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|---|---|
| Title: Early Years Foundation Stage Review Lead department or agency: Department for Education Other departments or agencies: | Impact Assessment (IA) |
| | IA No: |
| | Date: 18/05/11 (revised) |
| | Stage: Consultation |
| | Source of intervention: Domestic |
| | Type of measure: Secondary legislation |
| Contact for enquiries: Andy Fisher, Sameea Ahmed | |

Summary: Intervention and Options

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

The existing EYFS regulations were introduced in 2008 to improve quality across the early years sector, establishing a single source of standards and guidance. The government commissioned an independent review, led by Clare Tickell, CE of Action for Children, to consider how to reduce the burden of the EYFS (as well as to consider other aspects of the EYFS). Tickell found that while the EYFS has enabled improvements in quality, it is too elaborate and complex, and does not work as well as it could for Year 1 teachers, parents, or providers. It is also associated with unnecessary processes and paperwork. In response to the review, the government plans to consult on changes which **would simplify and slim-down the regulatory regime and associated burdens. The revised EYFS is a draft for consultation in summer, 2011, when we will test our assumptions about impact. The IAs will then be updated again and re-submitted in the autumn.**

What are the policy objectives and the intended effects?

1. Reduced regulatory burdens on providers to allow more time with children and encourage professional judgement
2. Greater market flexibility to enable settings to deliver a more tailored curriculum in line with their teaching principles
3. Greater clarity on requirements so providers understand the 'must dos' and inspectors know what to inspect against
4. Reflect the latest evidence on child development to better support children, particularly those from disadvantaged and vulnerable backgrounds
5. Keep children safe and secure so that they enjoy learning, grow in confidence and build secure relationships with children and adults
6. Identify children's needs and then intervene early, preventing problems in later life and limiting additional support costs.

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

The proposals are informed by Tickell's extensive review of evidence from recent literature on child development, and views and experiences of practitioners, teachers, academics, representatives of professional organisations, parents, carers and children. There were over 3,300 written responses to the review call for evidence, and detailed advice from a panel of experts. Tickell's recommendations have been welcomed by the main sector organisations, including those representing independent schools and private nurseries who have been the most critical of the EYFS. They agreed that the recommendations would improve the EYFS and reduce burdens overall. The option to do nothing, and to not implement the recommendations of the review, would leave the sector with the current regime which is considered burdensome and overly complex. This option is therefore not recommended. A further option, to scrap the EYFS completely, would be unacceptable because it could leave vulnerable children at risk of poor quality support for their basic learning, and, in some cases, unsafe or abusive practices. Moreover, even critical providers do not want to see the EYFS scrapped – they are calling for a simpler version of the EYFS, as now proposed.

Will the policy be reviewed? At official level on an ongoing basis **If applicable, set review date:** We will consider a more formal review date, once the detailed proposals are publicly announced.


What is the basis for this review? Not applicable. **If applicable, set sunset clause date:** Month/Year

| | |
|--|-----|
| Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review? | Yes |
|--|-----|

SELECT SIGNATORY 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 SELECT SIGNATORY:

 Date: 25/05/2011

Summary: Analysis and Evidence

Description:

| Price Base Year 2011 | PV Base Year 2011 | Time Period Years 10 | Net Benefit (Present Value (PV)) (£m) | | |
|-------------------------|----------------------|-------------------------|---------------------------------------|------------|---------------------|
| | | | Low: £104 | High: £183 | Best Estimate: £144 |

| COSTS (£m) | Total Transition (Constant Price) Years | | Average Annual (excl. Transition) (Constant Price) | Total Cost (Present Value) |
|---------------|--|---|---|-------------------------------|
| | | | | |
| Low | £8.4 | 1 | £1.1 | £17.9 |
| High | £9.7 | | £1.8 | £23.9 |
| Best Estimate | £9.1 | | £1.4 | £20.9 |

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

The requirement to provide a summary of development at 24-36 mths will impose a small cost in terms of time for practitioners (and health visitors). There will be small one-off costs for local authorities to revise the training and guidance they provide to settings preparing to adopt the new EYFS, and one-off familiarisation costs for providers. For organisations taking advantage of the new exemptions route, there will be small administrative costs involved in making their applications.

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

A number of costs to the Department for Education have not been monetised.

| BENEFITS (£m) | Total Transition (Constant Price) Years | | Average Annual (excl. Transition) (Constant Price) | Total Benefit (Present Value) |
|---------------|--|---|---|----------------------------------|
| | | | | |
| Low | £0.0 | 1 | £14.8 | £128 |
| High | £0.0 | | £23.2 | £201 |
| Best Estimate | £0.0 | | £18.9 | £165 |

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

Practitioners and teachers will experience a reduced burden on their time, from simplification of the early learning goals and scale points, and from the reduced requirements for written risk assessments. Changes to the rules around exemptions will reduce administrative burdens for some providers and local authorities.

