline data source, this is 1,713 of providers on the Compulsory part of the GCR out of a total of 95,480 providers. A further 14,100 have chosen to register on the Voluntary part – because, for example, they are nannies or look after children aged 8+.

Those changes that are potentially regulatory will not introduce completely new requirements; rather, they will legally introduce consistency of approach for those who care for children from age 0 to seven. It is important to note that providers on the GCR are already subject to a range of safeguarding and welfare requirements e.g. for the registered person to ensure that children are kept safe from harm and to keep and implement a written statement of procedures for the protection of children. The proposals will align the safeguarding and welfare requirements of the GCR and EYR with each other.

Deregulatory measures

Summary of measure	Type of provider which may be affected	Best estimate of number of providers potentially affected	Potential cost	Potential benefit
A: Enable early years providers to operate with a 1:13 ratio (with a graduate) at any time by removing the requirement that restricts this to 8am-4pm only	Private, voluntary and independent (PVI) sector providers registered on the EYR who look after children aged three and/or four, particularly those who currently employ a graduate	There are 6,970 PVIs which employ a graduate (although this number is increasing)	0	£19m
B: Remove the requirement for out-of-hours providers for children in the Reception Year to	Providers registered on the EYR who run breakfast clubs, after school clubs and holiday provision	There are 17,900 out-of-school providers catering mainly for children of primary school age of which around two-thirds are privately or	0	£0.76m

meet the learning and development requirements		voluntary run. However, we don't have a breakdown by school year in order to isolate those looking after children in the Reception Year. Instead we have based our calculations on staff time potentially saved.		
E: Remove the requirement for childminder training courses to be approved by a local authority	N/A	N/A	Out of scope (public sector)	Out of scope (public sector)
H: Remove specific criteria for 'suitable' staff	Providers registered on the GCR	There are 1,700 providers registered on the compulsory part of the GCR but we expect any savings to be absorbed as part of existing recruitment costs	0	0
M: Remove the requirement for first aid training courses to be approved by a local authority	N/A	N/A	Out of scope (public sector)	Out of scope (public sector)
O: Remove the requirement for providers to have and implement a behaviour management policy and procedures and a named behaviour management practitioner	Providers on the EYR	This measure primarily affects the 25,600 providers on non-domestic premises on the EYR	0	£0.98m

Enabling measures

Summary of measure	Type of provider which may be affected	Best estimate of number of providers potentially affected	Potential cost	Potential benefit
C: Align the out-of-hours staffing and qualification requirements for children in the Reception year and 5-7 year olds with those governing the school day	Providers registered on the GCR who run breakfast clubs, after school clubs and holiday provision	As for measure B, we cannot isolate the age groups affected. Nor can we accurately predict how providers will choose to respond to the changes. We have based our calculations on a potential scenario of staff:child ratio of 1:15 instead of 1:8.	0	£7.3m
D: Remove the requirement for there to be two members of staff on the premises at all times	Providers registered on the GCR	There are 1,700 providers registered on the compulsory GCR only but overall we estimate this measure to be cost-neutral as we expect providers will usually continue to choose	0	

		to keep two staff on site anyway		
J: Reduce the age of unsupervised staff from 18 to 17 for children aged 5-7	Providers registered on the GCR who run breakfast clubs, after school clubs and holiday provision	As for other measures, we cannot isolate the age groups affected. We have based our calculations on a potential scenario and made some assumptions about provider behaviour in response to this change	0	£0.77m
L: Remove the requirement to carry out regular staff appraisals, identify training needs and support staff to improve or obtain specific qualifications; replace with a general requirement around training and development	Providers, excluding childminders, registered on the EYR	There are 117,000 staff employed across non-domestic providers on the EYR. We have based our calculations on potential savings in staff time	0	£2.6m
P: Replace specific requirements to have a policy and procedures governing risk assessments with a general duty to take reasonable steps	Providers, excluding childminders, registered on the EYR	This measure affects the 25,600 providers on non-domestic premises on the EYR. We have based our calculations on potential savings in staff time.	0	£0.98m

