



# Investors in Children

## Consultation Paper

14 March 2002



# Summary

## Background

- 1 In March 2001, the Prime Minister announced a new national quality-rating scheme for early years and childcare. The scheme is to be called ***Investors in Children*** (IiC). It will help parents choose what's right for their children by providing a simple, practical guide to the quality of care and early education. By encouraging providers to meet higher standards and participate in quality assurance schemes, ***Investors in Children*** will be an important part of the drive to improve quality.
- 2 A working group has been developing proposals for ***Investors in Children***. The group has included representatives from providers, Early Years Development and Childcare Partnerships (EYDCPs), early years and childcare specialists, and OFSTED. Our aim has been to develop proposals that would:
  - build on existing schemes, not replace them;
  - be consistent with the new National Standards for the regulation of day care and childminding in England;
  - highlight quality processes and procedures;
  - be simple and streamlined, so minimizing extra work for providers.

## Key proposals

- 3 We are now inviting views on our proposals. In summary, we propose that participation in ***Investors in Children*** would be voluntary. The proposed ***Investors in Children*** quality-rating scheme would award stars (one to three) on the basis of three elements of provision:
  1. Results of OFSTED inspections;
  2. Accreditation by an approved quality assurance (QA) scheme;
  3. The qualifications, education and training of providers.
- 4 In this way, ***Investors in Children*** seeks to combine three important elements of quality in early years provision: the long-term benefits of participation in a QA scheme, well-established links between provider training and quality, and the results of the statutory OFSTED inspection against the National Standards.

## Consultation

- 5 This paper seeks the views of parents, children, early years service providers, QA scheme providers, representative stakeholder groups, and EYDCPs on proposals for ***Investors in Children***. Results of the consultation exercise will inform the further practical

development of the *Investors in Children* scheme. The paper is set out in five sections:

## **INTRODUCTION**

Sets out the background to the *Investors in Children* initiative, and how we believe it will help to raise quality.

## **SECTION 1: Awarding an Investors in Children (liC) rating**

Sets out detailed proposals for the three elements that would contribute to *Investors in Children*, and how they might be combined into a single quality rating.

## **SECTION 2: Proposed liC inclusion criteria for QA schemes**

If they choose to be approved as part of *Investors in Children*, existing QA schemes will need to meet specific standards. This section sets out the proposed criteria schemes would have to meet to become approved.

## **SECTION 3: Administration of liC**

Sets out options for how the administrative arrangements for *Investors in Children* would work, and which bodies would undertake which key functions.

## **SECTION 4: Questions**

This section asks you to respond to nine

questions about your views on the proposals described in Sections 1 to 3. Broadly, they ask for views on the proposed elements that would contribute to liC, the system for combining those elements, proposed inclusion criteria for existing QA schemes, and the administration of liC. We welcome all of your comments.

This Consultation Paper meets the Cabinet Office Code of Practice on written consultation. Details can be found on the website at [www.cabinet-office.gov.uk](http://www.cabinet-office.gov.uk).

Responses may be made public unless confidentiality is specifically asked for. The consultation period is twelve weeks. We would therefore ask for responses by 6 June 2002. We are currently working to a timetable that includes launching the scheme in the autumn of 2002. In the meantime, should you have any comments or queries about *Investors in Children*, or this consultation document, please contact Gina Mahn or Tony Munton in the Early Years and Childcare Unit, Quality Team (Tel: 020 7273 5574).

**Annex 1** provides examples of how points for each of the three elements (accreditation, provider training and education, and compliance with statutory regulations) might be

# Introduction

awarded, and combined into an liC quality rating.

- 6 The Government's National Childcare Strategy aims to ensure all early years services are of **good quality**. Research has shown consistently that good quality provision can support children's language, social and intellectual development. Quality is key.
- 7 The Day Care and Childminding (National Standards) (England) Regulations 2001, and new arrangements for inspection by OFSTED, will secure national standards for the provision of registered care and learning. The National Standards represent a baseline of quality below that which no provider may fall. Registration under the National Standards regulations indicates that an adequate level of care is being provided.
- 8 **Investors in Children** will encourage providers to offer a quality of service beyond the baseline represented by the National Standards. It will do this in two ways: first, it will encourage settings to become accredited through an effective quality assurance scheme; second, it will seek to promote the professional development of providers. Research has shown that both accreditation and provider education and training are linked to higher quality service provision<sup>1</sup>.
- 9 **Investors in Children** will also help raise quality by providing parents with better information. Helping parents find good quality provision will increase demand for higher standards. Providers should not have to have expensive physical facilities to get good liC ratings. Ratings should tell parents something about the processes and procedures settings have in place to promote good practice. **Investors in Children** should tell parents which providers are likely to maintain or further improve the quality of their service in the period between OFSTED inspections.
- 10 **Investors in Children** will also give providers a way of telling parents that the quality of their provision is of a high standard. It will help parents choose what's right for their children by providing a simple, practical guide to the quality of care and early education. It will be good for parents, good for providers, and good for children.