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

The welfare changes are expected to bring significant benefits to child safeguarding. There will also be gains from the new development check, as earlier intervention will help prevent developmental problems escalating. This reduces overall costs to public services.

Key assumptions/sensitivities/risks

Discount rate (%)

3.5

It has been difficult to accurately estimate the costs and benefits from these options in terms of the requirements on practitioners' time. For the written risk assessments and the revision of guidance, and for the learning and development changes, this has been based on our best guess. The consultation will help us test our assumptions - we will then revisit the estimates.

| | | | | |
|--|--------------------|--------------|-------------------|----------------------|
| Direct impact on business (Equivalent Annual) £m): | | | In scope of OIOO? | Measure qualifies as |
| Costs: £0.6 - £1 | Benefits: £8.5-9.3 | Net: £8- 8.2 | Yes | OUT |

Enforcement, Implementation and Wider Impacts

| | | | | | |
|--|-------|-------------|-------|-----------------|-------|
| What is the geographic coverage of the policy/option? | | England | | | |
| From what date will the policy be implemented? | | 01/09/12 | | | |
| Which organisation(s) will enforce the policy? | | Ofsted | | | |
| What is the annual change in enforcement cost (£m)? | | N/A | | | |
| Does enforcement comply with Hampton principles? | | Yes | | | |
| Does implementation go beyond minimum EU requirements? | | N/A | | | |
| What is the CO ₂ equivalent change in greenhouse gas emissions? N/A (Million tonnes CO ₂ equivalent) | | Traded: N/A | | Non-traded: N/A | |
| Does the proposal have an impact on competition? | | No | | | |
| What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable? N/A | | Costs: N/A | | Benefits: N/A | |
| Distribution of annual cost (%) by organisation size (excl. Transition) (Constant Price) N/A | Micro | < 20 | Small | Medium | Large |
| Are any of these organisations exempt? N/A | No | No | No | No | No |

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department. Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

| Does your policy option/proposal have an impact on...? | Impact | Page ref within IA |
|--|--------|--------------------|
| Statutory equality duties¹ Statutory Equality Duties Impact Test guidance | Yes | 15 |
| Economic impacts | | |
| Competition Competition Assessment Impact Test guidance | No | |
| Small firms Small Firms Impact Test guidance | Yes | p14 |
| Environmental impacts | | |
| Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance | No | |
| Wider environmental issues Wider Environmental Issues Impact Test guidance | No | |
| Social impacts | | |
| Health and well-being Health and Well-being Impact Test guidance | No | |
| Human rights Human Rights Impact Test guidance | No | |
| Justice system Justice Impact Test guidance | No | |
| Rural proofing Rural Proofing Impact Test guidance | No | |
| Sustainable development Sustainable Development Impact Test guidance | No | |

¹ Public bodies including Whitehall departments are required to consider the impact of their policies and measures on race, disability and gender. It is intended to extend this consideration requirement under the Equality Act 2010 to cover age, sexual orientation, religion or belief and gender reassignment from April 2011 (to Great Britain only). The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

References
 Include the links to relevant legislation and publications, such as public impact assessments of earlier stages (e.g. Consultation, Final, Enactment) and those of the matching IN or OUTs measures.

| No. | Legislation or publication |
|-----|---|
| 1 | Statutory Framework for the Early Years Foundation Stage |
| 2 | Early Years Foundation Stage (Learning and Development requirements) Order 2007 |
| 3 | Early Years Foundation Stage (Welfare Requirements) Regulations 2007 |
| 4 | The Early Years Foundation Stage (Exemptions from Learning and Development Requirements) Regulations 2008 |

+ Add another row

Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

Annual profile of monetised costs and benefits* - (£m) constant prices

| | Y ₀ | Y ₁ | Y ₂ | Y ₃ | Y ₄ | Y ₅ | Y ₆ | Y ₇ | Y ₈ | Y ₉ |
|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Transition costs | | | | | | | | | | |
| Annual recurring cost | | | | | | | | | | |
| Total annual costs | | | | | | | | | | |
| Transition benefits | | | | | | | | | | |
| Annual recurring benefits | | | | | | | | | | |
| Total annual benefits | | | | | | | | | | |

* For non-monetised benefits please see summary pages and main evidence base section



Microsoft Office
Excel Worksheet

Evidence Base (for summary sheets)

This paper describes the background and the case for Government action, and the costs and benefits of the EYFS review recommendations. Ministers are still considering the recommendations and will consult on any proposals this summer. We will revise the impact assessments as necessary.