Regulatory measures

Summary of measure	Type of provider which may be affected	Best estimate of number of providers potentially affected	Potential cost	Potential benefit
F, G and I: Align safeguarding requirements of the GCR with the comparable (but slightly different) requirements on the EYR	Providers on the compulsory part of the GCR	There are 1,700 providers registered on the compulsory part of the GCR	£0.36m (recalculated following RPC's comments on our RTA)	0
K: Require staff to have a sufficient understanding and use of English to ensure the well-being of children in their care	Providers on the compulsory part of the GCR	There are 1,700 providers registered on the compulsory part of the GCR only but we do not know what level of English their staff have so have based our calculations on a potential scenario	£0.15m (recalculated following RPC's comments on our RTA)	0
N: Align requirements regarding meals, snacks and drinks	Providers on the compulsory part of the GCR	There are 1,700 providers registered on the compulsory part of the GCR only but we do not know how many providers are not currently meeting the requirements. We have based our calculations on a potential scenario	£0.12m	0

Summary of analysis

This package of measures contains a mixture of deregulatory, enabling and low-cost regulatory elements affecting the childcare sector.

The potential benefits to providers from the deregulatory and enabling elements of the package are estimated at £32.4m. We have based our estimates on the latest data available to us but it is not possible to robustly calculate the precise benefits having drawn on all the evidence that is currently available to us.

It has been necessary to make a number of assumptions about the number of providers potentially affected. This is because the data available does not enable us to isolate providers by age group and a number of the measures impact on childcare for children in Reception year or age 5-7 or both.

Furthermore, the potential benefits are sensitive to how many, or to what extent, providers respond to the enabling and deregulatory elements and it is typically these 'behavioural impacts' which are uncertain, and on which we lack evidence (we will, however, keep this under review).

Our approach, therefore, has been to attempt to place a monetary value on each of the potential benefits. However, these typically refer to theoretical scenarios (e.g. upper bounds) drawing on reasonable assumptions rather than estimates of impact. We have set out our scenarios, assumptions and calculations for each of the individual measures above in more detail in the Annex.

Having said that, we are confident that the current policy drivers and economic climate mean that providers are likely to respond positively and rapidly to take advantage of the enabling and deregulatory measures.

The measures are designed to address concerns that parts of the current regulatory system are unnecessarily prescriptive, difficult to understand and awkward to navigate. They will promote a more responsive childcare market by giving providers greater flexibility and clarity about how to set up or expand their provision. We know that more parents want to work if only the right sort of childcare was available to them at an affordable price. As the economic recovery continues, parents have more opportunity to work; there is an increasing demand for flexible and affordable childcare.

On the supply side, providers in the PVI sector want to increase their margins so that they can invest in better quality childcare that attracts parents in a competitive market whilst keeping their prices reasonable. At the same time, Government policy is encouraging schools to expand their out-of-hours care so there is an 8am – 6pm offer of childcare on school premises. These measures will make it easier for schools to offer such care.

All this gives us confidence that providers will welcome and respond to a regulatory framework that is simpler, clearly focused on essential requirements, consistent, flexible and offers them significant benefits.

The potential costs from the regulatory elements are £0.63m and arise from aligning the requirements of the two registers. This means that the potential burden will only fall to those providers who are on the compulsory part of the General Childcare Register and not the Early Years Register. This is less than 2% of all childcare providers i.e. 1,700 providers of which 1,100 are individual childminders and 600 are providers of childcare on non-domestic premises. We can therefore be relatively confident about our calculations in relation to the regulatory elements because we know more accurately the number of providers potentially affected.

Whilst there are some low-cost regulatory elements, overall the package will bring significant benefits to business. The enabling and deregulatory elements could potentially lead to significant benefits of £32m whereas the regulatory elements are low-cost at £0.6m. This is because the enabling and deregulatory

elements are typically available to a much larger number of providers whereas the regulatory elements will only impact on 1.8% of providers. **Even though we have judged the package overall to be ZNC for the reasons set out above, we fully expect the benefits to the childcare sector overall to significantly outweigh the costs.**

We have not applied the Small and Micro Business Assessment as these are domestic measures which qualify for the fast track.

