

Summary: Intervention & Options

Department /Agency:

Department for Children,
Schools and Families

Title:

Impact Assessment of empowering local authorities to collect EYFS Profile data from non-funded early years providers.

Stage:

Version: 1

Date: 11 February 2009

Related Publications: Statutory Framework for the Early Years Foundation Stage - May 2008; Early Years Foundation Stage Profile Handbook 2008

Available to view or download at:

<http://www.dcsf.gov.uk/consultations>

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

LAs lack full information on the effect of the EYFS framework on child development. Currently, collection of EYFSP data is limited to funded providers who deliver the free early education entitlement for 3- and 4-year-olds. We are proposing to give LAs the power to collect this information from non-funded providers. This data will enable the better targeting of policies to improve child development and educational attainment, with consequent economic and social benefits, and support to help narrow the gap in attainment between different socio-economic groups, thus improving equity.

What are the policy objectives and the intended effects?

From 1 September 2008 the Early Years Foundation Stage Statutory Framework requires all early year providers to assess each child against the 13 scales in the EYFS Profile. Section 99 of the Childcare Act 2006 gives the Secretary of State for Children, Schools and Families and local authorities the ability to collect this EYFSP individual child level data from service providers. This proposal would extend the power to local authorities to collect EYFSP data from fully non-funded providers. This would enable LAs to collect a more complete EYFSP dataset for all children.

What policy options have been considered? Please justify any preferred option.

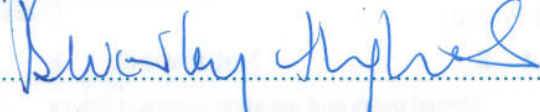
Continue with current arrangements of limiting the collection of EYFSP data to funded early years providers only. This is not optimal given that LAs have a duty to improve the outcomes of all children – but currently can't collect information from non-funded providers. Costs of LAs acquiring a more complete dataset are negligible as all early year providers are already required to collect these data. Give local authorities the power to require EYFSP data from non-funded providers (preferred option). A more complete set of data will enable LAs to measure progress in gap narrowing.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? 2010 following first period of local authority powers

Ministerial Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:

.....  Date: 11th February 2009

Summary: Analysis & Evidence

| | |
|-----------------------|---------------------|
| Policy Option: | Description: |
|-----------------------|---------------------|

| | | | |
|--|---|------------|---|
| COSTS | ANNUAL COSTS | | Description and scale of key monetised costs by 'main affected groups' The extra administrative work required to submit the data to a local authority is assumed to take about one hour. The wage of the person entering this data is estimated at £9.50 per hour. The policy change is assumed to create no extra costs for LAs. |
| | One-off (Transition) | Yrs | |
| | £ 35000 | | |
| | Average Annual Cost (excluding one-off) | | |
| | £ 27000 | | Total Cost (PV) £ 88000 |
| Other key non-monetised costs by 'main affected groups' | | | |

| | | | |
|---|--|------------|--|
| BENEFITS | ANNUAL BENEFITS | | Description and scale of key monetised benefits by 'main affected groups' The benefits are difficult to monetise in advance. A more complete set of data on early years providers will allow for better-informed planning and decision-making and more efficient resource allocation by local and central authorities. |
| | One-off | Yrs | |
| | £ | | |
| | Average Annual Benefit (excluding one-off) | | |
| | £ | | Total Benefit (PV) £ |
| Other key non-monetised benefits by 'main affected groups' | | | |

Key Assumptions/Sensitivities/Risks The number of unregistered and/or unfunded early years providers has been under-estimated and the impact of the policy is felt by a larger number of institutions than expected therefore leading to higher costs than estimated above.

| | | | |
|-------------------------|------------------------|-------------------------------------|---|
| Price Base Year 2009 | Time Period Years 2 | Net Benefit Range (NPV) £ | NET BENEFIT (NPV Best estimate) £ |
|-------------------------|------------------------|-------------------------------------|---|

| | | | | |
|---|--------|--------|--------|-------|
| What is the geographic coverage of the policy/option? | | | | |
| On what date will the policy be implemented? | | | | |
| Which organisation(s) will enforce the policy? | | | | |
| What is the total annual cost of enforcement for these organisations? | | £ | | |
| Does enforcement comply with Hampton principles? | | Yes/No | | |
| Will implementation go beyond minimum EU requirements? | | Yes/No | | |
| What is the value of the proposed offsetting measure per year? | | £ | | |
| What is the value of changes in greenhouse gas emissions? | | £ | | |
| Will the proposal have a significant impact on competition? | | Yes/No | | |
| Annual cost (£-£) per organisation (excluding one-off) | Micro | Small | Medium | Large |
| Are any of these organisations exempt? | Yes/No | Yes/No | N/A | N/A |

| | | |
|---|---------------|-----------------------|
| Impact on Admin Burdens Baseline (2005 Prices) | | (Increase - Decrease) |
| Increase of £ | Decrease of £ | Net Impact £ |

Key: Annual costs and benefits: Constant Prices (Net) Present Value

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

1. Introduction

- 1.1 This impact assessment covers proposals to give local authorities the power to request Early Years Foundation Stage Profile (EYFSP)¹ data from non-funded early years providers (i.e. providers who do not receive funding from the local authority to deliver the free early education entitlement for eligible three and four year olds) and to start to use existing powers to allow local authorities to collect EYFSP information from schools which are exempt from registration with Ofsted and who are not funded to provide the free entitlement.