Background

Why is early years important?

The evidence is clear that children's experiences in their early years strongly influence their outcomes in later life, across a range of areas from health and social behaviour to their employment and educational attainment. The most recent neuroscientific evidence highlights the particular importance of the first three years of a child's life. A strong start in the early years increases the probability of positive outcomes in later life; a weak foundation significantly increases the risk of later difficulties.ⁱ

These findings are reflected in children's educational outcomes. Most children who are developing well at the end of their early years go on to exceed expectations in reading and in maths at the end of Key Stage 1.ⁱⁱ These results also show that children in the lowest achieving fifth in terms of their learning and development at the end of the Early Years Foundation Stage (EYFS) are six times more likely to be in the lowest fifth at Key Stage 1.ⁱⁱⁱ Children's experiences in their early years provide the essential foundations for both healthy development and their achievement through school.^{iv} These clear links illustrate why it is important to ensure that children's early experiences equip them with the skills that they need for life.

The importance of pre-school education

In the UK, the Effective Provision of Pre-School Education (EPPE) Project produced findings to show that attending a high quality pre-school setting has a positive impact on children's academic and social development, and that the benefits largely persist through to the end of Key Stage(KS) 2.¹ It also found that disadvantaged children in particular benefit from good quality pre-school experiences, especially where they mix with children from different social backgrounds.²

Although a quality pre-school experience is shown to be good for all children, it is also particularly helpful for children from poorer socio-economic backgrounds, specific ethnic minority groups and those for whom English is an additional language (EAL). As a recent review of research has shown,³ there is evidence that early years interventions can narrow the gap between disadvantaged and other children in terms of their cognitive development. This is also the case for social and behavioural development.⁴

The strongest signs of good settings include those that foster warm interactive relationships with children and have more qualified staff, especially those with a good proportion of trained teachers.^{5,6} Settings achieving higher quality scores, and better progress for their children, are

¹ Sylva, K., Melhuish, E. Sammons, P. Siraj-Blatchford, I. and Taggart, B. (2009) *Final report from the primary phase: pre-school, school, and family influences on children's development during Key Stage 2 (age 7–11)*, (Effective Pre-School and Primary Education 3–11 project (EPPE 3–11)), London: DCSF/ IOE

² Sylva, K., Melhuish, E. Sammons, P. Siraj-Blatchford, I. and Taggart, B. (2009) *Final report from the primary phase: pre-school, school, and family influences on children's development during Key Stage 2 (age 7–11)*, (Effective Pre-School and Primary Education 3–11 project (EPPE 3–11)), London: DCSF/ IOE

³ Springate, I., Atkinson, M., Straw, S., Lamont, E. and Grayson, H. (2008) *Narrowing the gap in outcomes: early years (0–5 years)*, Slough: NFER

⁴ Springate, I., Atkinson, M., Straw, S., Lamont, E. and Grayson, H. (2008) *Narrowing the gap in outcomes: early years (0–5 years)*, Slough: NFER

⁵ Sylva, K. Melhuish, E. Sammons, P. Siraj-Blatchford, I. and Taggart, B. (2004) *The Effective Provision of Pre-School Education Project*, London: DfES

also those which view educational and social development as complementary and equal in importance.⁷

The Rationale & Aims of the Early Years Foundation Stage

The Early Years Foundations Stage was introduced to improve quality in early years provision, and help all children achieve their potential, including narrowing the gap between the achievement of disadvantaged children and the rest.⁸ The quality of early years provision is a key influence on these outcomes.⁹ A key supporting factor is the framework of standards and guidance. The EYFS was therefore devised with the following aims:

- setting the standards for children’s learning, development and care;
- improving quality and consistency in the early years sector;
- laying a secure foundation for future learning through learning and development planned around the individual needs and interests of each child;
- providing for equality of opportunity; and
- creating the framework for partnership working.

The consultation on the original EYFS revealed a lot of support for the new framework. Responses to the consultation welcomed the proposals to reduce fragmentation and confusion by bringing together the existing standards and guidance, to improve quality across the sector, and to place the interests of individual children at the heart of the system – with a special focus on disadvantaged and vulnerable children.¹⁰ The Regulatory Impact Assessment¹¹ (RIA) evaluated these objectives, and also highlighted that a single framework would reduce bureaucracy and help create a level playing field between maintained, voluntary and private sectors. The RIA considered and rejected the option of retaining the status quo, concluding that the existing system puts unnecessary burdens on providers and Ofsted in delivering and inspecting early years learning and childcare.