ANNEX - Breakdown of proposed specific amendments

	<u>Description of potential business impact</u>
<p>A - Existing legislative position - For children aged three and over in registered early years provision operating between 8am and 4pm where a person with Qualified Teacher Status, is working directly with children, there must be at least one member of staff for every 13 children.”</p> <p>Proposal for legislative change - Remove the 8am-to-4pm restriction window to make the 1:13 ratio available to <u>any times</u> when a teacher or Early Years Professional is working with three and four year-olds. Currently, providers are required to follow a higher ratio of 1:8 outside the hours of 8am-4pm, irrespective of the level of qualification of the teacher. Removing the 8am-4pm restriction will reduce unnecessary bureaucracy and will give providers more flexibility over which ratio they choose to adopt.</p>	<p>Being able to operate with a 1:13 ratio instead of a 1:8 ratio means that some providers will be able to release one member of staff from 4pm onwards.</p> <p>Assuming two hours of staff time is saved (because settings are usually open until 6pm) at £10.90 per hour for five days a week for 50 weeks a year and that half of the 6,970 PVI settings that currently employ a graduate (source: Early Years Census 2013) are able to make use of this flexibility is a potential annual saving of £19m. We need to caveat this illustration by stressing that this is an upper-bound estimated saving, given the fact that these changes are designed to give more flexibility and discretion as to how settings operate and deploy staff. There is also the potential (although unquantifiable) economic benefit that a lower 1:13 ratio might enable savings by providers to be passed on to parents which could in turn, increase choice of childcare provision, especially for lower-income families.</p>
<p>B - Existing legislative position - “Wrap-around” and holiday providers should be guided by, but do not necessarily need to meet, all the learning and development requirements of the Early Years Foundation Stage (EYFS). Practitioners should discuss with parents and/or carers the support they intend to offer, seeking to complement learning in settings in which children spend more time.</p> <p>Proposal for legislative change - Remove requirement for providers to follow the learning and development requirements in the EYFS for out-of-hours care for four to five year olds. Four-year-olds that receive education in a school reception class do not need a duplicate structured ‘learning offer’ from an early years provider they attend before or after their school day.</p>	<p>The potential savings from this measure are hard to quantify because we do not know the current burden on providers from meeting this requirement.</p> <p>There are approximately 18,000 staff across after-school clubs and holiday clubs provision in England (<i>Childminders and Early Years Providers survey 2011</i>). If we assume that around 20% of these staff look after four and five years olds, so will no longer have to devote 30 minutes of “one-off” planning time, per week, the potential conservative saving is: 3,600 staff x £5.45 x 39 weeks (of school term time) = £765,180 Per annum</p>
<p>C -Existing legislative position - Currently, providers other than childminders on the compulsory part of the General Childcare Register must observe a minimum of one adult to eight children. The manager must hold a level 3 qualification and half of all other staff must hold a relevant level 2 qualification.</p>	<p>This measure would impact on the 1,713 providers only registered on the compulsory part of the GCR but it is hard to quantify its impact as an enabling measure. To illustrate the sorts of savings that might be possible, some providers may decide to use their flexibility to employ one member of staff for every fifteen children (which is similar to the school day i.e. a</p>