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<sup>1</sup> Whitebook, M., Sakai, L., & Howes, C. (1997). *NAEYC Accreditation as a Strategy for Improving Child Care Quality*. National Center for the Early Childhood Workforce: Washington, DC.

## Awarding an *Investors in Children* (IiC) rating

(PLEASE RESPOND TO QUESTIONS 1, 2, 3, & 4 IN SECTION 4)

**11** The DfES intends to develop a national quality-rating scheme to give parents a practical guide to quality. Research suggests an effective rating scheme would include three quality elements:

1. Results of OFSTED inspections;
2. Accreditation by an approved quality assurance (QA) scheme;
3. The qualifications, education and training of staff.

### Results of OFSTED inspections

**12** The National Standards are a set of outcomes that all providers need to achieve. OFSTED expects providers to demonstrate how they achieve each of the standards. The National Standards represent a baseline of quality below which no provider may fall. Registration under the National Standards regulations indicates that an adequate level of care is being provided. National Standards should be part of any quality-rating scheme. OFSTED inspections reassure parents that providers meet a baseline of quality. Parents must be confident that providers accredited under the *Investors in Children* scheme meet the standards OFSTED inspect to.

**13** From April 2003, OFSTED plan to grade all day care provision in answer to the question 'How good is the provision?' This would build on the inspection model used for schools, and would mean that Children Act inspection reports would judge the quality of care and learning as, for example, 'very good', 'good', 'satisfactory', or 'unsatisfactory' in meeting National Standards.

### Accreditation by an approved quality assurance scheme

**14** To be accredited by *Investors in Children*, providers will need to go through an approved quality assurance (QA) scheme. QA schemes are an important tool in the drive to improve quality in early years settings<sup>2</sup>. Good schemes help providers to improve by getting them to do three things:

1. Assess the quality of their provision for themselves;
2. Compare their own practices with descriptions of best practice;
3. Identify their strengths and weaknesses.

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<sup>2</sup> Daycare Trust (2001). *Why introduce quality assurance?* Focus on No 16.

- 15** Where they think there is room for improvement, providers are encouraged to produce action plans setting out clear targets and timetables for change. QA schemes build on OFSTED assessments. They promote quality by encouraging reflective practice and a culture of continuous improvement.
- 16** QA schemes help parents choose good quality provision for their children. In a recent survey, less than a third of parents (29%) felt information about provision in their area was adequate. Fifty per cent that had used formal (registered) early years and childcare did not know if their provider was in a QA scheme. Among parents who did know, 44% said that accreditation was a factor in their choice of provider<sup>3</sup>.
- 17** Recent growth in QA schemes has been spectacular. More than 50 different national and local accreditation schemes are currently available. With so many different schemes on offer, people could easily be confused. EYDCPs want guidance

on which schemes to promote, providers want advice on which they should go for, and parents need to know what accreditation tells them about quality. If QA schemes are going to raise standards and help parents make informed choices, we need to take a more systematic approach. The proposal for *Investors in Children* will bring different schemes under a single umbrella. It will give providers a choice of which scheme to use, and reassure parents, providers and EYDCPs that schemes conform to some national standard. Section 2 invites views on the proposed criteria for the inclusion of QA schemes within iIC.

### **The qualifications, education and training of staff**

- 18** Research has consistently shown that staff qualifications in early years settings have major bearing on the quality of provision and outcomes for children<sup>4</sup>. Well-trained and qualified staff are also rated as important by parents. We therefore propose to include

<sup>3</sup> Woodland, S., Tipping, S., & Miller, M. (2002). Repeat Survey of Parents' Demand for Childcare. DfES: Nottingham.

<sup>4</sup> Munton, A.G., Mooney, A., Moss, P., Petrie, P., Clark, A., & Woolner, J. (2002). *Research on Ratios, Group Size and Staff Qualifications and Training in Early Years and Childcare Settings. Part A: A Review of International Research on the Relationship Between Ratios, Staff Qualifications and Training, Group Size and the Quality of Provision in Early Years and Childcare Settings*. DfES: Nottingham.

qualifications, education and training as a third element of *Investors in Children*, building on (but going beyond) the requirements in the National Standards for the regulation of day care and childminding.