Since 2008 the EYFS has been implemented across a diverse early years sector comprising full time nurseries, childminders, maintain and independent school provision, sessional care, playwork after and holiday clubs, Montessori and Steiner school provision.

EYFS Structure & Framework

The statutory part of the EYFS sets out the legal requirements relating to learning and development and welfare.

The learning and development requirements are made up of

- Educational programmes** – these illustrate the overarching ways in which children develop within each area of learning.
- Early learning goals** – developmental milestones describing the knowledge, skills and understanding which most, though not all, young children should be able to achieve by the end of the academic year in which they turn five. There are currently **69** early learning goals

⁶ Melhuish E., Belsky J., Macpherson K., Cullis A. (2010) *National Evaluation of Sure Start: Quality of Childcare centres used by 3-4 year old children in Sure Start areas and the relationship with child outcomes*. London: Birkbeck

⁷ Sylva, K. Melhuish, E. Sammons, P. Siraj-Blatchford, I. and Taggart, B. (2004) *The Effective Provision of Pre-School Education Project*, London: DfES

⁸ DfES (2004) *Every Child Matters: Change for Children*, DfES: London

⁹ DfES (2004) *Every Child Matters: Change for Children*, DfES: London

¹⁰ DfES (2006) *The Early Years Foundation Stage - consultation on a single quality framework for services to children from birth to five*, London: DfE, available at: www.education.gov.uk/consultations/

¹¹ DfES (2007) *Regulatory Impact Assessment for the Early Years Foundation Stage and Registration of Early Years Provision*, London: DfES

- c. **Assessment arrangements** – assessment in the EYFS is through observation of day to day activities – there is no testing. In the year in which children turn five, practitioners are required to record their observations on the Early Year Foundation Stage Profile (EYFSP) - which is a way of summing up each children's development and learning achievements at the end of the EYFS. These scales are further broken down in **117 scale points** derived from the 69 early learning goals.

There are six areas covered by the above early learning goals and educational programmes:

- Personal Social and Emotional Development;
- Communication, Language and Literacy;
- Problem-solving and Numeracy
- Knowledge and Understanding of the World;
- Physical Development; and
- Creative Development.

The welfare requirements cover the following areas:

- **Safeguarding and promoting children's welfare** – this relates to the steps to safeguard and promote the welfare of children, prevent the spread of infection and manage behaviour effectively.
- **Suitable people** – to ensure adults looking after children are suitable to do so and have the appropriate qualifications, training, skills and knowledge.
- **Suitable premises, environment and equipment** – this relates to safety around outdoor and indoor spaces, furniture, equipment and toys.
- **Organisation** - to ensure providers plan and organise their systems to ensure that every child receives an enjoyable and challenging learning and development experience.
- **Documentation** - to ensure providers maintain records, policies and procedures required for the safe and efficient management of the settings and to meet the needs of the children.

The learning and development and welfare requirements are underpinning by two regulations a) Early Years Foundation Stage (Learning and Development requirements) Order 2007 and b) Early Years Foundation Stage (Welfare Requirements) Regulations 2007. These will need to be amended if changes are made to the EYFS statutory document

Exemption from EYFS

The Early Years Foundation Stage (Exemptions from Learning and Development Requirements) Regulations 2008 enables the Secretary of State to grant exemptions to providers, in prescribed circumstances, from all or part of the learning and development requirements which are set out in the EYFS. The regulations can also enable early years providers to grant exemptions in relation to individual children from all or part of the learning and development requirements in prescribed circumstances.

There are currently two types of exemption available:

- Exemptions at provider-level; and
- Exemptions in respect of an individual child due to a conflict with the parent's religious or philosophical convictions. (This will remain unchanged and therefore not subject to an impact assessment).

Providers may apply for exemptions in the following circumstances:

- Where providers are temporarily unable to deliver the full learning and development requirements – e.g. setting up their business.
- Where a majority of parents agree with the provider that an exemption should be sought, and the exemption is required because the established principles about learning and development for young children which govern their practice conflict with elements of the EYFS learning and development requirements – e.g. Steiner settings

Where exemptions are required, applications may seek to modify but not disapply the educational programmes, and/or modify or disapply the early learning goals and assessment arrangements.