2. Purpose and intended effect

Objectives

- 2.1 From 1 September 2008, the Early Years Foundation Stage Statutory (EYFS) Framework requires all early years settings to make arrangements for each child within the final year of the EYFS to be assessed against the 13 scales in the EYFS Profile. Section 99 of the Childcare Act 2006 gives the Secretary of State for Children, Schools and Families and local authorities the ability to collect key individual child level data from early years providers. It is not a power to demand information from parents but a power to collect information which early years providers will already hold, i.e. EYFSP data.

Background

- 2.2 Prior to the introduction of EYFS in September 2008, the Department for Children, Schools and Families (DCSF) and local authorities collected Foundation Stage Profile data (FSP) from both schools and registered providers funded to deliver the free early education entitlement for eligible 3 and 4 year olds. Local authorities collected from early years providers FSP outcome data for each child in the July following child's fifth birthday. Local authorities are required to submit to DCSF the individual child level FSP data collected from early years providers. From June 2009, the DCSF proposes to give local authorities the power to be able to request EYFSP data and additional child level information from non-funded providers; i.e. non-funded early years providers registered on the Ofsted Childcare Register. DCSF is also proposing to commence existing powers in the regulations for local authorities to collect EYFSP information from schools which are exempt from registration on with Ofsted and who are not funded to provide the free entitlement.

Rationale for government intervention

¹ The EYFS profile sums up each child's development and learning achievements at the end of the EYFS. It is based on practitioners' ongoing observation and assessments in the EYFS 6 areas of Learning and Development. Each child's learning and Development must be recorded against 13 assessment scales derived from the early learning goals.

2.3 Currently, local authorities can only collect EYFSP outcome data from maintained schools and other schools and providers that deliver the universal entitlement to free early years provision for 3- and 4-year-olds. There are two key reasons why the Government is proposing that we give local authorities the power to require EYFSP data from non-funded providers:

- To support local authority in meeting their new statutory duties to improve outcomes and reduce inequalities, enabling them to identify which particular circumstances or factors lead to improved EYFSP outcomes and to plan appropriate intervention strategies; and
- To support local authorities in monitoring the effectiveness of the EYFS more generally as well as accessing the impact of other programmes aimed at improving the overall quality of early years provision in their areas.

3. Consultation

3.1 In 2006, DCSF consulted on the current regulations that allow for the collection of individual child level information from funded early years providers. During the consultation, DCSF gave a commitment to delay the commencement of wider powers to collect data from all early years providers (i.e. commence the collection of data from non-funded providers). Further discussions with local authorities and representative organisations for the independent schools sector will be held during the course of the consultation period. The umbrella organisations for early years providers including the Independent Schools Council and Steiner Waldorf Schools Fellowship (SWSF) will also be invited to participate.

4. Options

4.1 The following options for the collection of EYFSP information have been considered.

Option 1: retain the status quo

4.2 This would mean remaining with the current collection mechanism which for EYFSP data and additional child level information is restricted to maintained schools and other early years providers and schools delivering the free early education entitlement for 3 and 4 year olds. This option would not fully support local authorities in meeting their new statutory duties of improving outcomes for all children and enable them to plan appropriate intervention strategies to improve the overall quality of early years provision. We therefore do not propose this option.

Option2: Extend the collection of EYFSP data by local authorities and DCSF to non-funded early years providers

4.3 This option would replace the current data collection arrangements restricting local authorities to collecting EYFSP data from maintained schools and other providers and schools delivering the free early education entitlement for 3- and 4-year-olds. It would introduce new powers allowing local authorities the flexibility to collect EYFSP data from non-funded providers registered on the Ofsted Childcare Register and commence existing powers for local authorities to enable them collect additional child level information from non-funded schools. Under this option, local authorities would be empowered to require a full set of EYFSP results from all providers (irrespective of funding status).

4.4 Although we are not proposing any changes to DCSF's data collection in light of this extension of powers, we expect the 2009/10 EYFSP collection mechanism will be more

streamlined to coincide with the first time local authorities will have the flexibility to collect data from all early years providers. In particular:

- DCSF is currently exploring improvements that can be made to the existing eye-profile system that would enable wider access to early years providers needing to submit EYFSP data to local authorities.
- DCSF will also explore the extent to which data held in other local authorities or provider systems can be made compatible with an improved eye-profile or any replacement management information tool that might ensue.