### Combining the three elements into an *Investors in Children* rating

- 19 We propose that *Investors in Children* would combine these three quality elements together by awarding points for each. Points would then be added to provide a quality rating. We propose that there should be three *Investors in Children* ratings: one star, two stars and three stars. The criteria for awarding points must be simple and understandable. Both parents and providers should be clear what different ratings say about quality. Annex 1 provides examples of how points for each of the three elements (accreditation, provider training and education, and compliance with statutory regulations) might be awarded, and combined into an iC quality rating.
- 20 Most QA schemes currently award accreditation for 3 years. OFSTED inspections, however, will be conducted annually. Changes in staff could also have a major impact on quality. We propose that the score for the results of OFSTED inspection and for staff qualification be re-assessed annually, and the iC rating be adjusted up or down as necessary.

## Proposed liC inclusion criteria

(PLEASE RESPOND TO QUESTION 5 IN SECTION 4)

- 21** To ensure quality assurance (QA) schemes included in the liC scheme are themselves of good quality, DfES propose setting criteria that they will have to meet should they choose to become liC approved schemes. The DfES would wish, wherever possible, to provide support to existing schemes wishing to amend written materials and procedures to meet the liC inclusion criteria.
- 22** To be eligible for inclusion in the liC star-rating scheme, QA schemes should encourage providers to operate systems that promote high quality childcare and early education. Research has identified several key characteristics of effective QA schemes<sup>5</sup>. The **content** of written materials, and the **procedures** involved in working towards the achievement of accredited status are both important. Effective QA schemes review the

content of their materials and their procedures regularly in the light of new evidence concerning best practice. Schemes wishing to be included in the liC scheme may also need to accredit providers at one of three levels to be consistent with proposals outlined in Annex 1 (Element 2: Accreditation).

### Content

QA schemes wishing to be part of the *Investors in Children* initiative should:

#### (1) Be based on research evidence

Over the past few years, research evidence has identified developmentally appropriate practices in early years settings e.g. the use of key worker systems and child-centred approaches. To promote confidence among providers and parents, standards

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<sup>5</sup> Evidence underpinning the proposed liC inclusion criteria comes from four sources:

- (1) Generic research into quality assurance.
- (2) DfEE funded research concerning the role of self-assessment and reflective practice in raising standards in early years provision: e.g. Munton, A.G., & Mooney, A (2001) *Integrating self-assessment into statutory inspection procedures: The impact on the quality of group day care provision*. DfEE: Nottingham
- (3) DfEE funded research into quality assurance and quality improvement

practices in early years settings in England: Munton, A.G., McCullum, B., & Rivers, K. (2001). *Childcare quality improvement and quality assurance practices*. DfEE: Nottingham

- (4) An independent evaluation of a widely used US accreditation scheme developed by the National Association for the Education of Young Children (NAEYC): Whitebook, M., Sakai, L. & Howes, C. (1997). *NAEYC Accreditation as a strategy for improving child care quality*. NCECWF: Washington, DC.



explicit in QA schemes should, wherever possible, be supported by some reference to research evidence.

### **(2) Build on the National Standards**

To maintain credibility with parents and providers, the standards explicit in QA schemes should be entirely consistent with, and build on the new National Standards. In particular, QA schemes should make explicit the value of providers working in partnership with parents.

### **(3) Include materials for peer observations of adult-child interactions and to support self reflective practice**

Supporting providers to undertake systematic observations of staff working with children is an essential element of assessing the quality of experiences for children. QA schemes should include materials that will help providers explore the quality of adult/child interactions in their setting, and encourage them to reflect on and evaluate their own practice.

### **(4) Address management practices**

Research evidence has established strong links between good quality care and good management and organisational practices in group

settings: effective management can help improve standards by facilitating access to training, encouraging professional development and reducing staff turnover. QA schemes should address explicitly management practices identified by research as influencing staff turnover rates, job satisfaction, and continuing professional development in the context of early years provision; where appropriate, they might draw on generic schemes such as *Investors in People*.

Schemes for the accreditation of childminders should address issues of training and professional development.

### **(5) Develop guidelines for accreditation readiness**

Unsuccessful attempts at becoming accredited waste time. QA schemes should develop guidelines describing the conditions for and barriers to successful accreditation to help providers engage in effective pre-accreditation activities and keep to a minimum the number failing to reach required standards.