EYFS Independent Review, Chaired by Dame Clare Tickell

Problem addressed by the Review

The government recognises that the Early Years Foundation Stage (EYFS) has helped to promote a focus on early learning and development for children aged 0 – 5 across the sector, and done much to raise standards. However the framework is seen as overly elaborate, unwieldy and in some respects burdensome. Some requirements are unclear in parts, and it can seem inaccessible to parents as well as to less-experienced practitioners. This is causing increased confusion between the sector and Ofsted inspectors, sometimes leading to costly complaints, investigations and appeals.

The learning and developments requirements in the existing EYFS do not reflect the latest evidence and research on how children learn and develop. There is also a disjuncture between the EYFS and the standards set in the National Curriculum - many Year 1 school teachers do not use the EYFS profile effectively. Moreover, recent child protections/safeguarding incidents have led to questions about whether the welfare requirements are robust enough to ensure that children are kept safe and secure so that they can enjoy learning and build secure relationships with children and adults. It is therefore critical that we revise our requirements in these areas.

Simplification of the framework should lead to better parental engagement, and help ensure the market for early years education operates more freely. **If the Government did not intervene and the current process remained unchanged, the sector would continue to experience unnecessary burdens in a challenging economic climate. Our proposed reforms would reduce burdens overall.**

EYFS Review Process & Recommendations

The Government asked Dame Clare Tickell, Chief Executive of Action for Children, to carry out an independent review of the Early Years Foundation Stage (EYFS). The review reported on 30 March 2011¹², and the Government is considering its response - with a view to implementing any changes from September 2012, following a full consultation.

The review covered four main areas:

- Learning and development – looking at the latest evidence about children’s development and what is needed to give them the best start at school.

¹² Tickell, Dame Clare, (2011), The Early Years: Foundations for life, health and learning. DfE: London.

- Assessment – whether young children’s development should be formally assessed at a certain age, and what this should cover.
- Welfare – the minimum standards to keep children safe and support their healthy development.
- Scope of regulation (exemptions) – whether there should be one single framework for all Early Years providers.

This review gathered a wide range of evidence from people working in the early years sector, academics, representatives of professional organisations, parents, carers and children. Evidence has been collected through research, some commissioned by the review. Further information and options were considered through workshops with groups of practitioners, parents and other experts and visits to schools and other settings. The review collected over 3,300 written responses to the call for evidence conducted in August and September 2010.

On learning and development (including assessment), Tickell recommends the early learning goals are reduced in number from 69 to 17 and that for each goal, a simple three-part scale is established. It further recommends reducing the EYFS profile from 117 pieces of information to 20 pieces of information that capture a child’s level of development. This will make assessment easier and more appropriate for young children. The review also recommends that three areas of learning are identified as prime areas of learning, of particular importance, to help all early years practitioners understand how to focus their support for children’s development.

Tickell also found that early identification of need is critical in helping children overcome specific obstacles to learning. Tickell therefore recommends the introduction of a requirement for practitioners to provide to parents and carers, between the age of 24-36 months, a short summary of their child’s communication and language, personal, social and emotional, and physical development. Ideally, this should be shared with health visitors, where the timing is right.

On welfare, the review recommends **reducing paperwork burdens** by removing the requirement to undertake written risk assessments when children are taken out, but instead be able to demonstrate if asked the ways that they are managing outings to minimise risk. Tickell also recommends giving parity between the ratio requirements around short breaks and lunch periods for independent and maintained schools. Tickell also calls for the EYFS to make explicit the warning signs of adult behaviours, and raise awareness of child protection within early years settings in child protection training.

On exemptions (scope) the review recommends that the EYFS should continue to apply to all providers but the government could consider making the exemptions process less burdensome by removing the requirement for a written statement from local authorities and extending the process to allow a) Steiner settings (within the Steiner Fellowship) to receive specified exemptions from communication and literacy and technology areas of learning via one application process and b) organisations representing groups of independent schools to apply for exemption from the learning and development requirements, where they are willing and able to ensure the delivery of high quality provision in the schools.

Policy objective

The recommendations are designed to achieve the following policy objectives:

1. Reduced regulatory burdens on providers to allow more time with children and allow for greater professional judgement.
2. Greater market flexibility to enable settings to deliver a more tailored curriculum in line with their teaching principles without being constraint by regulations.

3. Greater clarity over the requirements to enable providers to be clear about the must dos and inspectors to be clear what to inspect against
4. Reflect the latest evidence on child development to improve outcomes and better support children, particularly those from disadvantaged and vulnerable backgrounds
5. Keep children safe and secure so that they enjoy learning, grow in confidence and build secure relationships with children and adults
6. Identify children's needs and intervene early on to prevent problems in later life and reduce additional support costs.
7. Reduce costs by removing regulatory burdens. This saving will be made in terms of practitioners' and teachers' time and giving greater clarity over the requirements leading to less costly complaints, investigations and appeals by Ofsted. This will also improve outcome by allowing practitioners to devote more time to children.