<p><u>Proposal for legislative change</u> - The Government proposes to remove requirements that prescribe staffing and qualification levels in relation to childcare provided for school-age children (up to seven) outside the school day in order to align out of school provision with the requirements that govern the safety of children during the school day.</p>	<p>class of 30 children with a teacher and teaching assistant) instead of one for every eight children as currently required. For example, a setting that has 30 children and four members of staff could in future decide to operate with two members of staff. If we were to assume an average of two hours of staff time is saved in all these settings (after school clubs usually operate from 3-6pm, breakfast clubs from 8-9am and holiday provision from either 9am-3pm or 8am-6pm) at £10.90 per hour for five days a week for 39 weeks that is equivalent to £7.3m.</p>
<p><u>D -Existing legislative position</u> - For later years provision (other than childminders): at least two persons who care for the children are present at all times on the premises (while the childcare is taking place) and at least one of these people is either the later years provider, the manager or a person who works for the provider caring for the children for whom the later years provision is provided, and the other person is suitable to care for children. There is no equivalent requirement for early years.</p> <p><u>Proposal for legislative change</u> - Remove requirement to have a minimum number of staff for children aged five to seven (as long as minimum staff-to-child ratios are met in relation to children up to five.) The current prescription on this ratio will be replaced with a <u>general requirement</u> that providers are responsible for having sufficient numbers of staff to support safety and for ensuring that children are not left unattended.</p>	<p>It is difficult to quantify the impact of this enabling measure which will impact on the 1,713 providers only registered on the GCR because we do not have sufficient detail about current staff deployment in individual settings. From our consultation meetings, it would be reasonable to assume this to be <u>cost-neutral</u> because in practice most settings will still need two members of staff present anyway to meet overarching safety and well-being obligations. The flexibility will only apply to the margins of provision.</p>
<p><u>E - Existing legislative position</u> - For children aged 0 to seven (so both Registers apply). Prior to registration the childminder applicant must have completed an appropriate course approved by an English local authority designed to meet childcare registration requirements.</p> <p><u>Proposal for legislative change</u> - Remove requirement for training courses to be approved by local authorities although childminders will still need to complete a training course designed to equip them to meet the requirements of registration.</p>	<p>Some providers tell Government that they can get more bespoke support and training that better meets their needs from other sources, such as through their nursery chain's in-house quality assurance team or from their membership association. It is difficult to quantify the impact of this measure. We expect that some local authorities will continue to choose to recommend training courses anyway. We expect that existing or new training providers will emerge to fill any gaps left in the market e.g. PACEY which is the national organisation for childminders.</p> <p>Potential savings are only significant for local authorities from whom the duty is being removed and as public sector bodies they are outside the scope of these cost benefit calculations.</p>
<p><u>F – Existing legislative position</u> – The registered person must keep and implement a written statement of procedures to be followed for the protection of children, intended to safeguard the children being cared for from abuse or neglect.</p>	<p>Discussions with 4Children senior managers have clarified that businesses will incur some degree of familiarisation costs, and that in the vast majority of cases, it will be middle managers in childcare settings that this cost will impact on. For the benefit of the</p>

<p><u>Proposal for legislative change</u> – Align this requirement on the GCR with the equivalent requirement on the EYR which is “Providers must be alert to any issues for concern in the child’s life at home or elsewhere. Providers must have and implement a policy, and procedures to safeguard children. These should be in line with the guidance and procedures of the relevant Local Safeguarding Children Board (LSCB).”</p>	<p>wider picture / context, we believe that it is important to articulate that these costs and associated time are likely to have a positive effect on the managers concerned because they will contribute to enhancement and development of their career competencies.</p> <p>4Children advise that maximum gross combined costs are likely to be based on a middle manager devoting 1.5 days of their time to interpret the legislative changes and relaxations, to then cascade and contextualise the changes to their staff. On-going monitoring of their staff’s performance would form part of their usual middle management HR role. <u>From discussing the logistics with 4Children, it is highly likely that the three regulatory safeguarding elements that are covered at F, G and I in this annex would be covered in one session or module (The format would be at the discretion of settings.)</u></p> <p>4Children have advised a typical higher-end scale early years middle manager annual gross salary of £35,000 divided by an average of 250 paid working days = £140. So, 1.5 days = £210 per manager. As the legislation will only prescribe that this be done by those providers on the General Childcare Register (i.e. 1713 providers), the total annual estimated cost to businesses is: £359,730.</p>
<p><u>G - Existing legislative position</u> - The registered person must ensure that children receiving childcare are kept safe from harm.</p> <p><u>Proposal for legislative change</u> – Align this requirement on the GCR with the equivalent requirement on the EYR which is “A practitioner must be designated to take lead responsibility for safeguarding children in every setting. (Childminders must take the lead responsibility themselves.). The lead practitioner is responsible for liaison with local statutory children’s services agencies, and with the LSCB.”</p>	<p>Please see explanation and joint costs estimated at “F”</p>
<p><u>H - Existing legislative position</u> - Providers must ensure that people looking after all children are suitable. For children aged five to seven specifically, the provider and any person caring for the children is of integrity and good character; has skills and experience suitable for the work; and is physically and mentally fit for the work.</p> <p><u>Proposal for legislative change</u> – Remove specific criteria about suitability and empower professionals to use their judgement more flexibly.</p>	<p>We assume that any potential savings from removing these specific criteria about what makes a member of staff “suitable” will be absorbed within existing recruitment costs for providers and that this is essentially cost neutral.</p>