**(6) Be consistent with the principles of equal opportunity and anti-discriminatory practice**

QA schemes should ensure that all elements of their materials recognise the value of diversity and are consistent with anti-discriminatory practices and the principles of equal opportunity. They should actively seek to promote equality of opportunity and embrace diversity among participants. QA schemes should have in place a transparent equal opportunities policy that is monitored on a regular basis. All relevant legislation, and any forthcoming race and employment directives must be considered when developing the policy and in any materials produced for use within the scheme.

**Procedures**

QA schemes wishing to be part of the *Investors in Children* initiative should:

**(7) Have consistent procedures for re-accreditation**

Accreditation usually lasts for a fixed period (typically three years). QA schemes should have clear procedures for re-accreditation. What happens over the fixed accreditation period, particularly

in terms of staff turnover, can have an impact on quality. QA schemes should require providers to submit details of their annual OFSTED reports, annual action plans, and details of changes in senior staff or ownership to the QA scheme manager. QA schemes should have in place clear procedures for checking annual submissions. They should specify courses of action in cases where major changes in provider circumstances have occurred.

**(8) Ensure providers have access to adequate mentoring and support**

Research has consistently highlighted the crucial role of mentoring and support for settings going through accreditation. QA schemes should have procedures in place to ensure providers have access to appropriate and adequate support, whether accessed through accrediting bodies themselves, Early Years Development and Childcare Partnerships (EYDCPs) or some other third party.

**(9) Include arrangements for external validation and appeals**

The credibility of quality assurance schemes as a mark of good quality provision will be enhanced through

the external validation or verification of accreditation, i.e. QA schemes should ensure that the individual(s) responsible for assessing whether a provider meets the required standard should not have been involved in any way in mentoring or supporting the same provider. QA schemes should also have in place effective systems for handling complaints, and a clear procedure for enabling providers to appeal against accreditation decisions.

#### **(10) Review paper-based assessment of accreditation criteria**

Providers consistently cite the amount of time taken to compile portfolios of evidence as a key problem with accreditation.

Generic schemes, most notably *Investors in People*, have recently adopted more outcome-based assessment procedures that have replaced the portfolio approach. QA schemes should be prepared to review their procedures with a view to introducing a more outcome-based approach.

## Administration of liC

(PLEASE RESPOND TO QUESTIONS 6 TO 9, IN SECTION 4)

- 23 Administration of liC is likely to involve several key functions:
- (a) **Decisions to include existing and new QA schemes within liC.** The decision making process will need to be rigorous if parents are to have confidence in liC. The process will involve processing and evaluating applications from QA schemes. A panel of experts in QA and quality in early years settings led by DfES or OFSTED could undertake these tasks. Currently a similar process is carried out by the DfES to accredit QA schemes catering for settings for children aged 8 and over, enabling unregistered settings to become eligible childcare for the purposes of the childcare element of the Working Families Tax Credit.
  - (b) **Award liC ratings.** This will involve gathering evidence that the provider has met the requirements of the three elements of an liC award, calculating the points gained and issuing a certificate to the provider. liC approved QA schemes could provide the liC award, perhaps as a dual brand with their own award. Alternatively it could be done by OFSTED and form part of the OFSTED inspection report.
  - (c) **Check that liC approved QA schemes promote quality effectively.** OFSTED could check by conducting extended inspections in a random sample of liC accredited settings.
- 24 To provide a practical tool for all parents, we propose that the coverage of liC should be as wide as possible. If practicable, it should not be limited to settings inspected under Part XA of the Children Act, but should include other types of provision such as maintained settings inspected by OFSTED, or nurseries in independent schools. Given the proposed structure of the scheme, it is unlikely that liC could be extended to include settings that provide places only for children aged eight and over, as they are not covered by the National Standards or inspected by OFSTED. However to date, very few settings offer places exclusively to children in this group.
- 25 It has also been suggested that additional symbols could be included as part of the liC award, relating to additional/specialist services provided. Symbols might include service elements such as the provision of wrap around care, overnight care, or early education provision.



# Questions

We welcome your views on these proposals. Please comment on a separate sheet if there are any changes you would like to suggest or additional comments you would like to make.

### Question 1:

Do you agree that the model for deciding the Investors in Children rating should be made up of the three elements set out in Section 1?

1. Results of OFSTED inspections;
2. Accreditation by an approved quality assurance (QA) scheme;
3. The qualifications, education and training of staff.

YES	NO
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COMMENTS

### Question 2:

Do you agree with the proposal that each of the three elements should be scored on a simple scale and the score added to give an iC quality rating?

YES	NO
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COMMENTS

### Question 3:

Should any of the three quality elements be weighted higher than the other elements?