Options

Given that a range of options have already been considered as part of the review, and extensive consultation has been held, we have considered essentially three options:

- do nothing and maintaining the status quo
- implementing the proportional approach and measures recommended by the review.
- Immediately removing the EYFS

Please note that Ministers will be considering the recommendations further and have committed to undertake a full consultation before any changes are made to regulations. Therefore we will need to revisit this impact assessment should the recommendations change as results of consultation activity and/or Ministerial decisions.

Option 1 – Do nothing

Maintaining the current system would mean continuing with an unnecessarily burdensome and complex system regime which should be improved to better enable professionals to work effectively with children – as shown by evidence from teachers and practitioners that the early learning goals and the EYFSP are too complex, not easily observed, and not sufficiently distinct. This option would also mean overlooking the latest evidence about child development, and overlooking the opportunity to improve the way early years practitioners work with parents and health visitors to identify children's needs - before escalation, and in time for effective support.

Failing to reform the exemptions arrangements would leave individual settings consulting their LA and applying for exemption on an individual basis – even when all their exemptions requests are the same, for example in the case of Steiner settings, and when these requests will be responded to in the same way by ministers. Time and resource required to complete this process is quite extensive, particularly for practitioners not familiar with the process. It can take practitioners' and teachers' time away from children, restrict freedom for independent schools already providing high quality services to children.

On welfare, this option would mean ignoring the lessons from the Plymouth Serious Case review (Little Teds nursery). There would also continue to be confusion in the system around the ratio requirements, with different settings with the same sector operating different standards and discontentment from the independent school sector that they are being treated unfairly. The burden

of paperwork associated with some of the current welfare requirements would not be reduced, for example on risk assessments.

Option 2 – A proportionate approach

The Tickell review considered a number of issues and options to arrive at its conclusions, and proposed revisions to the EYFS. The government believes the Tickell recommendations are the right way forward, re-shaping the EYFS for the benefit of children, families, practitioners and teachers. Our proposals represent a simplification of the framework, reducing burdens and clarifying requirements – while protecting the quality and standards which are essential for children’s basic development and safety.

Option 3 – removing the EYFS completely

Tickell found that there are very few providers who would like to see the EYFS removed completely. There is widespread agreement that a regulatory framework is necessary to keep children safe and to promote good practice in child development. Moreover, there is scope to improve the quality of early years provision and raise standards of ‘school readiness’ and attainment. While evidence shows that the quality of early years provision is improving, there is still some distance to travel, with only 56% of children being assessed as having good development at the age of 5. Evidence also suggests that, while parents want good outcomes for their children, when choosing a provider they do not prioritise the areas that research suggests are most important for the provision of good quality childcare. In the review, fewer than one in three parents said that they would consider staff qualifications – yet staff qualifications is most important in determining the quality of early years provision.

Costs and benefits

The costs and benefits of a number of the Tickell recommendations have been set out in the accompanying impact assessments, covering learning and development, welfare and exemptions. The following section provides a summary of the monetised costs and benefits and the main non-monetised costs and benefits. For more detail, please see the accompanying impact assessments.

Monetised costs and benefits

Costs

One-off costs:

The changes to the requirements around learning and development and welfare are likely to lead to one-off costs for local authorities as they will have to revise the guidance and training they offer providers. We also anticipate some familiarisation costs to providers in adopting the development check, and the revised early learning goals and EYFSP. These revisions have been costed separately, producing a conservative estimate; in fact there are likely to be some economies of scale in the costs of revising training and guidance (see spreadsheet and annex impact assessment for more details). The estimated one-off cost to local authorities and providers for familiarisation is between £6.8 and £7.4m.

The changes to welfare requirements will create one-off costs on LAs and providers to train their staff. Using assumptions based on knowledge of the sector and evidence from providers, these one-off estimates are between £1.6 and £2.3m.

The changes to exemptions will create one-off costs for representative bodies that would now be required to apply for exemptions for their members. These costs are estimated at approx £4,400.

One-off costs are estimated to be between **£8.4-£9.7m**

Annual costs:

The introduction of a development check at age 24-36 months is likely to involve opportunity costs for practitioners and to a lesser extent for health visitors – in terms of their time to complete the check and record it as a development summary for parents. There could be some time costs for health visitors, where parents pass the development summary to health visitors for inclusion in the health review. These costs should be quite limited as the summary will be concise and will cover development areas which health visitors already consider. Using the assumptions set out in the accompanying impact assessment, these costs have been estimated at between £1.1m and £1.8m annually.

