
Members present: Ian Mearns (acting chair), Kim Johnson, Caroline Ansell, Miriam Cates, Andrew Lewer, Flick Drummond, Anna Firth

Witnesses:

Emma Gardner, Quality Manager, Early Years and Childcare, Spring by Action for Children

Gemma Rolstone, Director of Quality, Puffins Childcare, Devon

Kara Jewell, Childminder and Nursery Director, Sparkle Lodge Early Years, Portsmouth;

Professor Celia Greenway, Deputy Pro-vice Chancellor and Professor in Education (Early Years and Child Development Lead), University of Birmingham

Dr Julian Grenier CBE, Head Teacher, Sheringham Nursery School and Children's Centre, East London

Nursery costs and funding rates

Ian Mearns asked about the main challenges with nursery costs, and to what extent the current funding rate supports those costs.

Kara Jewell said funding rates in Portsmouth have gone up 55.35% in 20 years, whilst minimum wage has risen 131%. She said the low funding rates is one of their main issues, and that the more free childcare hours taken, the higher the cost for parents.

Gemma Rolstone said staffing costs are the biggest burden on childcare providers; for most settings, the staffing bill will rise to around 75% of total expenditure in April. This leaves very little resources for things like training, rent and energy bills.

Dr Julian Grenier said 10% of nursery schools in the maintained sector have closed in the last 10 years, largely due to inadequate pay. In the school sector, the hourly rate is not covered by the current funding settlement.

Kim Johnson asked how to redress these challenges.

Gemma Rolstone said we need significant funding for the sector; her staff can't afford to come back to work after maternity leave because they can't afford childcare, even with the staff discount.

Business rates

Ian Mearns asked how the application of business rates and VAT exempt status affect the running of nurseries.

Gemma Rolstone said business rates have always been contentious; the sector sees this as a possible fix which would be quick to implement, like it was during the pandemic. Business rates will be calculated differently from this April, her rates will go up by around 50% or 60%, and she didn't know how she will make that work. She was also unclear on why the formula was changing to being calculated using the registration number on the last **Ofsted** report, as **Ofsted** don't use this figure anymore, and its registration system is now a lot more flexible. She also noted base unit charges are different depending on postcode.

VAT has also always been an issue, sometimes her nurseries are held to minimums service standards in the same way as schools, are expected to do that on the same funding as schools, but also pay business rates and VAT.

Julian Grenier said it is strange that the early years sector, where maintained nursery schools are the smallest, and are in a way the most fragile schools in the system, pay rates.

Staffing

Flick Drummond asked about issues in recruitment and retention of staff.

Emma Gardner said this is a significant challenge which takes up a lot of time; the average across England is a 24% turnover. After being recruited, qualified workers often leave quickly because of a lack of status in the career path. Part of the issue is with the speed of recruitment needed can impact the quality of the induction period.

Celia Greenway said she sees nursery staff switching to retail industry often. She agreed status and salary are an issue, but added the emotional labour aspect of early years is often overlooked.

Kara Jewell said her staff are paid £9.60 – she would like to be able to pay them more to reflect the complexity of the work they do and she agreed they often go into retail because it's better paid. There are additional costs, statutory duties, Ofsted inspections and regulation. She questioned how to charge for the services they provide families, but this doesn't include things like mentoring and emotional support.

Flick Drummond asked what can be done.

Emma Gardner said it's important to have progression and a fair wage which reflects the work early years staff undergo. Workforce surveys have shown that early year's staff are stressed.

Celia Greenway emphasised the need for an early year's career framework with mentoring opportunities. She said early years stronger practice hubs are excellent ideas and should be available across the country.

Gemma Rolstone said we have to increase staffing levels to enable training and upskilling of the existing workforce. She said it's incredibly difficult to offer pastoral care within the working week because there isn't enough time. Furthermore, to meet legal requirements on ratios, she has to hire staff she wouldn't have considered 10 years ago, and this also has a huge impact on qualified staff who are in the minority.

Careers guidance

Kim Johnson asked what needs to happen to careers guidance to provide better information on what working in the sector is like.

Celia Greenway said careers guidance needs to be informed. Work experience for a week isn't sufficient, young people need to have longer in work settings. Roles in this sector shouldn't be seen as an easy option; she thought careers advice can be well meaning but 'caring about children' isn't sufficient, you also need to have an interest in child development.

Closures in the sector

Andrew Lewer spoke about Ofsted data, which showed the decline in the number of childcare providers. He asked what the main reasons for closure was.

Julian Grenier said childmind leads in their Stronger Practice Hub identify issues such as the enormous pressure on individuals in running a business, meeting children's needs in their own homes, and the isolating and lonely nature of the work. Additionally, it is now much harder to settle

children in and there's a lot more anxiety amongst parents. Finally, changes in working patterns means families are looking for more flexible options or can't afford the same level of care, which undermines the business model.

Horizon scanning

Andrew Lewer then asked for the picture going forwards.