<p><u>I - Existing legislative position</u> - “Providers must train all staff to understand their safeguarding policy and procedures and ensure that all staff have up to date knowledge of safeguarding issues. Training made available by the provider must enable staff to identify signs of possible abuse and neglect at the earliest opportunity, and to respond in a timely and appropriate way.”</p> <p><u>Proposal for legislative change</u> – Extend this requirement for children aged five to seven cared for by providers on the General Childcare Register.</p>	<p>Please see explanation and joint costs estimated at “F”</p>
<p><u>J - Existing legislative position</u> - “A person who has not attained the age of 18 and who is caring for the children aged five to seven must be supervised at all times by a person who is 18 or over.” This is out of step with the more flexible requirement in the EYFS for younger children: i.e. “Only those aged 17 or over may be included in ratios (and staff under 17 should be supervised at all times). Students on long term placements and volunteers (aged 17 or over) may be included if the provider is satisfied that they are competent and responsible.”</p> <p><u>Proposal for legislative change</u> – Reduce the age to 17 for staff to be left unsupervised with children aged five to seven (whilst adhering to required respective ratios.) The Government also proposes to permit carers from age 16 to work with children up to five if they are working towards a new apprenticeships qualification. This measure is deregulatory in the sense that it widens the pool of available staff from which providers can recruit.</p>	<p>It is difficult to quantify how many providers will make use of this enabling measure - and how quickly. Potentially, it is cheaper for providers to employ a 17 year old over an 18 year old as the minimum wage for a 17 year old is £3.72ph and for an 18 year old it is £5.03ph.</p> <p>If we were to estimate that out of 18,000 “other paid staff” in after-school clubs across different non-domestic settings (Childcare and Early Years Providers Survey 2011), 1,000 of these were aged 17 instead of age 18 as is now required, then the estimated potential saving is 1,000 17 year olds x £1.31 wage difference x 15 hours per week x 39 weeks per year = £766,350.</p>
<p><u>K - Existing legislative position</u> - Providers on the EYR must ensure that staff have sufficient understanding and use of English to ensure the well-being of children in their care. For example, settings must be in a position to keep records in English, to liaise with other agencies in English, to summon emergency help, and to understand instructions such as those for the safety of medicines or food hygiene. There is an anomaly that this important safeguarding measure is not explicit for older children aged five to seven that are covered in the General Childcare Register Regulations.</p> <p><u>Proposal for legislative change</u> – Extend this requirement to the General Childcare Register for children aged five to seven. Again, this measure would only impact on those providers which are not already registered on the EYR i.e. 1,713 on the Compulsory</p>	<p>There are two ways in which this proposal might increase business costs: first, through additional English language training requirements for existing staff; second, where providers need to alter their recruitment strategy, to ensure that new staff all meet these requirements.</p> <p>We do not know how many providers currently employ staff that do not have sufficient understanding and use of English to ensure the well-being of children. For the purposes of an estimate, we could assume it is as high as one member of staff in half of settings (i.e. 850 individuals). In the main we would expect that these individuals would develop these language skills over time simply by virtue of working in a childcare environment. However, where there was a formal training or tutoring need for an employee to improve their understanding of English, we would expect any costs to be met by the employer as the skills are a</p>