The changes to the system of applying for exemptions may encourage additional individual providers to apply for an exemption. It is estimated that between 10 and 20 schools would apply for exemptions for the first five years, giving a range of costs from £2,100 to £4,200. However, it has been assumed that the benefits to these providers will at least outweigh the costs otherwise they would not apply for an exemption, so the two cancel each other out in the final figures.

Annual costs are therefore estimated to be:
Between £1.1 and £1.8m for the first five years
And £1.1-£1.8m for the next five years.

Total costs:

Overall, the one-off costs have been estimated at £8.4m - £9.7m.
Annual costs have been estimated at between £1.1m - £1.8m
Over a 10 year period the best estimate of costs is between £19m and £26m.

The present value of these costs over this 10 year period is between £18m and £24m.

Benefits

Annual:

The changes to the early learning goals and the scale points as well as the introduction of the 24-36 month check are expected to produce significant benefits in reduced burdens on providers, practitioners and teachers, and improved outcomes for children. Estimates have been produced for the reduction in teacher time from these reduced early learning goals and scale points. These have been estimated between £13m and £20m on an annual basis (see spreadsheet for more detail)

Changes to the exemptions system will reduce the amount of time spent applying for exemptions for each individual provider. This saving has been estimated at £4,600 a year. Local authorities will also make a time saving as they no longer have to take part in the process, estimated at £39,200 a year.

It has been assumed that the costs of the exemptions process would at least be equal to the benefits to providers. This assumption has been made since providers would not apply for an exemption if they did not deem the benefits to at least outweigh the costs.
Total annual benefits for exemptions has been estimated at between £45,900 - £48,000

The changes to the requirements around written risk assessments will reduce the burden on teachers, practitioners and providers. Using a number of assumptions set out in the underlying impact assessment, it has been assumed that the benefits to providers of these changes are between £1.7m and £2.9m a year.

Total benefits:

There are not expected to be any one-off monetiseable benefits.

Annual benefits have been estimated at between £14.8m and £23.2m, although it has not been possible to monetise all expected benefits.

Over a 10 year period the best estimate of benefits is between £148m and £232m.

The present value of these benefits over this 10 year period is between £128m and £201m.

Monetiseable Benefits – costs

The estimate of the benefits less the costs ranges from £122m to £213m.

The present value of this is between £104m and £183m.

Non-monetised costs and benefits

Identifying problems earlier, through the new development summary, can be expected to produce significant benefits over time - by allowing more cost-effective provision of support and longer-term improvement in child outcomes. It has not been possible to monetise the likely societal benefits from early intervention as a result of these checks, but they could be significant.

Making the EYFS guidelines clearer around welfare issues will reduce confusion in settings and improve outcomes for children if this results in a reduction in abuse in settings. However, it is not possible to monetise the benefits of this.

For later iterations of the impact assessment, following consultation, it should be possible to provide more evidence to help estimate more fully the costs and benefits of these recommendations.

Wider impacts

Children – the early years are a crucial stage in children’s learning and development. The evidence is clear that their experiences strongly influence their outcomes in later life. EPPE (Effective Provision of Pre-school Education) has shown that pre-school has an important impact on children’s development. Disadvantaged children in particular can benefit significantly from good quality pre-schools experience and early identification. EYFS will be improved and better reflect the way in which children learn and develop and will therefore help improve the quality of a child’s pre school experience. The changes will ensure more practitioners and teachers time is devoted to the care and development of the “unique” children, while ensuring standards are maintained. It will take into account the needs of summer born children and to those children who are fast developers.

Parents – the revised EYFS will embed the most effective approaches as identified in research and highlight the importance of involvement of parents in this process. Working in partnership with parents will be strengthened and key in planning to meet the individual needs of children. It will help raise standards in supporting early learning and development and support practitioners to help children attain competence in a number of key skill areas together with supporting their confidence, opportunity and desire to use them. The EYFS focuses on outcomes for children and will be made more flexible to allow practitioners to follow their own philosophy or methods. The choice and diversity early years providers’ available to parents will be respected and consulting parents will continue to be a crucial part of the process for exemption from the EYFS.