Gemma Rolstone said the landscape is at risk of shifting; smaller providers offering niche services will close.

Emma Gardner said funded places and settings which take funded children will reduce dramatically because it will be unsustainable.

Celia Greenway said nursery schools in the maintained sector will continue to close.

Childminders

Miriam Cates asked about the difference between child minders and nurseries.

Kara Jewell said they're the same in that they're both inspected by **Ofsted**, through the early years framework. However, child minders may be able to offer more flexibility, but some families feel more comfortable with nurseries.

Miriam Cates asked what might encourage more people to register.

Kara Jewell said creating a network of childminders was vital but spoke about the importance of creating child minder networks and that some had voiced concerns about having **Ofsted** inspections in their homes. She said some child minders join agencies for this reason. She said the individuality of child minders should be supported, but she agreed they should be regulated.

Childcare ratios

Kim Johnson asked for thoughts about the Government's proposed changes to childcare ratios.

Gemma said her staff have said they would leave the sector if ratios increased because they are already stretched. She said it would become crowd-control and nothing more and noted that we know this is a crucial age for child development.

Kara Jewell said her staff have pointed out their pay would not increase for an increase in work.

Kim Johnson asked about the consultation on the proposals.

Celia Greenway said the sector disagreed with it, including Childcare England, Coram, the teaching unions and Child Poverty Action Group.

Upskilling

Kim Johnson mentioned the EPI and Sutton Trust calling for the introduction of the graduate and leader fund; she asked if this would be beneficial to the sector.

Celia Greenway said successive research studies recommend a highly qualified workforce, including recent **Ofsted** research looking at best practice. She thought degree apprenticeships could help upskill the workforce. She made clear not everyone needs to be a teacher.

Gemma Rolstone also supported degree apprenticeships but said funding is an issue because of the cap of the number of apprenticeships they can have. She said the 10-apprentice limit applies to all five of her nurseries rather than individually and noted they have never got levy funding through a direct application.

Julian Grenier said all of these issues were present 10 years ago; there are major differences in the salary and career development of qualified teachers compared to qualified early years staff. He said this is because of the parity of esteem between education and the early years sectors.

Anna Firth asked how staff with no qualifications fit into the rest of the workforce.

Emma Gardner said they recruit people with degrees but because there's no practical element they can't be included in a qualified workforce. To then train people up takes a fair bit of time which creates a barrier to entry. She endorsed the option of a fast-track route, saying this would encourage graduates.

Celia Greenway noted the sector doesn't have a BA which gives qualified teacher status. She noted the Nutbrown review suggested a series of mandatory online assessments which staff could work through at their own pace. She also said training should be built into the early years calendar, similarly to how teachers get teacher training days.

Ian Mearns asked if we should have a workforce development plan for the sector.

Julian Grenier noted we could look at the early career framework for teachers as an example that it's possible to achieve this in early years.

T levels

Anna Firth asked for experiences hosting T level placements and recruiting T level grades.

Gemma Rolstone said they still need to train graduates when they hire them; there has been no difference to students on placements than the ones they have had before. She finds apprenticeship's experience and knowledge exceeds students from the college route.

Julian Grenier said they decided to use the level 3 early years apprenticeship route rather than T levels because it's more vocational and specialises in the early years phase; the more generic T levels wouldn't deliver the same expertise in the 0-5 age range.

GCSE

Anna Firth asked if the Maths and English GCSE requirement for the sector was necessary.

Kara Jewell said Maths and English skills are needed for the workforce but suggested they don't need to be GCSE qualifications.

Julian Grenier he said practitioners do need to have those minimum GCSE qualifications for the future of the workforce.

Family support

Miriam Cates spoke about the family supported provided by the early years sector. She asked how the early years sector can support families at the beginning of a child's life.

Kara Jewell said support can start before the child is born to prepare them for raising children.

Julian Grenier said evidence shows having a coherent system with the health services, schools, early years sector and approach to housing working together to support families. He also found the national evaluation of sure start children centres that the two-generational approach, but we've seen in the last decade is a huge decrease in children's centres.

SEND

Kim Johnson said early years practitioners are well placed in early identification of children that need an Education Health and Care Plan (EHCP), and what the impact on providers are on delayed funding.

Emma Gardner said to get an EHCP in early years is incredibly difficult; they are finding thresholds for inclusion funding are going through the roof. Sometimes this means providers are having to limit the services they can offer children with SEND. Furthermore, the increased waiting times on services such as speech and language therapy, mean that there are a number of children sitting within early years settings and going through to schools without receiving more specialist support.

Gemma Rolstone said SEND is a huge issue; we know early intervention works best but SEND provision and funding is front loaded in primary and secondary school settings.

Kara Jewell agreed that children are being turned away from nurseries because they can't offer them proper care. She said the SEND system is broken.

Julian Grenier agreed; he said a lot of this is about child poverty which corrodes their development, and the system deals with the symptoms not the causes. He also agreed the NHS services are appallingly over stretched.