<p>part of the GCR.</p>	<p>requirement of the job. We have tested this thinking about the relative apportionment of costs between employers and employees with 4Children who agree the costs would normally be borne by the employer. However, it is possible that part of the formal training requirement could draw on Government funding for adult basic skills.</p> <p>In the absence of information on the average pay and recruitment costs of those with and without sufficient English skills, we assume these would be similar. If we were to assume at the top end that all staff each had the equivalent of a day's external training to improve their English language, the potential cost to the employer would be in the region of 850 individuals x £10.90ph x 7 hours = £64,855 plus a further 850 x £100 for the external training = £85,000. Note that, whilst this reflects the "opportunity cost" of employers taking time out of work, in practice this could be either (a) prioritising this training over other development needs or (b) training courses which take place outside of working hours. So this is an upper bound cost estimate as it also assumes all individuals would take up external training.</p> <p>We do not anticipate any additional recruitment costs – the English language requirements would simply be factored in as one criteria when employing new staff.</p>
<p><u>L - Existing legislative position</u> - Providers on the EYR should ensure that regular staff appraisals are carried out to identify any training needs, and secure opportunities for continued professional development for staff. Providers should support their staff to improve their qualification levels wherever possible. For staff without a relevant qualification, providers should consider supporting them to obtain a relevant level 2 qualification.</p> <p><u>Proposal for legislative change</u> – Remove this requirement and replace it with a general requirement for all providers to support staff to undertake appropriate training and development opportunities. This will give providers greater flexibility to respond to their individual circumstances rather than following centrally prescribed processes about appraisals, their content and the level of qualifications to be pursued.</p>	<p>It is difficult to quantify exactly how this enabling measure will be used by providers and therefore what the potential savings are from removing the specific requirements. We might estimate that regular staff appraisals are currently costing providers two hours of staff time (one hour each for the manager and employee) to carry out each annual discussion. According to the 2011 Childcare and Early Years Providers Survey, there are circa 117,000 staff employed across non-domestic providers on the EYR. They are an amalgam of Head teachers/Early years or foundation stage co-ordinators, nursery nurses, support staff and, work placements and volunteers. We have excluded childminders and other childcarers on domestic premises on the basis that they are unlikely to be formally appraising themselves in the same way. This equates to a potential (albeit) upper-end saving of £10.90ph x 2 x 117,000 employees across different levels of seniority and support. This indicates a mean maximum potential saving of circa £2,550,600.</p>
<p><u>M - Existing legislative position</u> - First aid training must be local authority approved and be relevant for workers caring for young children. Childminders, and any assistant who might be in sole charge of the children for any period of time,</p>	<p>It is difficult to quantify the impact of this measure. We expect that some local authorities will continue to choose to recommend training courses anyway. We expect existing or new training providers will emerge to fill any gaps left in the market e.g. St John's</p>