Local Authorities will not be required to submit EYFSP data centrally to the DCSF in respect of non-funded providers.

5. Costs and benefits

5.1 Sectors and groups affected

Local authorities, non-funded independent schools and non-funded providers registered on the Ofsted Childcare Register.

5.2 Benefits

Option 1

- Local authorities are familiar with the current data collection mechanisms for funded providers and would not need to change their processes or systems. There would be no new burden on non-funded providers.

Option 2

- The overall quality of the information received by local authorities would be improved leading to a more robust evidence base in terms of assessing impact on outcomes at local level.

Costs

Option 1

Local authorities will already be collecting EYFSP data from funded early years providers on an annual basis and therefore this option would represent no change.

Option 2

- 5.3 In terms of non-funded providers submitting EYFSP data to local authorities, the wage of the person responsible for data entry is estimated at £9.50 an hour by taking the average of the national minimum wage (£5.73 per hour) and the wage of a fully qualified teacher (£13 per hour, estimated from figures given on tda.gov.uk). We have assumed that one person per institution spends one hour per year doing the extra administrative work required to submit the EYFSP data to local authorities. There are no reliable estimates of the number non-funded early years providers because of the fact that the DCSF has not collected this data in past. We have therefore estimated of the number of independent schools that are non-funded is 20% of the total (1148 independent schools with under 5 provision) i.e. 225. The extra cost to non-funded independent schools will then be approx. £2000. If we assume that a similar cost is replicated among other

providers registered on the Ofsted Childcare Register, then the overall burden on providers will be approximately £4000.

- 5.4 It will be the choice of local authorities to collect these data – it would not be centrally mandated. However, if all local authorities decided to collect these data there would also be an administrative cost to them. If we assume each LA has to put in 2 days (16 hours FTE) to cover the extra burden at the same wage rates outlined above of £9.50, then for 152 local authorities the total burden will amount to approx £23,000. Therefore the total administrative cost of the proposal will be approximately £27,000. In the first year of the submission of the data extra work may be generated for local authorities. In the absence of reliable data on this, we can assume that an extra 3 days (24 hours FTE) will be needed per local authority to deal with this, generating a one-off cost of £35,000.
- 5.5 In summary while there will be some additional costs on local authorities and providers particularly in the first year of starting to collect EYFSP data, the Government does not expect the net cost effect to be significant. **However, given that robust cost data was not available for this impact assessment, the DCSF is through this consultation seeking views from local authorities and providers on the impact that the proposal will have on them. These results will then be incorporated into a revised impact assessment.**

6. Small Firms Impact Test

- 6.1 Non-funded private, voluntary and independent providers will only be required to provide information for children (and only if they have eligible 5 year olds in their settings). Additional tasks that would be required of providers would be to send parents the Fair Processing Notices (which informs them, under the Data Protection Act, who will have access to their data, the broad purpose of the data collection and how they can see the information held about them). Overall, therefore, the Government does not expect there to be significant additional costs on providers.
- 6.2 There will be no change in burdens on early years providers in completing the Early Years Foundation Stage Profile.

7. Competition assessment

- 7.1 The Government has assessed the policy through the competition filter, and there is no effect on competition.

8. Enforcement, sanctions and monitoring

- 8.1 The proposed changes will give local authorities the power to collect EYFSP data from non-funded early years providers, i.e. to cover early years provider who do not deliver the free early education provision for 3- and 4-year-olds.

9. Implementation and delivery plan

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|-----------|--|
| May 2009 | Consultation on proposals closes |
| June 2009 | Regulations amended giving local authorities power to request data from non-funded providers |

10. Summary and recommendation

10.1 The Government recommends that the changes required to existing regulations giving local authorities the power to require EYFSP data and additional child level information from non-funded early years providers should be made. This will help local authorities to meeting their statutory duties to improve outcomes for all children and better quality data to help aid local government policy implementation.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

| Type of testing undertaken | <i>Results in Evidence Base?</i> | <i>Results annexed?</i> |
|-----------------------------------|---|--------------------------------|
| Competition Assessment | Yes | Yes/No |
| Small Firms Impact Test | Yes | Yes/No |
| Legal Aid | No | Yes/No |
| Sustainable Development | No | Yes/No |
| Carbon Assessment | No | Yes/No |
| Other Environment | No | Yes/No |
| Health Impact Assessment | No | Yes/No |
| Race Equality | No | Yes/No |
| Disability Equality | No | Yes/No |
| Gender Equality | No | Yes/No |
| Human Rights | No | Yes/No |
| Rural Proofing | No | Yes/No |