Practitioners - the new EYFS will provide practitioners with the crucial support, flexibility and freedom to provide an effective curricula that supports children to develop the key skills needed for all future learning. The EYFS will be clear on the must do in order to deliver effective early years provision and avoid wasting practitioners’ time and money on unnecessary bureaucracy and paperwork, whilst still supporting children’s effective early learning and development. This will allow practitioners to spend more time with children and more freedom to exercise their professional judgement. It will also ensure that the EYFS dovetails more effectively with the National Curriculum allowing Year 1 teachers to use the assessment information more effectively to support children with the National Curriculum. Given that the documents will be reduced and streamlined it will be easier to follow and demand less training costs.

LA – the measures will remove the burdens on the LAs to provide a written statement on every exemption application which can sometime involve visits to settings and extensive discussions. LAs will still be informed about any exemptions applications submitted and granted. A reduced and more streamlined and clearer EYFS will also reduce costs on training and queries about some of the requirements.

Equality

The overall effect of the revised EYFS should be positive, as described in the equality impact assessment. The requirement for the 24-36 month development check should increase the effectiveness of early identification of specific needs associated with disability and ethnicity. For disadvantaged children, there should also be gains from the enhanced emphasis on foundational skills in oral language and social/emotional understanding. The revised requirements for welfare should strengthen the protection afforded to vulnerable children.

Small Firm Impact Test

See annexes

Competition Assessment impact test

The new regulations will not directly limit the number or range of suppliers.
The new regulations will not indirectly limit the number or range of suppliers.
The new regulations will not limit the ability of suppliers to compete nor reduce suppliers' incentives to compete vigorously.

The new regulations/deregulations broadly affect all types of businesses equally. There is no strong reason to believe that any particular market segment will be disproportionately adversely affected. Reducing regulation may lower barriers to entry and encourage new entrants, improving the competitive nature of the market. Simplifying of the learning and development goals increases the scope for innovation. The level of choice in demand will not be affected, and switching costs will not rise as a result of these policies. By producing summary reports on 24-36 month olds which can be presented to potential new providers, the ability of parents to switch providers may actually improve.

OIOO

From the Childcare and Early Years Providers Survey 2009 (table 4.7) we infer that 42% of providers are provided by the public sector and that 58% are provided by the private sector. As all monetized costs and benefits are to providers (with the exception of small costs to Local Authorities), we attribute these costs and benefits proportionately to business as 58% (shown on pg 2 above).

Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. If the policy is subject to a sunset clause, the review should be carried out sufficiently early that any renewal or amendment to legislation can be enacted before the expiry date. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

Basis of the review: [The basis of the review could be statutory (forming part of the legislation), i.e. a sunset clause or a duty to review, or there could be a political commitment to review (PIR)];

At this early stage, before proposals have been made public and before consultation, we have yet to finalise PIR plans – however we will do so later this year, and return to this IA to describe the plans more fully, after consultation this summer. We are committed to close contact with the sector as we implement the proposals, and will respond to issues as they arise.

Review objective: [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?]

PIR will focus on key changes to the EYFS, to test how those changes are working in practice.

Review approach and rationale: [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach]

Review of data – for example, Ofsted ratings and EYFSP data - will be conducted, as will ongoing testing of stakeholder views. As noted above, will describe our plans for PIR as part of an updated IA, after consultation.

Baseline: [The current (baseline) position against which the change introduced by the legislation can be measured]

N/A

Success criteria: [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives]

1. Continued improvement in Ofsted ratings
2. Continued improvement in EYFSP results
3. Improved levels of acceptance across the sector, including those parts previously uncomfortable with the learning and development requirements.

Monitoring information arrangements: [Provide further details of the planned/existing arrangements in place that will allow a systematic collection of monitoring information for future policy review]

EYFSP data collection is likely to continue.

Ofsted reporting to continue

Reasons for not planning a review: [If there is no plan to do a PIR please provide reasons here]

Add annexes here.

ⁱ HM Government (2010) *Maternity and Early Years, Making a good start to family life*, London: DfE/DH

ⁱⁱ Department for Education (DfE) (2010) *Achievement of children in the EYFSP*, RR-034
London: DfE. To note that 94 percent of children who achieved a good level of development at the end of the EYFS in 2007 – as shown by their EYFS Profile results – went on to exceed expectations in reading and in maths at the end of Key Stage 1.

ⁱⁱⁱ DCSF (2008) *How strong is the relationship between Foundation Stage Profile (2005) and Key Stage 1 (2007)*, DEP2008-1634, Deposited in House of Commons Library

^{iv} Dyson, A. Hertzman, C. Roberts, H. Tunstill, J. and Vaghri, Z. (2009) *Childhood development, education and health inequalities, Report of task group, Submission to the Marmot Review*