<p>must hold a current paediatric first aid certificate”.</p> <p><u>Proposal for legislative change</u> - Remove requirement for local authority approval of courses. This will empower providers to opt for the most appropriate training for their staff with a Government caveat that the course outline will be specified to ensure safeguarding measures. This is similar to proposal E.</p>	<p>Ambulance health and safety training. No concerns were raised about impact on business costs during the consultation.</p> <p>Potential savings are only significant for local authorities and as public sector bodies they are outside the scope of these cost benefit calculations.</p>
<p><u>N - Existing legislative position</u> – For providers on the EYR: Where children are provided with meals, snacks and drinks, they must be healthy, balanced and nutritious. Before a child is admitted to the setting the provider must also obtain information about any special dietary requirements, preferences and food allergies that the child has, and any special health requirements. Fresh drinking water must be available and accessible at all times. Providers must record and act on information from parents and carers about a child's dietary needs.”</p> <p><u>Proposal for legislative change</u> - Extend these requirements for children aged five to seven for consistency. This would potentially impact on the 1,713 providers only registered on the compulsory part of the GCR.</p>	<p>We do not know exactly how many providers are not currently meeting these requirements but estimate that it is a very small proportion as this is essentially standard practice. If we use an upper-end estimate that takes on average of half an hour once every four weeks levelled out across the year for a supervisory staff member to ask, note down and review dietary requirements prior to admission and to continue to monitor needs once in the setting, this would be a potential maximum cost of £5.45 for half hour x 13 times a year x 1,713 providers = £121,000. We have exposed this potential change to public scrutiny as part of the public consultation on “Reforming Childcare Registration” that closed on 30th September 2013. None of the consultation responses objected to this. No concerns were raised about impact on business costs.</p>
<p><u>O - Existing legislative position</u> - Providers must have and implement a behaviour management policy, and procedures. A named practitioner should be responsible for behaviour management in every setting. They must have the necessary skills to advise other staff on behaviour issues and to access expert advice if necessary.</p> <p><u>Proposal for legislative change</u> - Remove this specific requirement for those providers of care for younger children to bring standard requirements into line for all children aged 0 to seven.</p>	<p>Current behaviour management regulations are too prescriptive. Instead, behaviour management will be covered by general provisions to promote children’s welfare and safety. This measure affects the 25,588 providers on non-domestic premises on the Early Years Register (the impact on childminders is negligible in the sense that they will, by default, continue to be the equivalent of the named practitioner and they have no other staff to advise). A reasonable assumption might be that this will save each provider half a day a year so £10.90ph x 3.5 hours x 25,588 providers = £976,000.</p>
<p><u>P - Existing legislative position</u> - Providers on the Early Years Register must have a clear and well-understood policy, and procedures, for assessing any risks to children’s safety, and review risk assessments regularly. Risk assessments should identify aspects of the environment that need to be checked on a regular basis, when and by whom those aspects will be checked, and how the risk will be removed or minimised.</p> <p><u>Proposal for legislative change</u> - Remove this</p>	<p>Current risk assessment regulations are too prescriptive and inconsistent across childcare registers. Instead providers will have a general duty to take reasonable steps. This measure affects the 25,588 providers on non-domestic premises on the Early Years Register. A reasonable assumption might be that this will save each provider half a day a year so £10.90ph x 3.5 hours x 25,588 providers = £976,000.</p>

specific requirement for those providers of care for older children to bring standard requirements into line for all children aged 0 to seven. Replace the duty to have a policy and procedures, with a duty to take reasonable steps.

Please note: figures in the table above are ‘unadjusted prices’.

The table below summarises the cost/benefits both with and without price adjustment – it uprates any figures which rely on the 2010 wage data by 6.1%. Whilst we don’t know precisely how much wages have increased over the last three years we have used the ‘GDP deflator’ series which follows the standard HMT guidance.

	Unadjusted			Adjusted (2013 prices)		
	Cost	Benefit	Prices	GDP Deflator	Cost	Benefit
A	£0	£18,993,250	2010	1.06	£0	£20,132,845
B	£0	£765,180	2010	1.06	£0	£811,091
C	£0	£7,281,963	2010	1.06	£0	£7,718,881
D	£0	£0	-	-	£0	£0
E	£0	£0	-	-	£0	£0
F	£359,730	£0	2013	-	£381,314	£0
G	£0	£0	-	-	£0	£0
H	£0	£0	-	-	£0	£0
I	£0	£0	-	-	£0	£0
J	£0	£766,350	2013	-	£0	£766,350
K	£149,855	£0	2010	1.06	£158,846	£0
L	£0	£2,550,600	2010	1.06	£0	£2,703,636
M	£0	£0	-	-	£0	£0
N	£121,366	£0	2010	1.06	£128,648	£0
O	£0	£976,182	2010	1.06	£0	£1,034,753
P	£0	£976,182	2010	1.06	£0	£1,034,753
Total	£630,951	£32,309,707			£668,809	£34,202,309