YES	NO
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COMMENTS

**Question 4:**

Should the IiC accreditation period be one year?

YES	NO
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COMMENTS

**Question 5:**

Do you agree that the inclusion criteria set out below are the right ones to provide a good quality, consistent foundation for a range of Quality Assurance schemes to be included in the Investors in Children framework?

(1) Be based on research evidence

YES	NO
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(2) Build on the National Standards

YES	NO
-----	----

(3) Include materials for peer observations of adult-child interactions and to support self reflective practice

YES	NO
-----	----

(4) Address management and organisational practices

YES	NO
-----	----

(5) Develop guidelines for accreditation readiness

YES	NO
-----	----

(6) Be consistent with the principles of equal opportunity and anti-discriminatory practice

YES	NO
-----	----

(7) Have consistent procedures for re-accreditation

YES	NO
-----	----

(8) Ensure providers have access to adequate mentoring and support

YES	NO
-----	----

(9) Include arrangements for external validation and appeals

YES	NO
-----	----

(10) Review paper-based assessment of accreditation criteria

YES	NO
-----	----

COMMENTS

**Question 6:**

Do you agree that the function of approving QA schemes to be included in the liC initiative should be led by a panel of experts in QA and quality in early years settings led by DfES or OFSTED?

YES	NO
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COMMENTS

**Question 7:**

Which body should award the liC rating?

liC approved QA schemes

YES	NO
-----	----

OFSTED

YES	NO
-----	----

DfES

YES	NO
-----	----

Other

YES	NO
-----	----

COMMENTS



**Question 8:**

What types of provision should be eligible for an IiC award?

All those inspected under part XA of the Children Act 1989 as amended by the Care Standards Act 2000

YES	NO
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Maintained settings inspected by OFSTED

YES	NO
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Nursery settings within Independent Schools

YES	NO
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Settings for children aged eight and over quality assured under the Tax Credits Act 1999.

YES	NO
-----	----

COMMENTS

**Question 9:**

Do you agree that additional services should be indicated as part of the IiC award?

YES	NO
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Please comment on what you believe to be important additional services.

COMMENTS

## Respondent's Details

NAME

ADDRESS

EMAIL

ORGANISATION

Are you a:

Parent

Day Care Provider

QA scheme provider (Independent)

QA scheme Provider (EYDCP)

EYDCP (non QA scheme provider)

Other (Please specify)

.....

Please indicate if your response is the official response from your organisation

YES

NO

Please indicate if you wish your response to be treated as confidential.

YES

NO

Please return completed questionnaires  
by 6 June 2002 to:

Richard Masters  
Consultation Unit  
Area 1B  
Castle View House  
East Lane  
Runcorn  
Cheshire WA7 2GJ

This questionnaire can also be  
completed electronically through  
the DfES consultation website at  
**[www/dfes.gov.uk/consultations](http://www.dfes.gov.uk/consultations)**

DfES will collate and analyse the results of  
this exercise and a report will be produced  
and made available on request. DfES will  
use the results to inform the revision of the  
proposals for Investors in Children before  
implementation from Autumn 2002.

Unless otherwise requested, DfES will not  
acknowledge individual replies. Thank you  
for your participation in this consultation.

## Examples of how points for each of the three elements (accreditation, provider training and education, and compliance with statutory regulations) might be awarded and combined into an liC quality rating.

### Element 1: Results of OFSTED inspection

For example, points could be awarded according to whether OFSTED judge quality of care and learning as

- *satisfactory;*
- *good;*
- *very good.*

### Element 2: Accreditation by an approved quality assurance (QA) scheme

For example, points could be awarded according to whether the provision

- meets accreditation criteria but has to plan for further improvements;
- meets all accreditation criteria, and exceeds some;
- exceeds all accreditation criteria.

### Element 3: The qualifications, education and training of staff

For example, points could be awarded according to whether the provision

- meets qualification requirements of National Standards;

- exceeds qualification requirements of National Standards in certain defined ways, e.g. higher qualifications or experience for the person in charge, supervisor and other staff;
- further exceeds qualification requirements of National Standards.

### Combining the scores

Scores for the three elements would be added up and would determine the overall liC rating. Some elements could be given a higher weighting than others.

To be eligible for an liC rating, a setting would have to score minimum points in all three areas. So, for example, a setting would have to be judged at least satisfactory by OFSTED, be accredited through an approved QA scheme, and meet National Standards for staff qualifications.

By exceeding these standards, settings could score more points, and at certain thresholds they would achieve a higher liC quality rating.

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